

LEASE AGREEMENT

(Month To Month Tenancy)

This ***LEASE AGREEMENT*** is made this 13^h day of September 2021

between

THE "LANDLORD":

Holy Spirit Church
984 Suburban Road
Union, New Jersey 07083

and

THE "TENANT":

Union County Educational Services Commission
45 Cardinal Drive
Westfield, New Jersey 07090

THE "LEASED PREMISES":

In its entirety, the parish school building of Holy Spirit Church more commonly known as 970 Suburban Road Union, New Jersey 07083

The Leased Premises shall include all exterior walkways, sidewalks, stairways, and driveways abutting the property.

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WITNESSETH: Landlord does lease to Tenant and Tenant does rent from Landlord, in condition as is and subject to the conditions and covenants set forth here, the Leased Premises, as described on Page 1 and, more particularly, as follows:

SUBJECT to all zoning ordinances or regulations now or hereafter in effect during the Term of this leasehold and to any and all existing encumbrances, conditions, rights, covenants, restrictions, and rights of way.

1. **USE**

The Leased Premises shall be used and occupied only and for no other purpose than: as a public school specializing in serving classified students from ages 7 to 21 that have multiple disabilities, which include cognitive impairments, autism spectrum disorders, visual impairments, hearing impairments, learning disabilities, communication impairments, other health impairments, traumatic brain injuries, and physical disabilities. Any change in the use of the leased premises requires written consent of the Landlord which shall not be unreasonably withheld or delayed.

2. **RENT**

Tenant covenants and agrees to pay to Landlord monthly, in advance, on the first day of each month the rental amount of *\$18,750.00*.

In the event any rent or utility payment is not received by Landlord within seven (7) days of its due date, a five percent (5%) late charge shall be applied.

3. **SECURITY DEPOSIT**

Tenant shall this day deposit with Landlord the sum of *\$18,750.00* as security for the payment of rent under this Lease and the full and faithful performance by Tenant of the covenants and conditions which it has agreed to perform, as set forth more fully in Paragraph 13 of this Lease.

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4. REPAIRS AND CARE

Tenant enters into this Lease based upon its examination of the Leased Premises without any representation by Landlord as to the condition of the Leased Premises. Tenant's occupancy and possession of the Leased Premises shall constitute Tenant's acknowledgment that as of the commencement date of this Lease, the Leased Premises were in good, satisfactory, and acceptable condition.

During the Term of this Lease, including any holdover period, Tenant shall maintain the Leased Premises in good condition and state of repair. Tenant's responsibility to take good care of the Leased Premises and to make all repairs and replacements thereto, which shall include replacement of broken window panes, painting and decorating, shall be at Tenant's sole cost and expense. Tenant shall also repair all damage to the Leased Premises caused by moving of Tenant's fixtures, furniture, or equipment. At the end of the Term, or other expiration of this Lease, Tenant shall deliver the Leased Premises to Landlord in good order and condition, wear and tear from reasonable use and damage by the elements not resulting from the neglect or fault of Tenant excepted. Tenant shall neither encumber nor obstruct the sidewalks, driveways, parking areas, yards, entrances, hallways, and stairs, but shall keep and maintain them in a clean and safe condition, free from debris, trash, refuse, snow, and ice.

5. TERM

(a) The term of this Agreement shall commence on the date first written above. This Agreement may be terminated with or without cause; provided, however, that Landlord shall not terminate this Agreement for any cause where termination for such cause is prohibited by law.

(b) This Agreement may be terminated at any time by either party on 30 days written notice to the other party in the manner specified in this Agreement. This Agreement may be terminated with or without cause; provided, however, that Landlord shall not terminate this Agreement for any cause where termination for such cause is prohibited by law.

6. DAMAGE OR DESTRUCTION OF PREMISES

This Agreement shall terminate automatically in the event that the premises are destroyed by fire or other disaster or are so severely damaged thereby that they cannot be restored to tenantable condition within a thirty (30) day period unless

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the parties agree in writing to continue this Agreement or to modify the terms of this Agreement.

