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**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS
COUNTY OF ESSEX**

RESOLUTION NO. _____ AUTHORITY FOR RESOLUTION: N.J.S.A. 40:41A-38(n)
PROPOSED BY: COUNTY COUNSEL AUTHORITY FOR ACTION: N.J.S.A. 40:41A-36(i)

SUBJECT: DEPARTMENT OF ADMINISTRATION AND FINANCE, OFFICE OF PURCHASING - LEASE AGREEMENT BETWEEN THE COUNTY OF ESSEX ("COUNTY") AND TERRA KENNEDY REALTY, LLC FOR EXECUTION, PERMITTING THE COUNTY TO LEASE SPACE AT 155 PROSPECT AVENUE, WEST ORANGE, NJ – TWENTY-FOUR (24) MONTH AGREEMENT - AMOUNT NOT TO EXCEED \$279,675.00

WHEREAS, The County of Essex has a need to provide office space for the Department of Parks due to the upcoming renovations at 115 Clifton Ave, Newark NJ; and

WHEREAS, The Department of Parks desires to lease the property located at 155 Prospect Avenue, West Orange, NJ pursuant to a new lease ("County's Lease"). Specifically, the County desires to lease approximately 6350 square feet at the property located at 155 Prospect Avenue, West Orange; and

WHEREAS, the lease is for a period of twenty-four (24) months, beginning April 1, 2023 and ending on March 31, 2025; and

WHEREAS, because the lease sets forth yearly rent, at a rate set forth in in the Lease attached hereto and made part hereof, the total aggregate rent not to exceed \$279,675.00 payable in monthly installments; and

WHEREAS, the Chief Financial Officer has certified the availability of funds to pay such lease through December 31, 2023 with contract balances contingent upon future appropriations (which certification is attached hereto); and

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of the County of Essex that it hereby authorizes the Lease Agreement by which the Essex County Sheriff's Office will lease approximately 6,350 square feet of office space located at 155 Prospect Avenue, West Orange, NJ pursuant to the terms and conditions set forth in the attached proposed document, which is adopted by reference: and

BE IT FURTHER RESOLVED that the County Executive and the Clerk to the Board be authorized to execute this Lease Agreement on behalf of the County of Essex; and

BE IT FURTHER RESOLVED that the Clerk shall forward two (2) copies of this Resolution and four (4) originals of each Lease Agreement to Courtney M. Gaccione, Essex County Counsel.

Approved as to form and legality _____ Date _____


ESSEX COUNTY COUNSEL

RECORD OF VOTE (X=Vote N.V.=Abstention ABS=Absent)

Moved by Commissioner _____
Second by Commissioner _____

Commissioner	Yes	No	N.V.	ABS	Commissioner	Yes	No	N.V.	ABS
Cooper					Mercado				
Gill					Pomares, V.P.				
Graham					Richardson, Pres.				
Johnson					Sebold				
Luciano									

It is hereby certified that the foregoing Resolution was () adopted () defeated () tabled by roll call vote at a _____ meeting of the Board of County Commissioners of the County of Essex, New Jersey held on _____.

Is Publication Required () Yes () No

Date Published _____

Wayne L. Richardson, President

Lease – 155 Prospect Ave, West Orange
3/3/2023



COUNTY OF ESSEX

DECISION MEMORANDUM

COUNTY EXECUTIVE

BOARD AGENDA ITEM

COUNTY ADMINISTRATOR

TO: Honorable Robert Jackson
County Administrator

Administration and Finance

DEPARTMENT:

Office of Purchasing

FROM: Julius N. Coltre, MPA, QPA
Director of Purchasing

DIVISION:

DATE: March 3, 2023

INTRODUCTION AND OVERVIEW:

TITLE: Lease Agreement for the Essex County Department of Parks at 155 Prospect Avenue, West Orange, NJ.

REQUESTING AGENCY: Office of Purchasing

CONTRACT PERIOD: Twenty-four (24) months starting April 1, 2023, thru March 31, 2025

INTRODUCTION:

The Office of Purchasing is requesting to enter into a twenty-four (24) month lease agreement with Terra Kennedy Realty, LLC. To provide temporary office space located on the first and second floor of 155 Prospect Avenue, West Orange, NJ to the Essex County Department of Parks. The cost shall be \$20.00 per sq. ft. (6,350) for the first year with a 2.5% increase for each year thereafter. The County of Essex will also pay electric charges equal to \$1.75 per sq. ft. (6350) for the first year and 2.5 % increase thereafter.

RECOMMENDATION:

It is recommended that this agreement be reviewed and approved by the Essex County Board of County Commissioners to grant the Essex County Department of Parks the permission to lease the office space located at 155 Prospect Avenue, West Orange, NJ due to the upcoming renovations located at 115 Clifton Avenue, Newark, NJ.

REASON FOR RECOMMENDATION:

The Office of Purchasing is requesting this lease agreement for the Department of Parks to temporary lease office space during the renovations of 115 Clifton Avenue, Newark, NJ.

FISCAL IMPACT:

Funding source account # 01-201-20-100-110-106. This agreement shall be for a twenty-four (24) month period and shall not exceed \$ 279,675,00

JNC: vs



OFFICE OF ACCOUNTS AND CONTROL
HALL OF RECORDS, ROOM 542
NEWARK, NEW JERSEY 07102

CERTIFICATION OF FUNDS

Vendor Name Terra Kennedy Realty LLC.
Account Name Purchasing General Services OE/Rent amd Taxes
Account # 01-201-20-100-110-106
Contract Period (If Applicable) 04/01/2023 03/31/2025
Purpose of Contract To provide temporary office space located on the first and second floor of 155 prospect Avenue, West Orange NJ to the Essex County Department of Parks.

279,675.00 Contract Amount

Funding

	Temporary Budget Amount
	Current Fund Budget Amount
103,584.38	Contingent Current Year Amount
	Grant Funding
	Capital Funding
	Trust Funding
176,090.62	Contingent Subsequent Years

I, do hereby certify that the funding is legally appropriated per the above information for the purpose specified in the attached contract. Furthermore, it has been represented to me that the contracts have been processed in accordance with the applicable provisions of the Optional County Charter Law, the Essex County Administrative Code and the Essex County Standard Operating Policies and Procedures.

KD Date: 3/7/2023
Cert: 710


Ehab Salama
Chief Financial Officer

SHORT FORM LEASE

Between

TERRA KENNEDY REALTY LLC

as Landlord,

and

Essex County

as Tenant

Building:

**155 Prospect Avenue
West Orange, New Jersey**

Initialed: Landlord AK Tenant _____

THIS LEASE is made on the 21st day of February 2023 between TERRA KENNEDY REALTY LLC, a New Jersey limited liability company, whose address is 339 Hicksville Road, Unit 1120, Bethpage, New York 11714 (who is referred to in this Lease as "Landlord") and ESSEX COUNTY (who is referred to in this Lease as "Tenant"). This Lease consists of the following Basic Lease Provisions and Definitions and the attached General Conditions and Exhibits. The Basic Lease Provisions and Definitions are referred to in this Lease as the "Basic Lease Provisions."

BASIC LEASE PROVISIONS

1. **BUILDING** means 155 Prospect Ave. West Orange, New Jersey.
2. **CALENDAR YEAR** means the calendar year 2023.
3. **RENT COMMENCEMENT DATE**: April 1, 2023.
4. **DEMISED PREMISES OR PREMISES** means and are agreed and deemed to be approximately 6,350 rentable square feet as shown on Exhibit A to this Lease, which includes a 20% allocable share of the Common Facilities. Tenant has agreed to take possession of the premises in its as is, where is condition.

5. **EXPIRATION DATE** means 11:59 p.m. on the last day of the month in which the day before the two (2) year anniversary of the Rent Commencement Date occurs.

6. **FIXED BASIC RENT** means the following:

TWENTY DOLLARS (\$20) PER RENTABLE SQUARE FOOT. RENT SHALL INCREASE BY TWO AND ONE-HALF PERCENT (2.5%) ANNUALLY ON THE ANNIVERSARY OF THE RENT COMMENCEMENT DATE EACH YEAR DURING THE INITIAL TERM OF THE LEASE AND EVERY YEAR THEREAFTER. YEAR ONE RENT SHALL BE TEN THOUSAND FIVE HUNDRED, EIGHTY-THREE DOLLARS AND THIRTY-FOUR CENTS PER MONTH (\$10,583.34).

8. **HVAC AFTER HOURS CHARGE** is \$55.00 per hour per zone for heat and \$75.00 per hour per zone for air conditioning, subject to Section 17 (b) of the Lease. The HVAC After Hours Charge is subject to increase from time to time to reflect the actual increase in the cost of providing such after-hours HVAC service.