7. **REPAIRS**

All repairs required to be made by Tenant under this Lease shall be of quality or class equal to the original work or construction. If Tenant fails after ten (10) days' written notice to proceed with due diligence to make repairs or replacements required to be made by Tenant pursuant to this Lease, such repairs or replacements may be made by Landlord at the cost and expense of Tenant, and the cost and expenses thereof incurred by Landlord with interest at the rate of five percent (5%) per annum from the date so incurred shall be collectible as additional rent due upon rendition of a bill or statement therefore. Tenant shall give Landlord prompt notice of any defective condition of which Tenant is aware in any part of the Leased Premises, including, without limitation, the roof, plumbing, electrical systems, HVAC systems, if any, or fire alarm system.

Tenant is hereby notified, and by executing this Lease acknowledges such notification, that the United States Environmental Protection Agency ("EPA") has adopted rules and regulations concerning a lead-based paint, renovation, repair, and repainting program. The EPA has developed a Handbook entitled "Small Entity Compliance Guide to Renovate Right EPA's Lead-Based Paint Renovation, Repair, and Painting Program." The Handbook describes, among other things, requirements for contractors performing activities that may disturb painted surfaces containing lead-based paint in child-occupied facilities constructed prior to 1978. Your Lease (Paragraphs 5 and 6) imposes certain responsibilities on you to maintain the Leased Premises, as well as the right, under certain circumstances, to renovate, alter, and/or improve the premises. Since any one or more of these activities undertaken by an employee or contractor could disturb painted surfaces, you should obtain and familiarize yourself with the contents of this Handbook to ensure strict compliance with the recommendations/guidelines set forth therein. Because of the potentially serious consequences arising out of disturbance of a lead-based paint, please advise your staff and employees of these guidelines.

8. **ALTERATIONS**

Tenant shall make no alterations, additions, or improvements to the Leased Premises, nor install or attach any climate-regulating system or sprinkler system, television or radio antenna, heavy equipment, apparatus, or fixtures to the Leased Premises without the prior written consent of Landlord. Unless otherwise

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provided in this Lease, all alterations, additions, improvements, or systems installed in or attached to the Leased Premises by Tenant shall belong to and become the property of Landlord. Tenant shall surrender them as part of the Leased Premises without hindrance, molestation, or damage when this Term ends, or upon sooner termination of this Lease.

Any repairs or renovations required by any governmental or other regulatory, supervisory, or licensing entity for Tenant's use of the Leased Premises shall be the sole responsibility of Tenant and shall be made at Tenant's sole cost and expense.

9. UTILITIES

Tenant agrees to pay when due all charges for gas, water, sewer, electricity, fuel oil, or any other utility used by Tenant, which may be assessed or imposed upon the Leased Premises or which may be charged to Landlord by suppliers during the Term of this Lease. If Tenant fails to pay such charges or rents, they shall be added to and become payable as additional rent with the next installment of rent due, or within thirty (30) days of Landlord's demand for payment, whichever occurs sooner. In no case, however, shall Tenant pay such amounts later than one (1) month after Landlord's demand for payment.

10. INSURANCE

During the Term of this Lease, Tenant, at its sole cost and expense, shall obtain or provide and keep in full force comprehensive general liability insurance, insuring against any and all liability or claims of liability for bodily injury, personal injury, or death; or property damage occurring in the Leased Premises, including any sidewalk, driveway, or parking area adjoining the Leased Premises; and arising out of, occasioned by, or resulting from any accident or otherwise in or about the Leased Premises; with limits of not less than \$1,000,000 for injuries arising out of any one (1) accident or occurrence, \$1,000,000 for Damage to Premises Rented to You limit, and \$2,000,000 general aggregate. If the policy also covers locations other than the Leased Premises, the policy shall include a provision to the effect that the aggregate limit of \$2,000,000 shall apply separately at the Leased Premises. Such coverage will be maintained on a primary basis and be non-contributory regardless of any policy of insurance or any self-insurance which may be maintained by the Landlord for its own benefit.