9. **NOTICE ADDRESSES** shall mean the following: If

to Tenant:

Robert Jackson, County Administrator
Julius Coltre, Deputy County Administrator
Essex County
465 MLK Blvd.
Room 335, Office of Purchasing
Newark, New Jersey 07102

If to Landlord:

Terra Kennedy Realty LLC
339 Hicksville Road
Unit 1120
Bethpage, New York 11714
Attention: Amrik Chawla

10. **PARKING SPACES**

Tenant shall have only three designated parking spots
Tenant shall have nonexclusive rights to the uncovered parking.
Tenant shall have right to place three storage containers on the property, in a location that will be mutually agreed to with the Landlord, either in the parking lot or elsewhere.

11. **SECURITY DEPOSIT: N/A**

12. **TENANT'S and LANDLORD'S BROKER:**

Neither Tenant nor Landlord have a broker involved in this lease.

13. **ADDITIONAL RENT:** Means the following:

ONE DOLLAR AND SEVENTY-FIVE CENTS (\$1.75) PER RENTABLE SQUARE FOOT FOR ELECTRICITY CHARGES. RENT SHALL BE ELEVEN-HUNDRED, NINETY DOLLARS AND SIXTY-THREE CENTS PER MONTH (\$926.05).

Shall include Tenant's proportionate (20%) share of any increase in Taxes over the Base Year. Such payments shall be made on an annual basis pursuant to notice provided by Landlord.

14. **OPTION TO RENEW** EIGHT-YEAR (8-year) option at 2.5% increase over the last year of lease and annual increase of 2.5% during each year of each renewal period so long as the existing building continues in use as a commercial office building.

15. **PERMITTED USE** Professional Offices/ Government Offices

16. **ASSIGNMENT AND SUBLET** Tenant shall have the right to assign or sublet to a subsidiary or affiliate with Landlord's consent. which shall not be unreasonably withheld

17. **HOLDING OVER** Holdover Rent shall be two times Base and Additional Rent.

18. **SIGNAGE** Landlord shall at its sole cost and expense supply Tenant signage at the suite entry door and the building's main lobby.

19. **CLEANING** Landlord shall clean all common areas and empty trash at Tenant's Premises.

20. **GUARANTY: N/A**

--END--

DEFINITIONS

1. **ADDITIONAL RENT** means all money, other than the Fixed Basic Rent, payable by Tenant to Landlord under the Lease.
2. **BUILDING HOLIDAYS** means the holidays shown on Exhibit D and all days observed as holidays by the United States or the State of New Jersey.
3. **BUILDING HOURS** means Monday through Friday, 8 a.m. to 5 p.m. except Building Holidays, provided however that Tenant will have access to the Premises 24 hours a day, 7 days a week.
4. **COMMON FACILITIES** means and includes the lobby; elevator(s); fire stairs; public hallways; public lavatories; all other general Building components, facilities and fixtures that service or are available to more than one tenant; air conditioning mechanical rooms; fan rooms; janitors' closets; electrical and telephone closets serving more than one tenant; elevator shafts and machine rooms; flues; stacks; pipe shafts and vertical ducts with their enclosing walls; and structural components of the Building.

Whenever the word "includes" or "including" is used in this Lease, it means "includes but is not limited to" and "including but not limited to," respectively.

5. **EXHIBITS** are the following:

Exhibit A	Location of Premises
Exhibit B	Rules and Regulations
Exhibit C	Cleaning Services
Exhibit D	Building Holidays
Exhibit E	Electricity Rider

The Exhibits are attached at the back of this Lease and are a part of this Lease.

6. **LEGAL REQUIREMENTS** means all present and future laws and ordinances of federal, state, municipal and county governments, and rules, regulations, orders and directives of departments, subdivisions, bureaus, agencies or offices of such governments, or any other governmental, public or quasi-public authorities having jurisdiction over the Building, and the directions of any public officer pursuant to law.
7. **PRIME** means the so-called annual prime rate of interest published in The Wall Street Journal (or its successor), from time to time, but in no event greater than the highest lawful rate in effect at such time.
8. **PERMITTED USE** means professional office use consistent with a first-class office building and for no other purpose.
9. **REAL PROPERTY** means the Building, the land upon which the Building stands, together with adjoining parking areas, sidewalks, driveways, landscaping and land.
10. **STATE** means the State of New Jersey.
11. **TERM** means the period of time beginning Rent on the Commencement Date and ending on the Expiration Date.

--END--

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General Conditions

1. LEASE:

Landlord has leased the Premises to Tenant for the Term.

2. FIXED BASIC RENT AND ADDITIONAL RENT:

Tenant will pay Landlord the Fixed Basic Rent and Additional Rent. The Fixed Basic Rent and Additional Rent payable for the entire Term will be the aggregate of the Annual Rates set forth in the Basic Lease Provisions and will be payable, in advance, on the first day of each calendar month during the Term at the Monthly Installments set forth in the Basic Lease Provisions, except that a proportionately lesser amount will be paid for the first month of the Term if the Term commences on a day other than the first day of the month. Tenant will pay the first (1st) full monthly installment of Fixed Basic Rent and Additional Rent on the Rent Commencement Date. Tenant will pay Fixed Basic Rent, and any Additional Rent, to Landlord at Landlord's address set forth in the first paragraph of this Lease, or at such other place as Landlord may designate in writing, without demand and without counterclaim, deduction or set off of any kind whatsoever.

The Tenant shall also pay to the Landlord as Additional Rent, Tenant's Proportionate (20%) Share of all Property Taxes in excess of the Base Year, as defined below.

(a) The term "Property Taxes" as used in this Lease shall mean all real property which are levied, assessed or imposed by local governmental with respect to the Building or the land on which the Building is situated. In the event that it is not lawful for Tenant to reimburse Landlord for Tenant's Participation of any Property Tax, the Rent payable to Landlord under this Lease shall be revised to yield to Landlord the same net Rent from the Premises after imposition of any such prohibition. Tenant shall not be required to pay any state or federal income or franchise taxes of Landlord, or any succession, inheritance or transfer taxes of Landlord. Net recoveries through protest, appeals or other actions taken by Landlord in its discretion, after deduction of all costs and expenses, including attorneys and other fees, shall be deducted from Property Taxes in the year of receipt.

(b) The Tenant's Proportionate Share shall be twenty (20%) percent. The Base Year shall be 2023.

(c) Additional Rent for Property Taxes shall be payable by Tenant on an annual basis to Landlord within 30 days of the date that Landlord advises Tenant of the amount owed.

(d) Notwithstanding anything to the contrary contained herein, should the Property Taxes be reduced below the amount due in the Base Year, or should the Property Taxes paid in connection with any year be reduced by or through protest, appeals by the Landlord or other actions, Tenant shall be entitled to a refund equal to its Proportionate Share of any reduction of Property Tax below the Base Year or the amount of Additional Rent overpaid in a prior or current year as a result of a Tax Appeal (the "Property Tax Refund"). In the event that a Property Tax Refund results from a Tax Appeal, then in calculating the amount of the Property Tax Refund the Landlord shall deduct Tenant's Proportionate Share of all costs and expenses, including attorneys and other fees, incurred in connection with such Tax Appeal.

3. USE AND OCCUPANCY:

Tenant will use the Premises solely for the Permitted Use.

Neither Tenant, nor anyone acting by or through Tenant, will generate, handle, dispose, store or discharge any hazardous substances or wastes as defined by Legal Requirements in, on or around the Premises, the Building or the Real Property in violation of any Legal Requirements (such actions collectively referred to as "Prohibited Actions"). Tenant will defend, indemnify and hold Landlord harmless against any and all loss, cost, damage, liability or expense (including attorneys' fees and disbursements) which Landlord may sustain as a result of any Prohibited Actions. Nothing contained herein shall be deemed to prevent Tenant from using ordinary office and cleaning supplies in reasonable quantities in the Premises.

4. CARE AND REPAIR OF PREMISES:

Tenant will not commit any act that damages the Premises or Building and will take good care of the Premises, and will comply with all Legal Requirements affecting the Premises or the Tenant's use and/or occupancy of the Premises. Landlord will, at Landlord's expense, make all necessary repairs to the Premises. Landlord will make all necessary repairs to the Common Facilities. The cost of repairs to the Common Facilities will be included in Operating Costs, except where the repair has been made necessary by misuse or neglect by Tenant or Tenant's agents, employees, contractors, invitees, visitors or licensees (collectively, "Tenant's Agents"), in which event Landlord will nevertheless make the repair but Tenant will pay to Landlord, as Additional Rent, upon demand, the cost incurred by Landlord to complete such repairs. All improvements made by Tenant prior to or after the commencement of the Term which are attached to the Premises will, at Landlord's option, become the property of Landlord upon the expiration or sooner termination of this Lease. Not later than the last day of the Term, Tenant will, at Tenant's expense, remove from the Building all of Tenant's personal property and those improvements made by Tenant which Landlord has not elected by notice to Tenant to retain as Landlord's property, as well as all trade fixtures (other than built-in cabinet work), moveable partitions, telephone, computer, data and antenna wiring, cabling and related conduit and the like. Tenant will repair all injury done by or in connection with the installation or removal of said property, improvements, wiring and the like; cap or terminate all telephone, computer and data connections at service entry panels in accordance with Legal Requirements; and surrender the Premises in as good condition as they were at the beginning of the Term, except for reasonable wear and damage by casualty or other cause not due to the misuse or neglect by Tenant and/or Tenant's Agents. All property of Tenant remaining on the Premises after the last day of the Term will be conclusively deemed abandoned and may be removed and discarded or stored at Tenant's risk by Landlord, and Tenant will pay Landlord for the cost of such removal, discarding and/or storage. Notwithstanding anything contained herein to the contrary, Tenant shall remove all installations that are "non-standard office improvements". For purposes hereof, "non-standard office improvements" shall mean raised flooring, interior staircases, vaults, elevators, modifications to the Building's utility and mechanical systems and unusual configuration for first class office space. Tenant shall repair any damage to the Premises resulting from such removal. Notwithstanding anything contained herein to the contrary, Tenant shall have no obligation to remove any portion of the Work, as defined in Exhibit C attached hereto and

made part hereof, at the expiration or sooner termination of this Lease.

5. ALTERATIONS, ADDITIONS OR IMPROVEMENTS:

Tenant will not, without first obtaining the written consent of Landlord, make any alterations, additions or improvements (collectively, "alterations") in, to or about the Premises. Unless the alterations affect the Common Facilities or Building Systems or would otherwise require a building permit, Landlord will not unreasonably withhold, condition or delay its consent. Building Systems include the life safety (i.e. sprinkler systems, alarm systems, strobe lighting and emergency lighting), plumbing, electrical, heating, ventilation and air conditioning systems in the Building. Tenant may, upon prior notice to Landlord, perform minor cosmetic improvements, such as painting and wallpapering, without the prior consent of Landlord.

If Tenant shall request the consent or approval of Landlord to the making of any alterations or to any other thing, and Landlord shall be required to pay a separate fee for the opinion of Landlord's counsel, architect, engineer or other representative or agent as to the form or substance thereof, Tenant shall pay Landlord, as Additional Rent, within 30 days after demand, all reasonable out-of-pocket costs and expenses of Landlord incurred in connection therewith, including, in case of any alterations, costs and expenses of Landlord in reviewing plans and specifications. Notwithstanding the foregoing, Landlord shall not incur any such separate fee without the prior consent of Tenant provided, however, that in the event that Tenant shall refuse to provide its consent with respect to any such separate fee, Landlord shall be entitled to withhold its consent to the requested alteration without further liability to Tenant under this Lease.

Tenant agrees to take the premises detailed in Exhibit A in an as is, where is condition with no Landlord responsibilities for completing any alterations or changes prior to the Rent Commencement Date.

Landlord and Tenant have agreed to the following alteration considerations:

- Landlord has agreed that the Tenant shall place three storage units on the property, in an area to be mutually agreed to on the property, potentially in the parking lot. Should the storage units be placed on the property and require the removal of trees or any alterations to the landscaping, parking lot or driveways, the Tenant agrees to return the property to its original state prior to the termination of the lease period.
- Landlord agrees to remove two (2) sinks from Suite 104 in the "1st Floor Area outlined in red – Suites 100 and 104" as described in Exhibit A. Tenant will repair the sheetrock from the locations where the sinks are removed.
- Tenant agrees not to make any alterations to Suite 204, which is the area described as "2nd Floor Area outlined in red – Suite 204" in Exhibit A. Tenant acknowledges that this suite was recently renovated with high-end finishings. Should the Tenant need to make any alterations to this space, Tenant agrees to get prior permission from the landlord and Tenant agrees to return Suite 204 back to its original condition prior to the lease expiration date.

6. ASSIGNMENT AND SUBLEASE:

Tenant will not mortgage, pledge, assign or otherwise transfer this Lease or sublet all or any portion of the Premises in any manner except as specifically provided for in this Article 6:

a) Tenant may assign this Lease or sublet the whole or any portion of the Premises to a subsidiary or affiliate of Tenant, subject to Landlord's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed, subject to the following terms and conditions and provided the proposed occupancy is in keeping with that of a first-class office building:

i) Tenant will provide to Landlord the name, address, nature of the business and evidence of the financial condition of the proposed assignee or sublessee;

ii) The assignee will assume, by written instrument, all of the obligations of the Tenant under this Lease, and a copy of such assumption agreement will be furnished to Landlord within ten (10) days of its execution;

iii) Each sublease will provide that sublessee's rights will be no greater than those of Tenant, and that the sublease is subject and subordinate to this Lease and to the matters to which this Lease is or will be subordinate, and that in the event of default by Tenant under this Lease, Landlord may, at its option, have such sublessee attorn to Landlord provided, however, in such case Landlord will not (i) be liable for any previous act or omission of Tenant under such sublease or, (ii) be subject to any offset not expressly provided for in this Lease or by any previous prepayment of more than one month's rent;

iv) The liability of Tenant and each assignee will be joint, several and primary for the observance of all the provisions, obligations and undertakings of this Lease, including the payment of Fixed Basic Rent and Additional Rent through the entire Term, as the same may be renewed, extended or otherwise modified;

v) Tenant will promptly pay to Landlord fifty percent (50%) of any consideration received for any assignment or fifty percent (50%) of the rent (fixed basic rent and additional rent) and any other consideration payable by the subtenant to Tenant under or in connection with a sublease, as and when received, in excess of the Fixed Basic Rent required to be paid by Tenant for the area sublet, after deducting therefrom all usual and customary out-of-pocket costs incurred by Tenant in connection with any such subletting or assignment;

vi) The acceptance by Landlord of any rent from the assignee or from any subtenant or the failure of Landlord to insist upon strict performance of any of the terms, conditions and covenants of this Lease will release neither Tenant, nor any assignee assuming this Lease, from the Tenant's obligations set forth in this Lease;

vii) The proposed assignee or subtenant is not then an occupant of any part of the Building;

viii) The proposed assignee or subtenant is not an entity or a person or an affiliate of an entity or person with whom Landlord is or has been, within the preceding twelve (12) month period, negotiating to lease space in the Building;

ix) There will not be more than one (1) subtenant in the Premises;

x) The proposed assignee or subtenant must have a credit rating equal to or better than the Tenant;

xi) The proposed assignee will be required to provide personal guarantees and a security deposit equal to two months of the prevailing rent at the time of subletting;

- xii) Tenant will not advertise the subtenancy for less than Landlord's then current market rent for the Premises, provided, however, that nothing contained herein shall be deemed to prohibit Tenant from actually subletting the Premises for less than Landlord's then current market rent
- xiii) The proposed assignee or subtenant will use the Premises for the Permitted Use only.

b) If Tenant is a corporation (other than a corporation whose stock is listed and traded on a nationally recognized stock exchange), the transfer (however accomplished, whether in a single transaction or in a series of related or unrelated transactions) of a majority of the issued and outstanding stock (or any other mechanism such as, by way of example, the issuance of additional stock, a stock voting agreement or change in class(es) of stock which results in a change of control of Tenant), and if Tenant is a partnership, joint venture or limited liability company (collectively "Entity"), the transfer (by one or more transfers) of an interest in the distributions of profits and losses of such Entity (or other mechanism, such as, by way of example, the creation of additional partnership or limited liability company interests) which results in a change of control of such Entity will be deemed an assignment of this Lease, subject to provisions of this Article.

Notwithstanding anything contained in this Lease to the contrary, Tenant may assign this Lease or sublet all or any portion of the Premises to (i) any corporation or other Entity directly or indirectly controlling or controlled by Tenant or under common control with Tenant, or (ii) any successor by merger, consolidation, corporate reorganization or acquisition of all or substantially all of the assets of Tenant (any transaction referred to in clauses (i) or (ii) hereof will be a "Permitted Transfer") provided that the net worth of any transferee of a Permitted Transfer will not be less than the greater of (A) the net worth of Tenant immediately preceding the Permitted Transfer or (B) the net worth of Tenant as of the date of the execution and delivery of this Lease by both parties. Any other assignment or subleasing of Tenant's interest under this Lease will be subject to Landlord's approval, which approval will not be unreasonably withheld, conditioned or delayed.

c) Except as specifically set forth above, if any portion of the Premises or of Tenant's interest in this Lease is acquired by any other person or entity, whether by assignment, mortgage, sublease, transfer, operation of law or act of the Tenant, or if Tenant pledges its interest in this Lease or in any security deposit required hereunder, Tenant will be in default.

7. COMPLIANCE WITH RULES AND REGULATIONS:

Tenant will observe and comply with the rules and regulations set forth in Exhibit B and with such further reasonable rules and regulations as Landlord may prescribe from time to time provided Tenant has been given not less than ten (10) business day's prior written notice of such new or modified rules and regulations.