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Tenant shall also maintain Workers' Compensation Insurance in the amounts statutorily required by the State of New Jersey. Workers' Compensation Insurance shall include coverage for Employers Liability Insurance with a limit of not less than \$500,000 bodily injury for each accident, \$500,000 bodily injury by disease, each employee, and \$1,000,000 bodily injury aggregate.

If Tenant utilizes owned, hired, or non-owned vehicles in its operations, then Tenant shall be required to maintain Commercial Automobile Liability (owned, non-owned, hired) with limits of not less than \$1,000,000 for bodily injury and property damage each accident.

The policy or policies of insurance, other than Workers' Compensation, shall include Landlord as an additional insured, shall be issued by a company or companies authorized to do business in New Jersey, and having an A.M. Best rating of A-VIII or better. A Certificate of Insurance, together with a copy of the policy endorsement evidencing the Landlord is included as an additional insured, where applicable, shall be delivered to Landlord, not less than fifteen (15) days before the commencement of this Term or of the date when Tenant first enters into possession, whichever occurs earlier. At least fifteen (15) days before the expiration or termination date of any policy, Tenant shall deliver a Certificate of Insurance evidencing the renewal or replacement of the policy(s) and evidencing Landlord is included as an additional insured, together with a copy of the policy endorsement evidencing the Landlord is included as an additional insured. Tenant shall require its carrier or carriers to provide Landlord with thirty (30) days' notice of cancellation or non-renewal of coverage by Tenant. Tenant's failure to maintain insurance coverage detailed here, or cancellation by Tenant of any required insurance during the Term of this Lease, shall not release Tenant from any and all obligations and liabilities arising from losses normally covered by such insurance. Further, such failure to maintain insurance or the cancellation of insurance shall be deemed to place Tenant in default.

If Tenant's use of the Leased Premises involves a program for children, or a social services program, Tenant shall maintain a physical/sexual abuse/misconduct endorsement under the comprehensive general liability insurance policy required here. At Tenant's option, Tenant may obtain and keep in effect separate coverage in conformity with the insurance requirements of this Lease. Such coverage will maintain a limit of at least \$1,000,000, and will be maintained on a primary basis and be non-contributory regardless of any policy of insurance or any self-insurance which may be maintained by the Landlord for its own benefit. Any separate policy shall include Landlord as an additional insured.

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The Tenant acknowledges that it shall be solely responsible for insuring the full replacement value of any personal property and/or fixtures installed by Tenant, or on Tenant's behalf, within the Leased Premises. Tenant also acknowledges that it shall be solely responsible for insuring the full replacement value of any leasehold improvements, if ownership of such leasehold improvements remains with Tenant. The Tenant covenants and agrees not to seek any reimbursement for losses to such personal property and/or fixtures and/or leasehold improvements owned by Tenant.

Notwithstanding anything set forth above, the dollar limits specified in this Paragraph 10 shall be increased from time to time, as reasonably necessary, to effect economically equivalent insurance coverage, or coverage deemed adequate by Landlord in light of then-existing circumstances.

11. COMPLIANCE WITH LAWS

Tenant takes the Leased Premises subject to existing easements, rights, reservations and restrictions, and zoning ordinances of the local municipality. It shall be Tenant's responsibility to ascertain and comply with any zoning ordinances applicable to its use and occupancy. Further, Tenant, at its sole cost and expense, shall comply with all applicable laws, ordinances, rules, regulations, requirements, and directives of the federal, state, and municipal governments; and of all their departments, bureaus, and subdivisions; and shall correct, prevent, and abate any nuisance, violation, or other grievance in or about the Leased Premises during the Term of this Lease. Tenant shall promptly comply with all orders, regulations, requirements, and directives of the Board of Fire Underwriters or similar authority and of any insurance company or self-insurance program, which has issued or is about to issue, policies of insurance covering the Leased Premises and its contents for the prevention of fire or other casualty, damage, or injury, at Tenant's sole cost and expense.