8. DAMAGES TO BUILDING:

If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed twenty-five (25%) percent of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage; or if restoration will take more than 180 days from the date of the casualty to complete, as reasonably estimated by Landlord; or such damage occurs during the last 12 months of the Term; or if the loss is not covered by the insurance required to be maintained by Landlord under this Lease, or if any holder of any underlying lease or holder of any first mortgage or first trust deed shall not permit the application of adequate insurance proceeds for repair or restoration; then in any such event, Landlord may, no later than the sixtieth (60th) day following the damage, give Tenant a notice electing to terminate this Lease. If restoration of the damage to the Premises will require more than one hundred eighty (180) days to complete or if such damage is not fully repaired and reasonable access to the Premises restored within one hundred eighty (180) days from the date of damage, then, in any such event, Tenant may, no later than the sixtieth (60th) day following the date of damage or following the end of said one hundred eighty (180) day period, give Landlord a written notice terminating this Lease. In either such event, this Lease will terminate on the thirtieth (30th) day after the giving of such notice, and Tenant will surrender possession of the Premises on or before such date. If this Lease is not terminated pursuant to this Article, Landlord will restore the Building and the Premises with reasonable promptness, subject to Force Majeure, as defined in Article 30 c) below, and subject to the availability and adequacy of the insurance proceeds. Landlord shall not be obligated to restore fixtures and improvements owned by Tenant.

In any case in which use of the Premises is affected by any damage to the Building, there will be either an abatement or an equitable reduction in Fixed Basic Rent and Additional Rent, depending on the period for which and the extent to which the Premises are not reasonably usable for general office use. The words "restoration" and "restore" as used in this Article will include repairs.

9. EMINENT DOMAIN:

If Tenant's use of the Premises is materially affected due to the taking by eminent domain of (a) the Premises or any part thereof; or (b) any other part of the Building; then, in either event, this Lease will terminate on the date when title vests pursuant to such taking. The Fixed Basic Rent, and any Additional Rent, will be apportioned as of such termination date and any Fixed Basic Rent or Additional Rent paid for any period beyond said date, will be repaid to Tenant. Tenant will not be entitled to any part of the award for such taking or any payment in lieu thereof, but Tenant may file a separate claim for any taking of fixtures and improvements owned by Tenant which have not become the Landlord's property, and for moving expenses, provided the same will, in no way, affect or diminish Landlord's award. In the event of a partial taking which does not effect a termination of this Lease but does deprive Tenant of the use of a portion of the Premises, there will be either an abatement or an equitable reduction in Fixed Basic Rent and Additional Rent, depending on the period for which and the extent to which the Premises are not reasonably usable for general office use.

10. LANDLORD REMEDIES ON DEFAULT:

If Tenant defaults in the payment of Fixed Basic Rent or any Additional Rent or in the performance of any of the other covenants and conditions of this Lease or permits the Premises to become deserted, abandoned or vacated, and Tenant shall fail to pay any installment of Fixed Basic Rent or Additional Rent in a timely manner, Landlord may give Tenant notice of such default, and if Tenant does not cure any Fixed Basic Rent or Additional Rent default within five (5) days or other non-monetary default within thirty (30) days after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within such period, if Tenant does not commence such curing within such thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Landlord may terminate this Lease or Tenant's right to possession upon not less than a ten (10) day notice to Tenant, and on the date specified in such notice Tenant's right to possession of the Premises will cease, but Tenant will remain liable as provided below in this Lease. If this Lease or Tenant's right to possession will have been so terminated by Landlord, Landlord may at any time thereafter recover possession of the Premises by any lawful means

and remove Tenant or other occupants and their effects. Landlord may, at Tenant's expense, relet all or any part of the Premises and may make such alterations, decorations or other changes to the Premises as Landlord considers appropriate in connection with such reletting, without relieving Tenant of any liability under this Lease. Tenant shall pay to Landlord, on demand, such expenses as Landlord may incur, including, without limitation, court costs and reasonable attorney's fees and disbursements, in enforcing the performance of any obligation of Tenant under this Lease. Efforts by Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy provided herein or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity.

Tenant hereby waives all right of redemption to which Tenant or any person under Tenant might be entitled by any Legal Requirement. Tenant hereby further waives any and all rights to invoke N.J.S.A. 2A:18-60.

11. DEFICIENCY:

In any case where Tenant has defaulted and Landlord has recovered possession of the Premises or terminated this Lease or Tenant's right to possession, Tenant's obligation to pay Landlord all the Fixed Basic Rent and Additional Rent up to and including the Expiration Date will not be discharged or otherwise affected. Landlord will have all rights and remedies available to Landlord at law and in equity by reason of Tenant's default and may periodically sue to collect the accrued obligations of the Tenant together with interest at Prime plus four percent per annum from the date owed to the date paid, but in no event greater than the maximum rate of interest permitted by law.

Alternatively, in any case where Landlord has recovered possession of the Premises by reason of Tenant's default, Landlord may at Landlord's option, and at any time thereafter, and without notice or other action by Landlord, and without prejudice to any other rights or remedies it might have hereunder or at law or equity, become entitled to recover from Tenant, as damages for such breach, in addition to such other sums herein agreed to be paid by Tenant, to the date of re-entry, expiration and/or dispossession, an amount equal to the difference between the Fixed Basic Rent and Additional Rent reserved in this Lease from the date of such default to the Expiration Date of the Term and the then fair and reasonable rental value of the Premises for the same period (after deducting all costs and expenses that would reasonably be expected to be incurred by Landlord in reletting or attempting to relet the Premises, including, without limitation, reasonable legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant). Said damages shall become due and payable to Landlord immediately upon such breach of this Lease and without regard to whether this Lease be terminated or not, and if this Lease be terminated, without regard to the manner in which it is terminated. In the computation of such damages, the difference between an installment of Fixed Basic Rent and Additional Rent thereafter becoming due and the fair and reasonable rental value of the Premises for the period for which such installment was payable shall be discounted to the date of such default at the rate of not more than six percent (6%) per annum or Prime, whichever is less.

12. SUBORDINATION:

This Lease will, at the option of any holder of any underlying lease or holder of any first mortgage or first trust deed, be subject and subordinate to any such underlying lease and to any first mortgage or first trust deed which may now or hereafter affect the Real Property, and also to all renewals, modifications, consolidations and replacements of such underlying leases and first mortgage or first trust deed, provided, that Landlord shall use commercially reasonable efforts to obtain a non-disturbance agreement from the holder of any such underlying lease, mortgage or trust deed on such party's standard form of non-disturbance. If Landlord will incur an expense in obtaining such form of non-disturbance, Landlord, before incurring such expense, shall first notify Tenant of such expense in writing and, if Tenant decides to proceed, then any expenses charged by the mortgagee in connection with the obtaining of the aforesaid agreement shall be paid by Tenant, and if Tenant elects not to proceed, Landlord shall have no obligation to obtain said non-disturbance agreement on Tenant's behalf. Although no instrument or act on the part of Tenant will be necessary to effectuate such subordination, Tenant will, nevertheless, within ten (10) days after written request by Landlord, execute and deliver such further instruments confirming such subordination of this Lease as may be desired by the holders of such first mortgage or first trust deed or by any of the lessors under such underlying leases. If Tenant fails to execute and deliver such subordination agreement, Landlord shall be authorized to execute such document as attorney-in-fact on behalf of Tenant. If any underlying lease to which this Lease is subject terminates, Tenant will, on timely request, recognize and acknowledge the owner of the Real Property as Tenant's landlord under this Lease. In the event of (a) a transfer of Landlord's interest in the Demised Premises or (b) the purchase of the Demised Premises or Landlord's interest therein in a foreclosure sale or by deed in lieu of foreclosure under any mortgage or pursuant to a power of sale contained in any mortgage, then in any of such events Tenant shall, at the request of such transferee or purchaser of Landlord's interest, attorn to and recognize the transferee or purchaser of Landlord's interest or underlying lease, as the case may be, as "Landlord" under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct Lease between such person, as "Landlord", and Tenant, as "Tenant."

13. SECURITY DEPOSIT:

Tenant shall not be required to pay a security deposit.

14. RIGHT TO CURE TENANT'S BREACH:

If Tenant breaches any covenant or condition of this Lease, Landlord may, on prior notice to Tenant (except that no notice need be given in case of emergency), cure such breach at the expense of Tenant, and the reasonable amount of all expenses, including attorney's fees, incurred by Landlord in so doing (whether paid by Landlord or not) will be deemed payable on demand as Additional Rent. Tenant shall send to each mortgagee of any mortgage covering the Building or land or any part thereof (after notification of the identity of such mortgagee and the mailing address thereat) copies of all notices that Tenant sends to Landlord; such notices to said mortgagee shall be sent concurrently with the sending of the notices to Landlord and in the same manner as notices are required to be sent pursuant to Article 26 herein below. Tenant will accept performance of any provision of this Lease by such mortgagee as performance by, and with the same force and effect as though performed by, Landlord.

15. LIENS:

Tenant will not permit any lien or other encumbrance to be filed as a result of any act or omission (or alleged act or omission) of Tenant. Tenant will, within ten (10) days after notice from Landlord, discharge or satisfy by bonding or otherwise any liens filed against Landlord or all or any portion of the Real Property as a result of any such act or omission, including any lien or encumbrance arising from contract or tort claims.