With respect to the Asbestos Hazard Emergency Response Act ("AHERA") and related governmental laws and regulations, Landlord, when applicable, shall be responsible for the inspection, sampling, preparation of the Asbestos Management Plan ("AMP"), the posting of notices in maintenance areas, repairs, initial cleaning, and periodic inspections and re-inspections. Tenant shall be responsible for the training of all maintenance personnel in either a two- (2) hour awareness course or a fourteen- (14) hour workers' training course as may be required under AHERA by the scope of their employment, the implementation and record

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keeping for all AHERA protocols, and outside contractors. Tenant shall make the Leased Premises and its record keeping documentation required under this provision available to Landlord at Landlord's request. Tenant's failure to comply with the notice and record keeping requirements of AHERA and this provision shall place Tenant in default under this Lease.

Notwithstanding anything to the contrary in this Lease, Tenant shall be and hereby expressly agrees to be responsible, at its sole cost and expense, for compliance with all fire safety codes, regulations, ordinances, and the like as they may be applicable to the Leased Premises as a result of Tenant's use and occupancy of them.

Further, Tenant shall and hereby expressly agrees to comply with the Americans with Disabilities Act, at its sole cost and expense, as that Act may apply to Tenant's use and occupancy of the Leased Premises, regardless of any provision in this Lease to the contrary.

If Tenant's use of the Leased Premises triggers application of any statute, regulation, ordinance, or the like concerning lead paint, Tenant shall be and hereby expressly agrees to be responsible for full compliance at its sole cost and expense, notwithstanding anything to the contrary in this Lease Agreement.

12. **REAL ESTATE TAXES**

The Leased Premises are currently exempt from municipal taxes. If Tenant's use of the Leased Premises causes taxes to be imposed or assessments to be levied against the land and improvements of which the Leased Premises are a part in any calendar year during the Term of this Lease, or of any renewal or extension of it, Tenant shall be responsible for payment of such taxes or assessments in full, in addition to the payment of rent as fixed by this Lease. This sum shall be considered as additional rent and shall be paid in as many equal installments as there are months remaining in the calendar year for which the taxes or assessments are imposed. This additional rent shall be due and payable on the first day of each month, in advance, during the remaining months of that year. Tenant's obligation to pay any taxes or assessments imposed as additional rent shall include taxes for the calendar year in which this Term ends, or in which Tenant vacates the Leased Premises, and the next calendar year should this Term end, or should Tenant vacate, abandon, or otherwise leave the Leased Premises at any time after October 1 of any given calendar year.

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The Tenant shall be responsible for interest and/or penalties imposed in addition to the taxes for late payment.

13. SECURITY DEPOSIT

As set forth in Paragraph 3 of this Lease, Tenant has deposited with Landlord funds to secure Tenant's performance under this Lease. The amount on deposit shall be returned to Tenant, without interest, after the expiration of the term of this Lease, provided that Tenant has fully and faithfully performed all covenants and conditions of this Lease and is not in arrears in rent. If Tenant is in default during the term of this Lease, Landlord may, if it so elects, have recourse to Tenant's security deposit to cure or make good any default by Tenant. If Landlord uses all or part of the security deposit for this reason, Tenant shall, on demand, promptly restore the security deposit to its original amount.

Liability to repay Tenant's security deposit shall run with the reversion and title to the Leased Premises, whether any change in its ownership is by voluntary alienation or as the result of judicial sale, foreclosure, or other proceedings, or by the exercise of a right of taking or entry by any mortgagee. Landlord shall assign or transfer the security, for the benefit of Tenant, to any subsequent owner or holder of the reversion of title to the Leased Premises. After such assignment or transfer by Landlord, the assignee shall become liable for the repayment of the security as provided here, and Landlord shall be deemed to be released by Tenant from all liability to return such security. This provision shall be applicable to every alienation or change in title and shall in no way be deemed to permit Landlord to retain the security after termination of Landlord's ownership of the reversion of title. Tenant shall not mortgage, encumber, or assign the security without Landlord's prior written consent.