16. RIGHT TO INSPECT AND REPAIR:

Landlord or its designees may enter the Premises (but will not be obligated to do so) at any reasonable time on reasonable notice to Tenant (except that no notice need be given in case of emergency) for the purpose of: (i) inspection; (ii) performance of any work or the making of such repairs, replacements or additions in, to, on and about the Premises or the Building, as Landlord deems necessary or desirable; or (iii) showing the Premises to prospective purchasers, mortgagees and, during the last twelve (12) months of the Term, tenants. Tenant will provide Landlord or its designees free and unfettered access to any mechanical or utility rooms, conduits, risers or the like located within the Premises. Landlord or any prospective tenant shall have the right to enter the space to perform inspections, surveys, measurements or such other reasonable activities as may be necessary to prepare the Premises for occupancy by the succeeding tenant. Tenant will have no claims, including claims for interruption of Tenant's business, or cause of action against Landlord by reason of entry for such purposes. Landlord shall use commercially reasonable efforts to avoid interference with Tenant's use and enjoyment of the Premises during the course of any entry thereto pursuant to this Article 16.

17. SERVICES TO BE PROVIDED BY LANDLORD:

a) Landlord will furnish to the Premises (i) electricity for normal lighting and ordinary office machines, (ii) during Building Hours, HVAC required for the reasonable use and occupancy of the Premises at a temperature between 68 and 74 degrees Fahrenheit, and (iii) janitorial service (as set forth in Exhibit D), all in a manner comparable to that of similar Class A buildings in the area. In addition, Landlord shall provide Common Facilities lighting at the Real Property during Building Hours and for such additional hours as, in Landlord's judgment, is necessary or desirable to insure proper operation of the Real Property.

b) Tenant will be entitled to make use of HVAC beyond Building Hours, at Tenant's sole cost and expense, provided Tenant has notified Landlord by 3:00pm on the day before that Tenant will require said overtime use if said overtime use is required on any weekday, and by 3:00pm on Friday for Saturday and/or Sunday overtime use. Tenant will pay Landlord HVAC After Hours Charges (as defined in the Basic Lease Provisions) for HVAC beyond the Building Hours. Tenant will pay Landlord's charges for any services in addition to those identified above furnished to the Premises or to Tenant by Landlord.

c) Interruption or curtailment of any service maintained in the Building or at the Real Property, if caused by Force Majeure, as hereinafter defined, shall not entitle Tenant to any claim against Landlord or to any abatement in rent, and shall not constitute a constructive or partial eviction, unless Landlord fails to take measures as may be reasonable under the circumstances to restore the service without undue delay. If the Premises are rendered untenantable in whole or in part, for a period of five (5) consecutive business days, by the making of repairs, replacements or additions, other than those made with Tenant's consent or caused by misuse or neglect by Tenant, or Lessee's Agents, there shall be a proportionate abatement of Fixed Basic Rent and Additional Rent from and after said fifth (5th) consecutive business day and continuing for the period of such untenantability. In no event, shall Tenant be entitled to claim a constructive eviction from the Premises unless Tenant shall first have notified Landlord in writing of the condition or conditions giving rise thereto, and if the complaints be justified, unless Landlord shall have failed, within a reasonable time after receipt of such notice, to remedy, or commence and proceed with due diligence to remedy such condition or conditions, all subject to Force Majeure as hereinafter defined.

18. TENANT'S ESTOPPEL:

Tenant will, from time to time, on not less than ten (10) days prior written request by Landlord, execute, acknowledge and deliver to Landlord an estoppel certificate containing such information as Landlord may reasonably request. In the event Tenant fails to timely deliver such estoppel certificate, Landlord shall execute same as attorney-in-fact for Tenant.

19. HOLDOVER TENANCY:

Tenant agrees that it must surrender possession of the Premises to Landlord on the Expiration Date or earlier termination of the Lease. Tenant agrees to indemnify and hold Landlord harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including attorneys' fees, resulting from any delay by Tenant in so surrendering the Premises, including any claims made by any succeeding tenant based on such delay. Tenant agrees that if possession of the Premises is not surrendered to Landlord on the Expiration Date or earlier termination of the Term, then Tenant agrees to pay Landlord as liquidated damages for each month and for any portion of a month during which Tenant holds over in the Premises after the Expiration Date or earlier termination of the Term, a sum equal to 200% of the average Fixed Basic Rent and Additional Rent which was payable per month under this Lease during the last three months of the Term for the first month of Tenant holding over. Such liquidated damages shall not limit Tenant's indemnification obligation with respect to claims made by any succeeding tenant based on Tenant's failure or refusal to surrender the Premises to Landlord on the Expiration Date or sooner termination of the Term. Nothing contained herein shall be deemed to authorize Tenant to remain in occupancy of the Premises after the Expiration Date or sooner termination of the Term.

20. LANDLORD'S WORK; COMMENCEMENT:

a) Tenant agrees to occupy the leased premises described in Exhibit A in an as-is, where is condition and also agree that Landlord will complete no work prior to the rent commencement date.

21. OVERDUE RENT CHARGE/INTEREST:

a) Tenant will pay an "Overdue Rent Charge" of five percent (5%) of any installment of Fixed Basic Rent or Additional Rent which Tenant fails to pay within five (5) business days after the due date thereof, to cover the extra expense incurred in handling non-payments and/or delinquent payments. The Overdue Rent Charge will constitute Additional Rent and an agreed upon amount of liquidated damages and not a penalty.

b) Any amount owed by Tenant to Landlord which is not paid when due will bear an annual interest rate of five percent (5%) from the due date of such amount. The payment of interest on such amounts will not extend the due date of any amount owed.

22. INSURANCE:

a) Tenant's Insurance. On or before the Commencement Date or Tenant's prior entry into the Premises, Tenant will obtain and have in full force and effect, insurance coverage as follows:

- (i) Workers' compensation in an amount required by law; (ii) commercial general liability with a per occurrence limit of One Million Dollars (\$1,000,000) and a general aggregate of Two Million Dollars (\$2,000,000) for bodily injury and property damage on an occurrence basis and containing an endorsement naming Landlord, Terra Kennedy Realty LLC and Terra Equity Management Corp. and their respective affiliates, subsidiaries, agents, designees and lender, if any, as additional insureds, an aggregate limit per location endorsement, and no modification that would make Tenant's policy excess or contributing with Landlord's liability insurance; and (iii) all risk property insurance for the full replacement value of all of Tenant's furniture, fixtures, equipment, alterations, improvements or additions that do not become Landlord's property upon installation. All policies obtained by Tenant will be issued by carriers having ratings in Best's Insurance Guide ("Best") of A and VIII, or better (or equivalent rating by a comparable rating agency if Best no longer exists) and licensed in the State. All such policies must be endorsed to be primary and noncontributing with the policies of Landlord being excess, secondary and noncontributing and shall contain an endorsement stating no policy will be canceled, nonrenewed or materially modified without thirty (30) days' prior written notice by the insurance carrier to Landlord (the "Cancellation Endorsement"). If the forms of policies, endorsements, certificates, or evidence of insurance required by this Article are superseded or discontinued, Landlord may require other equivalent or better forms. Evidence of the insurance coverage required to be maintained by Tenant, represented by certificates of insurance issued by the insurance carrier, must be furnished to Landlord prior to Tenant occupying the Premises and at least thirty (30) days prior to the expiration of current policies. Copies of all endorsements required by this Article must accompany the certificates delivered to Landlord. The certificates will state the amounts of all deductibles and self-insured retentions and the Cancellation Endorsement. If requested in writing by Landlord, Tenant will provide to Landlord a certified copy of any or all insurance policies or endorsements required by this Article.
- b) Tenant will not do or allow anything to be done on the Premises which will increase the rate of fire insurance on the Building from that of a general office building. If any use of the Premises by Tenant results in an increase in the fire insurance rate(s) for the Building, Tenant will pay Landlord, as Additional Rent, any resulting increase in premiums. Tenant's insurance obligations set forth in Section 22 a) (i) and (ii) above shall continue in effect throughout the Term and after the Term as long as Tenant, or anyone claiming by, through or under Tenant, occupies all or any part of the Premises.
- c) Waiver of Claims. Landlord and Tenant hereby waive all claims and release each other and each other's employees, agents, customers and invitees from any and all liability for any loss, damage or injury to property occurring in, on, about or to the Premises or the Building by reason of fire or other casualty, regardless of cause, including the negligence of Landlord or Tenant and their respective employees, agents, customers and invitees, and agree that the property insurance carried by either of them will contain a clause whereby the insurer waives its right of subrogation against the other party. Each party to this Lease will give to its insurance company notice of the provisions of this Section 22 c) and have such insurance policies properly endorsed, if necessary, to prevent the invalidation of such insurance by reason of the provisions of this Section c). Each party shall bear the risk of its own deductibles. Landlord and Tenant acknowledge that the insurance requirements of this Lease reflect their mutual recognition and agreement that each party will look to its own insurance and that each can best insure against loss to its property and business no matter what the cause. If Tenant fails to maintain insurance or self-insures for loss including, without limitation, business interruption, Tenant shall be deemed to have released Landlord for all loss or damage which would have been covered if Tenant had so insured.
- d) Building Insurance. Landlord will at all times during the Term carry a policy of insurance which insures the Building, including the Premises and the Work, if any, against loss or damage by fire or other casualty (namely, the perils against which insurance is afforded by a standard fire insurance policy); provided, however, that Landlord will not be responsible for, and will not be obligated to insure against, any loss of or damage to any personal property or trade fixtures of Tenant or any alterations which Tenant may make to the premises or any loss suffered by Tenant due to business interruption. All insurance maintained by Landlord pursuant to this Article may be affected by blanket insurance policies.

23. INDEMNITY:

Tenant will defend, indemnify and hold Landlord, Terra Kennedy Realty LLC and Terra Equity Management Corp. and their respective affiliates, subsidiaries, designees and agents ("Landlord's Parties") harmless from and against any and all claims, actions or proceedings, costs, expenses and liabilities, including reasonable attorney's fees and disbursements incurred in connection with each such claim, action or proceeding, whether in contract or tort, arising from Tenant's use and occupancy of the Premises, including Tenant's negligent acts or omissions at the Real Property. In case any action or proceeding be brought against Landlord's Parties by reason of any such claim, Tenant, upon notice from any of Landlord's Parties, will, at Tenant's expense, resist and defend such action or proceeding with counsel reasonably acceptable to Landlord's Parties.

Landlord will defend, indemnify and hold Tenant and its respective affiliates, subsidiaries, designees and agents ("Tenant's Parties") harmless from and against any and all claims, actions or proceedings, costs, expenses and liabilities, including reasonable attorney's fees and disbursements incurred in connection with: (a) any action or proceeding, whether in contract or tort arising from: (i) the conduct or management by Landlord, its employees, agents or contractors in the Common Facilities (other than by Tenant); or (ii) arising from any negligent or otherwise wrongful act or omission of Landlord or any of its employees, agents or contractors (other than by Tenant), and (b) all reasonable costs and expenses, as well as liabilities including attorney's fees and disbursements incurred in or in connection with each such claim, action or proceeding brought thereon. In case any action or proceeding be brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant's Parties, shall resist and defend such action or proceeding with counsel reasonably acceptable to Tenant's Parties.

24. BROKER:

Landlord and Tenant each represent and warrant to the other that no broker brought about this transaction.

25. PERSONAL LIABILITY:

There will be no personal liability on the part of Landlord, Terra Kennedy Realty LLC and Terra Equity Management Corp. and their constituent members (including officers, directors, partners, members and trustees) and their respective successors and

assigns or any mortgagee in possession, with respect to any of the terms, covenants and conditions of this Lease, and Tenant will look solely to the equity of Landlord in the Building for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms of this Lease to be performed by Landlord, such exculpation of liability to be absolute and without any exceptions whatsoever.

26. NOTICES:

Any notice by either party to the other shall be in writing and shall be deemed to have been duly given only if (i) delivered personally or (ii) sent by registered mail or certified mail return receipt requested in a postage paid envelope or (iii) sent by nationally recognized overnight delivery service, if to Tenant, at the Building; if to Landlord, at Landlord's address as set forth. Notice shall be deemed to have been duly given, if delivered personally, on delivery thereof, if mailed, upon the seventh (7th) day after the mailing thereof or if sent by overnight delivery service, the next business day.

27. AUTHORITY:

The signatories on behalf of Tenant represent and warrant that they are authorized to execute this Lease, and if Tenant is a corporation or other Entity, Tenant will, within fifteen (15) days of Landlord's request, provide Landlord with a resolution confirming the authorization. Tenant represents and warrants to Landlord (i) that neither Tenant nor any person or entity that directly owns a ten percent (10%) or greater equity interest in Tenant nor any of its officers, directors or managing members (collectively, "Tenant and Others in Interest") is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 signed on September 24, 2001 (the "Executive Order") and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (ii) that Tenant and Others in Interest's activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act"), and (iii) that throughout the Term Tenant will comply with the Executive Order and the Money Laundering Act.

28. PARKING SPACES:

Tenant's occupancy of the Premises will include the nonexclusive use of the parking spaces set forth in the Basic Lease Provisions. Tenant will, upon request, promptly furnish to Landlord the license numbers of the cars operated by Tenant and its subtenants, invitees, concessionaires, licensees and their respective officers, agents and employees. If any vehicle of Tenant, or of any subtenant, invitee, licensee, concessionaire, or their respective officers, agents or employees, is parked in any part of the Real Property other than those portions of the parking area(s) designated for this purpose by Landlord.

29. [Intentionally Omitted]

30. MISCELLANEOUS:

a) If any of the provisions of this Lease, or the application of such provisions, will be invalid or unenforceable, the remainder of this Lease will not be affected, and this Lease will be valid and enforceable to the fullest extent permitted by law.

b) The submission of this Lease for examination does not constitute a reservation of, or option for, the Premises, and this Lease is submitted to Tenant for signature with the understanding that it will not bind Landlord unless and until it has been executed by Landlord and delivered to Tenant or Tenant's attorney or agent and until the holder of any mortgage will have unconditionally approved this Lease, to the satisfaction of Landlord, if such approval is required under the terms of such mortgage.

c) No representations or promises will be binding on the parties to this Lease except those representations and promises expressly contained in the Lease.

d) The article headings in this Lease are intended for convenience only and will not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

e) Force Majeure means and includes those situations beyond the reasonable control of the party affected thereby, including acts of God; fire or other casualty; unreasonable governmental delay; inability to procure labor, materials, supplies, power or transportation despite reasonable efforts; strikes; inclement weather; or, where applicable, the passage of time while waiting for an adjustment of insurance proceeds. Any time limits required to be met by either party hereunder, whether specifically made subject to Force Majeure or not, except those related to the surrender of the Premises by the end of the Term or payment of Fixed Basic Rent or Additional Rent, will, unless specifically stated to the contrary elsewhere in this Lease, be automatically extended by the number of days by which any required performance is delayed due to Force Majeure.

f) Both Landlord and Tenant consent to the receipt of electronic messages from Landlord or its affiliates provided, however, that no such electronic message to Landlord shall be deemed to satisfy any notice requirement under this Lease.

g) No payment by Tenant or receipt by Landlord of a lesser amount than the Fixed Basic Rent and Additional Rent payable hereunder will be deemed to be other than a payment on account of the earliest stipulated Fixed Basic Rent and Additional Rent, nor will any endorsement or statement on any check or any letter accompanying any check or payment of Fixed Basic Rent or Additional Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Fixed Basic Rent and Additional Rent or to pursue any other remedy provided herein or by law. All obligations of Tenant under this Lease shall survive the expiration or earlier termination of this Lease.

h) No failure by either party to insist upon the strict performance of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy upon a breach of any such covenant, agreement, term or condition, and no acceptance by Landlord of full or partial rent during the continuance of any such breach by Tenant, will constitute a waiver of any such breach or of such covenant, agreement, term or condition. No consent or waiver, express or implied, by either party to or of any breach of any covenant, condition or duty of the other party will be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty, unless such consent or waiver is in writing and signed by the party granting such consent or waiver.

i) Landlord covenants that if, and so long as, Tenant pays Fixed Basic Rent and any Additional Rent as required under this Lease, and performs Tenant's other covenants under the Lease, Landlord will do nothing to affect Tenant's right to peaceably and quietly have, hold and enjoy the Premises for the Term, subject to the provisions of this Lease.

j) The provisions of this Lease will apply to, bind and inure to the benefit of Landlord and its respective heirs, successors, legal representatives and assigns. The term "Landlord" as used in this Lease means only the owner of the Building, so that in the event of any sale of the Building, the Landlord named herein will be and hereby is entirely freed and relieved of all covenants and obligations of Landlord under this Lease accruing after such sale, and it will be deemed without further agreement that the purchaser or the new master lessee of the Building has assumed and agreed to carry out any and all covenants and obligations of Landlord accruing under this Lease after such sale.

k) Landlord reserves the right with Tenant's consent, not to be unreasonably withheld or denied, to alter Tenant's ingress and egress to the Building or make any change in operating conditions to restrict pedestrian, vehicular or delivery ingress and egress to a particular location, or at any time close temporarily any Common Facilities to make repairs or changes therein or to effect construction, repairs or changes within the Building, or to discourage non-tenant parking, and may do such other acts in and to the Common Facilities as in Landlord's sole judgment may be desirable to improve their convenience. Landlord shall use commercially reasonable efforts to avoid interference with Tenant's use and enjoyment of the Premises.

l) To the extent such waiver is permitted by law, the parties waive trial by jury in any action or proceeding brought in connection with this Lease or the Premises. This Lease will be governed by the laws of the State (without the application of any conflict of laws principles), and any action or proceeding in connection with this Lease shall be decided in the courts of the State.

m) Any State statutory provisions dealing with termination rights due to casualty, condemnation, delivery of possession or any other matter dealt with by this Lease are superseded by the terms of this Lease.

n) [Intentionally Omitted].

o) Whenever it is provided that Landlord will not unreasonably withhold, condition or delay consent or approval or will exercise its judgment reasonably (such consent or approval and such exercise of judgment being collectively referred to as "consent"), if Landlord delays, conditions or refuses such consent, Tenant waives any claim for money damages (including any claim for money damages by way of setoff, counterclaim or defense) based upon any claim or assertion that Landlord unreasonably withheld, conditioned or delayed consent. Tenant's sole remedy will be specific performance. Failure on the part of Tenant to seek relief within 30 days after the date upon which Landlord has withheld, conditioned or delayed its consent will be deemed a waiver of any right to dispute the reasonableness of such withholding, conditioning or delaying of consent.

p) Notwithstanding anything to the contrary contained in this Lease, in no event will Landlord or Tenant be liable to the other for the payment of consequential, punitive or speculative damages, except as provided in Article 19 hereof.