14. SIGNS

Tenant shall not place nor allow to be placed any signs, symbols, or designation of any kind ("signs") on the exterior walls or grounds of the Leased Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. Tenant shall be responsible for insuring that any such sign permitted by Landlord shall at all times comply with all applicable municipal ordinances or other laws or regulations. Tenant shall bear any and all costs associated with compliance, including the costs of any permits or licenses that might be required. At the expiration or sooner termination of this Lease, Tenant shall remove any such signs, restore the premises to their original condition, and repair any damage

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caused by their removal. Tenant agrees that no signs shall be placed on the roof of the Leased Premises.

In case Landlord or its agents, employees, or representatives shall deem it necessary to remove any signs properly erected by Tenant under this provision in order to paint or make any repairs, alterations, or improvements, Landlord shall have the right to remove such signs, provided that they shall be put back into place at Landlord's expense when Landlord's work is completed. This clause shall in no way be deemed to be a covenant by Landlord nor be construed to create an obligation on the part of Landlord to make any such repairs, alterations, or improvements to the Leased Premises.

15. ASSIGNMENT AND LIMITATION ON USE

Tenant shall not, without Landlord's prior written consent, assign, mortgage, or hypothecate this Lease, nor sublet all or part of the Leased Premises. Further, Tenant shall not occupy or use the Leased Premises or any part of them, nor permit them to be occupied or used, for any purpose other than as described in this Lease, nor for any purpose that might be deemed unlawful, disreputable, or extra hazardous for purposes of fire or other casualty.

Tenant shall not be permitted to use the Leased Premises for any purpose which is, in Landlord's sole discretion, contrary to or incompatible with the tenets of the Roman Catholic faith. Breach of this covenant or condition shall place Tenant in default under this Lease.

16. INDEMNIFICATION

Irrespective of whether Tenant or Landlord shall be negligent, Tenant agrees to indemnify and save harmless, Landlord and its officers, trustees, agents, servants, and employees against any and all liability (statutory or otherwise) claims, suits, demands, damages, judgments, costs, fines, penalties, interest, and expenses (including, without limitation, reasonable attorneys' fees), to which Landlord or any such officer, trustee, agent, servant, or employee may be subject or suffer by reason of any liability or claim for any injury to, or death of, any person or persons or damage to property (including any loss of user thereof) or otherwise, in any case arising from or in connection with Tenant's use and occupancy of the Leased Premises, the Building, or the Property, or for any work, installation, or thing done or omitted (other than by Landlord or its contractors) to the Leased Premises, the Building, or the Property during the Term and during the period of time, if any,

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prior to the Commencement Date that Tenant may be given access to the Leased Premises, or arising from any condition of the Leased Premises of any other matter or circumstance due to or resulting from any default by Tenant in the performance of Tenant's obligations under this Lease or by any act, omission, or negligence of Tenants.

17. MECHANICS' LIENS

Tenant shall not allow nor cause any mechanics' or other liens to be created or filed against the Leased Premises as the result of any work or labor performed or claimed to be performed for Tenant, or as the result of materials furnished or claimed to be furnished to Tenant for any alteration, repair, or addition to the Leased Premises. If any such lien or encumbrance is filed against the Leased Premises or any part of Tenant's leasehold interest, Tenant shall, at its sole cost and expense and within thirty (30) days of such filing, cause such lien or liens to be satisfied and discharged of record, together with any Notices of Intention that may have been filed. If Tenant fails to do this, Landlord shall be entitled to resort to any remedies provided for in this Lease in case of Tenant's default. In addition, Landlord shall be entitled to pursue any remedy as might be permitted by law. Landlord shall be entitled to reimbursement by Tenant for any and all costs incurred by exercising its remedies under this provision, including reasonable attorneys' fees and costs.

18. MORTGAGE PRIORITY

If any mortgage is placed against the Leased Premises, the recording of it shall have priority and preference over this Lease and be superior to it, regardless of the date of recording. This Lease shall in no way be a lien against the Leased Premises. Tenant agrees to execute any instrument or document which may be necessary or desirable to effect the subordination of this Lease to any such mortgage without cost to Landlord. If Tenant refuses to execute any such instrument or document needed or desired by Landlord, Landlord shall have the right, at its sole option, to cancel this Lease. The term of this Lease is expressly limited to the extent necessary to effect this right.