31. OPTION TO RENEW

(a) If the term of this Lease shall then be in full force and effect and Tenant has complied fully with its obligations hereunder, Tenant shall have the option to extend the term of this Lease for a period of eight (8) years (the "Renewal Term") commencing on the day immediately following the Expiration Date, provided however that Tenant shall give Landlord notice of Lessee's election to extend the term no earlier than fifteen (15) months prior to the Expiration Date nor later than nine (9) months prior to the Expiration Date of the term, **TIME BEING OF THE ESSENCE** in connection with the exercise of Tenant's option pursuant to this Article. Tenant must give landlord no less than (9) month's notice of intention not to renew.

(b) Such extension of the term of this Lease shall be upon the same covenants and conditions, as herein set forth except for the Fixed Basic Rent (which shall be determined in the manner set forth below), and except that Tenant shall have no further right to extend the term of this Lease after the exercise of the single option described in paragraph (a) of this Section. If Tenant shall duly give notice of its election to extend the term of this Lease, the Renewal Term shall be added to and become a part of the Term of this Lease (but shall not be considered a part of the initial Term), and any reference in this Lease to the "Term of this Lease", the "Term hereof", or any similar expression shall be deemed to include such Renewal Term, and, in addition, the term "Expiration Date" shall thereafter mean the last day of such Renewal Term. Landlord shall have no obligation to perform any alteration or preparatory or other work in and to the Premises or provide a tenant improvement allowance and Tenant shall continue possession thereof in its "as is" condition.

(c) If the tenant exercises its option to the Renewal Term, the Fixed Basic Rent during the Renewal Term shall be at an amount 2.5% greater than the amount of the Fixed Basic Rent during the month immediately prior to the Renewal Term and shall increase by 2.5% during each year of the Renewal Term.

(d) The option granted to Tenant under this Article 31 may be exercised only by Tenant, its permitted successors and assigns, and not by any subtenant or any successor to the interest of Tenant by reason of any action under the Bankruptcy Code, or by any public officer, custodian, receiver, United States Trustee, trustee or liquidator of Tenant or substantially all of Tenant's property. Tenant shall have no right to exercise this option subsequent to the date Landlord shall have the right to give the notice of termination referred to in Article 10 of the Lease unless Tenant cures the default within the applicable grace period. Notwithstanding the foregoing, Tenant shall have no right to extend the term if, at the time it gives notice of its election (i) Tenant shall not be in occupancy of substantially all of the Premises or (ii) the Premises (or any part thereof) shall be the subject of a sublease, other than in accordance with a Permitted Transfer. If Tenant shall have elected to extend the term, such election shall be (at Landlord's sole option) deemed withdrawn if, at any time after the giving of notice of such election and prior to the commencement of the Renewal Term, Tenant shall sublease (all or any portion of) the Premises or assign Tenant's interest in this Lease.

EACH PARTY AGREES that it will not raise or assert as a defense to any obligation under this Lease, or make any claim that this Lease is invalid or unenforceable, due to any failure of this document to comply with ministerial requirements, including requirements for corporate seals, attestations, witnesses, notarizations or other similar requirements, and each party hereby waives the right to assert

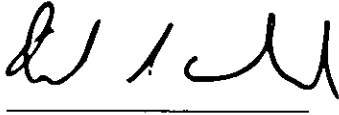
any such defense or make any claim of invalidity or unenforceability due to any of the foregoing.

This Lease may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this Lease, will constitute a complete and fully executed original. All such fully executed counterparts will collectively constitute a single Lease agreement. Tenant expressly agrees that if the signature of Landlord and/or Tenant on this Lease is not an original, but is a digital, mechanical or electronic reproduction (such as, but not limited to, a photocopy, fax, e-mail, PDF, Adobe image, JPEG, telegram, telex or telecopy), then such digital, mechanical or electronic reproduction shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic and traditional ink-on-paper original wet signature penned manually by its signatory.

THE PARTIES to this Lease have executed and delivered this Lease as of the date set forth above.

Landlord, Terra Kennedy Realty LLC

Tenant, Essex County

By: 

Amrik Chawla, Member
Terra Kennedy Realty LLC

Date Signed and Initialed: March 1, 2023

By: 

Joseph N. DiVincenzo, Jr.
Essex County Executive

Date Signed and Initialed: 3/6/23

EXHIBIT A

LOCATION OF PREMISES

1st Floor Area outlined in red – Suite 100 and Suite 104.

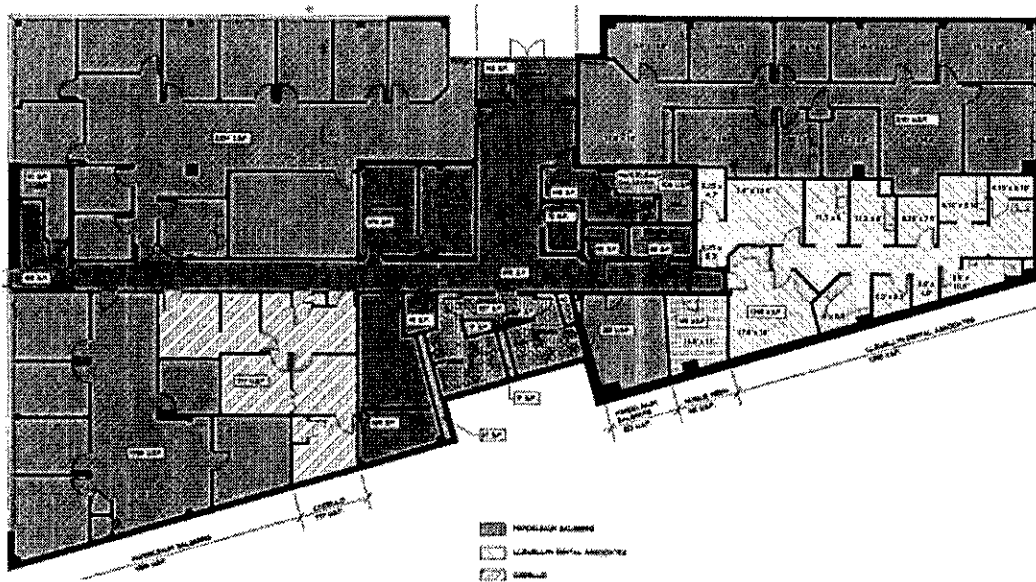


EXHIBIT B

RULES AND REGULATIONS

1. **OBSTRUCTION OF PASSAGEWAYS:** Tenant will not: (i) obstruct the sidewalks, entrance(s), passages, courts, elevators, vestibules, stairways, corridors and other public parts of the Building, or (ii) interfere with the ability of Landlord and other tenants to use and enjoy any of these areas, and (iii) use them for any purpose other than ingress and egress.
2. **WINDOWS:** Tenant will not cover or obstruct windows in the Premises. No bottles, parcels or other articles will be placed on the windowsills, in the halls, or in any other part of the Building other than the Premises. No article will be thrown out of the doors or windows of the Premises.
3. **PROJECTIONS FROM BUILDING:** No awnings, air-conditioning units or other fixtures will be attached to the outside walls or the window sills of the Building or otherwise affixed so as to project from the Building, without the prior written consent of Landlord.
4. **SIGNS:** Tenant will not affix any sign or lettering to any part of the outside of the Premises, or any part of the inside of the Premises so as to be visible from the outside of the Premises, without the prior written consent of Landlord. However, Landlord shall, at its sole cost and expense, place Tenant signage on the door leading into the Premises, the size, color and style thereof to be subject to the Landlord's sole discretion. Tenant's name will also be placed on the Building directory at Landlord's sole cost. Tenant will not have the right to have additional names placed on the Building directory without Landlord's prior written consent.
5. **FLOOR COVERING:** Tenant will not lay linoleum or other similar floor covering so that the same will come in direct contact with the floor of the Premises. If linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt will first be fixed to the floor by a paste or other material that may easily be removed with water. The use of cement or other similar adhesive material for this purpose is expressly prohibited.
6. **INTERFERENCE WITH OCCUPANTS OF BUILDING:** Tenant will not make, or permit to be made, any unseemly or disturbing noises or odors and will not interfere with other tenants or those having business with them. Tenant will keep all mechanical apparatus in the Premises free of vibration and noise which may be transmitted beyond the limits of the Premises.
7. **LOCK KEYS:** No additional locks or bolts of any kind will be placed on any of the doors or windows by Tenant. Tenant will, on the expiration or earlier termination of Tenant's tenancy, deliver to Landlord all keys to any space within the Building either furnished to or otherwise procured by Tenant, and in the event of the loss of any keys furnished, Tenant will pay to Landlord the cost thereof. Tenant, before closing and leaving the Premises, will ensure that all windows are closed and entrance doors locked. Nothing in this Paragraph 7 will be deemed to prohibit Tenant from installing a security system within the Premises, provided: (1) Tenant obtains Landlord's consent which will not be unreasonably withheld or delayed; (2) Tenant supplies Landlord with copies of the plans and specifications of the system; (3) such installation will not damage the Building or any Common Facilities; (4) all costs of installation and removal (if required by Landlord) will be borne solely by Tenant; and (5) Landlord is afforded the security code or other means of access to the Premises for purposes permitted under the Lease.
8. **CONTRACTORS:** Tenant will not enter into any contract of any kind with any supplier of towels, water, toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, removal of waste paper, rubbish or garbage, or other like service, nor will Tenant install or cause to be installed any machine of any kind (other than customary office equipment) in the Premises, other portions of the Building or the Real Property without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant will not employ any persons other than Landlord's janitors for the purpose of cleaning the Premises without the prior written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Landlord will not be responsible to Tenant for any loss of property from the Premises, however occurring, or for any damage to the effects of Tenant by such janitors or any of its employees, or by any other person or any other cause.
9. **PROHIBITED ON PREMISES:** Tenant will not conduct, or permit any other person to conduct, any auction upon the Premises, nor will Tenant manufacture or store, or permit others to manufacture or store, goods, wares or merchandise upon the Premises, without the prior written approval of Landlord, except the storage in customary amounts of ordinary office supplies to be used by Tenant in the conduct of its business. Tenant will not permit the Premises to be used for gambling. Tenant will not permit any portion of the Premises to be occupied as an office for a public stenographer or typewriter, or for the manufacture or sale of intoxicating beverages, narcotics, tobacco in any form or as a barber or manicure shop or for any medical use, including medical testing on humans or animals. Canvassing, soliciting and peddling at the Real Property are prohibited, and Tenant will cooperate to prevent the same. No bicycles, vehicles or animals of any kind will be brought into or kept in or about the Building, except guide dogs.
10. **PLUMBING, ELECTRIC AND TELEPHONE WORK:** Plumbing facilities will not be used for any purpose other than those for which they were constructed; and no sweepings, rubbish, ashes, newspaper or other substances of any kind will be thrown into them. Waste and excessive or unusual amounts of electricity or water use is prohibited. When electric or communications wiring of any kind is introduced, it must be connected as directed by Landlord, and no stringing or cutting of wires will be allowed, except by prior written consent of Landlord, and will be done by contractors approved by Landlord.
11. **MOVEMENT OF FURNITURE, FREIGHT OR BULKY MATTER:** The carrying in or out of freight, furniture or bulky matter of any description must take place during such hours as Landlord may from time to time reasonably determine and only after advance notice to the manager of the Building. The persons employed by Tenant for such work must be reasonably acceptable to Landlord and provide liability insurance reasonably satisfactory to Landlord. Tenant may, subject to these provisions, move freight, furniture, bulky matter, and other material into or out of the Premises on Saturdays between the hours of 9:00 a.m. and 1:00 p.m., provided Tenant pays additional costs, if any, incurred by Landlord for elevator operators or security guards, and for any other expenses occasioned by such activity of Tenant. If, at least three (3) days prior to

such activity, Landlord requests that Tenant deposit with Landlord a sum which Landlord reasonably estimates to be the amount of such additional cost, the Tenant will deposit such sum with Landlord as security for such cost. There will not be used in the Building or Premises, either by Tenant or by others, any hand trucks except those equipped with rubber tires and side guards, and no hand trucks will be allowed in the elevators without the consent of the superintendent of the Building.

12. **SAFES AND OTHER BEAVY EQUIPMENT:** Landlord reserves the right to prescribe the weight and position of all safes and other heavy equipment so as to distribute their weight properly and to prevent any unsafe condition from arising. Tenant will not place a load upon any floor of the Premises exceeding the floor load per square foot area which it was designed to carry or which is allowed by law.
13. **ADVERTISING:** Landlord may prohibit any advertising by Tenant which in Landlord's reasonable opinion tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.
14. **NON-OBSERVANCE OR VIOLATION OF RULES BY OTHER TENANTS:** Landlord will not be responsible to Tenant for non-observance or violation of any of these rules and regulations by any other tenant.
15. **AFTER HOURS USE:** Landlord reserves the right to exclude from the Building during Building Hours and at all hours on Saturdays, Sundays and Building Holidays, all persons who do not present a pass to the Building signed by the Tenant. Each Tenant will be responsible for all persons for whom such a pass is issued and will be liable to the Landlord for the acts of such persons.
16. **RESERVATION OF RIGHTS:** Landlord reserves to itself any and all rights not granted to Tenant hereunder, including the following:
 - a) the exclusive right to the use of the name of the Building for all purposes, except that Tenant may use the name as its business address and for no other purposes;
 - b) the right to change the name or address of the Building, without incurring any liability to Tenant for doing so;
 - c) the right to install and maintain signs on the exterior of the Building;
 - d) the exclusive right to use and/or allow others to use the roof of the Building;
 - e) the right to limit the space on the directory of the Building to be allotted to Tenant; and
 - f) the right to grant to anyone the right to conduct any particular business or undertaking in the Building.
17. **HEALTH AND SAFETY:** Tenant will be responsible for initiating, maintaining and supervising all health and safety precautions and/or programs required by Legal Requirements applicable to the Premises and/or Tenant's use and occupancy of the Premises.
18. All Rules and Regulation shall be enforced as to all tenants of the Building in a non-discriminatory manner,

--END--

EXHIBIT C

CLEANING SERVICES (Five Nights Per Week)

TENANT'S PREMISES

1. Empty wastepaper baskets and remove waste to designated areas.
2. Cleaning hours will be Monday through Friday between 8:00a.m. and 11:00 p.m.
3. No cleaning service is provided on Saturday, Sunday and Building Holidays.
4. Cartons or refuse in excess of that which can be placed in wastebaskets will not be removed. Tenant is responsible to place such unusual refuse in trash dumpster.
5. Cleaning maintenance company will neither remove nor clean tea, office cups or similar containers. If such liquids are spilled in wastebaskets, the wastebaskets will be emptied but not otherwise cleaned. Landlord will not be responsible for any stained carpet caused from liquids leaking or spilling from Tenant's wastebaskets.
6. Glass entrance doors will be cleaned nightly. Interior glass doors or glass partitions are excluded. Tenant may make arrangements for cleaning interior glass doors and partitions with Landlord's cleaning maintenance company.

COMMON AREAS

1. Vacuum all carpeting in entrance lobbies, outdoor mats and all corridors.
2. Wash glass doors in entrance lobby with a clean damp cloth and dry towel.
3. Sweep and/or wet mop all resilient tile flooring. Clean hard surface floors such as quarry tile, etc..
4. Wash, clean and disinfect water fountains.
5. Clean all elevator cabs and stairwells.
6. Lavatories -- Men and Women.
 - a. Floors in all lavatories will be wet mopped with a germicidal detergent to ensure a clean and germ-free surface.
 - b. Wash and polish all mirrors, shelves, bright work including any piping and toilet seats.
 - c. Wash and disinfect wash basins and sinks using a germicidal detergent.
 - d. Wash and disinfect toilet bowls and urinals.
 - e. Keep lavatory partitions, tiled walls, dispensers and receptacles in a clean condition using a germicidal detergent when necessary.
 - f. Empty and sanitize sanitary disposal receptacles.
 - g. Fill toilet tissue holders, towel dispensers and soap dispensers. Refills to be supplied by Landlord or its cleaning contractor.
7. Clean air ventilation grill work in ceilings as needed.

--END--

EXHIBIT D

BUILDING HOLIDAYS, BUILDING CLOSED ON:

* NEW YEAR'S DAY *

MARTIN LUTHER KING DAY

PRESIDENT'S DAY

MEMORIAL DAY

*JUNETEENTH *

*INDEPENDENCE DAY *

LABOR DAY

COLUMBUS DAY

VETERAN'S DAY

* THANKSGIVING DAY *

* CHRISTMAS DAY *

-- END --