19. CONDEMNATION

If condemnation proceedings or other action is taken for the purpose of condemning or taking by eminent domain the Leased Premises or the land on which the Leased Premises are located, or any part of them, or if, in lieu of a formal

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condemnation or taking action, Landlord grants an option to purchase, or sells and conveys the Leased Premises or any part of them to a governmental agency or body of any kind, or to a public utility or public authority seeking to take all or part of the land or premises, this Lease, at the option of Landlord, shall terminate and the Term of it shall come to an end as of the date Landlord fixes by written notice to Tenant as if that date was the date originally fixed in this Lease for its expiration. Tenant shall vacate the Leased Premises on or before the date fixed by Landlord, and the fixed annual rent and any other charges to be paid by Tenant shall be apportioned as of the date Tenant vacates the Leased Premises.

Tenant agrees to vacate the Leased Premises, remove all its personal property, and deliver peaceable possession of the Leased Premises to Landlord or to such other party as Landlord may designate. Tenant agrees to execute and deliver any instruments, at the expense of Landlord, as may be deemed necessary or required to expedite any condemnation proceedings or to effectuate a proper transfer of title to any such governmental agency or body or other public authority or utility seeking to take or acquire all or part of the lands and premises. If Tenant fails to comply with any provisions of this clause, it shall be responsible for any costs, expenses, damages, and losses that Landlord may incur because of Tenant's failure to comply with this provision.

Tenant shall have no claim or right to claim, nor be entitled to any portion of any amount Landlord may be awarded as damages, or paid as the result of such taking or condemnation proceedings, or which may be paid to Landlord as the purchase price for such option, sale, or conveyance made in lieu of formal condemnation proceedings. Tenant may, however, file a separate claim for the taking of any fixtures or equipment owned by it which have not become Landlord's property, for moving expenses, or for loss of Tenant's leasehold interest, provided such claim by Tenant shall in no way affect or diminish Landlord's award.

20. FIRE OR OTHER CASUALTY LOSS

In case of any damage to or destruction of the Leased Premises by fire or other casualty occurring during the Term, Tenant shall give immediate notice to Landlord. If the Leased Premises are damaged by the elements, fire, or other casualty, Landlord shall make repairs as speedily as practicable, but Tenant's obligation to pay the rent under this Lease shall not cease. If, in the sole opinion of Landlord, the fire, casualty, or other loss is so substantial and extensive as to make the Leased Premises untenable, then Tenant's obligation to pay rent shall cease until such time as Landlord is able to make them tenantable. However, if

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Landlord, in its sole opinion, decides that the Leased Premises have been so totally destroyed or so extensively damaged as to require practically a rebuilding of them, then the rent shall be paid up to the time of such damage or destruction and the Term of this Lease shall come to an end.

In no event, however, shall this provision become effective or applicable if the fire or other casualty loss, damage, or destruction is the result, in whole or in part, of the carelessness, negligence, or improper conduct of the Tenant or its agents, employees, guests, licensees, invitees, subtenants, assignees, or successors. In such case, Tenant's liability for payment of rent and performance of all the covenants, conditions, and terms of this Lease shall continue, and Tenant shall be liable to Landlord for the damage and loss suffered by Landlord. If Tenant is insured against any of the risks covered in this provision, then the proceeds of such insurance shall be paid over to Landlord in the amount of the damages and loss or, alternatively to the extent of Landlord's cost and expense to make the repairs, at Landlord's election, and neither Tenant nor its insurance carriers shall have recourse against Landlord or its self-insurance administrator for reimbursement, as set forth more fully in Paragraph 29. It is expressly understood and agreed that the foregoing covenants and agreements shall not limit the indemnification provided by Tenant to the Landlord under Paragraph 14 of the Lease Agreement.

21. TENANT'S FAILURE TO PERFORM

If Tenant fails to comply with or refuses to perform any condition, term, or covenant of this Lease, Landlord may, if it so elects, carry out and perform such obligation on the part of Tenant at Tenant's sole cost and expense. If Landlord incurs any cost or expense whatsoever in carrying out Tenant's duties or obligations under this Lease, such cost or expense shall be due immediately upon demand or, at the option of Landlord, shall be added to and become payable as additional rent with the next rent installment due. However, in no case shall Tenant pay such costs and expenses later than one (1) month after Landlord's demand for payment. Landlord's remedy under this provision shall be in addition to any other remedies it may have under this Lease in the event of Tenant's default or as may be permitted by law.

22. RIGHT OF ENTRY

Tenant agrees that Landlord, or anyone designated by it, shall have the right to enter into and upon the Leased Premises, or any part of them, at all reasonable hours so that it may examine or inspect the Leased Premises, or make repairs or

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alterations that may be necessary for the safety and preservation of them, or to show them to potential purchasers, lenders, or lessees. Landlord shall not be liable for any inconvenience, disturbance, or other damage caused to Tenant or any other occupant as a result of making repairs or alterations, or bringing materials or supplies into the Leased Premises so that repairs or alterations can be made. This provision shall in no way be deemed to be a covenant by Landlord, nor be construed to create an obligation on the part of Landlord, to make any such inspection or repair.

23. RIGHT TO SHOW PREMISES

Tenant agrees to allow Landlord, or anyone designated by it, to show the Leased Premises to any person wishing to lease or purchase them. Landlord or its designee shall have the right to place notices on the front of the Leased Premises, or any part of them, offering the premises for lease or for sale. Tenant agrees that it shall permit such notice to remain in place, without hindrance or molestation.

24. PROPERTY INSURANCE

If, as a result of Tenant's use of the Leased Premises or the character of or manner in which Tenant's business is carried on, the insurance rates or charges for fire and other hazards are increased, Tenant shall be responsible for the amount by which the insurance premiums or charges are increased. Such amount shall be payable immediately upon demand or, at Landlord's option, such amount shall be added to and become payable as additional rent with the next installment of rent due. In no event, however, shall Tenant pay such amount later than one (1) month after Landlord's demand for payment.

25. ABANDONMENT OF EQUIPMENT AND FIXTURES

If Tenant fails to remove any of its equipment, fixtures, goods, or other property when this Term ends, or when Tenant may vacate or abandon the Leased Premises, or if Tenant is evicted from the Leased Premises, they shall be considered abandoned. Landlord shall have the right, without any notice to Tenant, to sell or otherwise dispose of them at Tenant's expense. Landlord shall not be accountable to Tenant for any part of the proceeds of any sale and shall not be liable to Tenant or any other party for damages or prosecution. If Landlord incurs costs or expenses, or is exposed to a claim for loss as a result of Tenant's abandonment of its property or its failure to remove its property, Landlord shall

be entitled to recoup its losses and expenses from Tenant, including reasonable attorneys' fees. For this purpose, Landlord shall have recourse to any remedy or right provided in this Lease or permitted by law.

26. LIMITATION OF LANDLORD'S LIABILITY

Landlord, its officers, trustees, agents, servants, and employees shall not be liable for any damage to Tenant's Property or to property of others entrusted to any employee of Landlord, nor for the loss of or damage to any of Tenant's Property or by theft or otherwise, nor shall Landlord, trustees, agents, servants, and employees be liable for any injury or damage to property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or snow leaks from any part of the Building or from the pipes, appliances, or plumbing, or from the roof, street, or subsurface, or from any other place, or by dampness, or by any other cause of whatsoever nature, unless and to the extent caused by the wrongful intentional acts or gross negligence of Landlord; nor shall Landlord, its officers, trustees, agents, servants, and employees be liable for any such damage caused by the negligence of other persons in the Building or caused by operations in construction of any public or quasi-public works; nor shall Landlord, its officers, trustees, agents, servants, and employees be liable for any latent defect in the Property, the Building, or the Leased Premises.

Tenant shall reimburse Landlord as additional rent, upon rendition of a statement, for all expenditures made by or damages or fines sustained or incurred by Landlord (including, without limitation, reasonable attorneys' fees) due to the non-performance or non-compliance with or breach or failure by Tenant to observe any term, covenant, or condition of this Lease.

Notwithstanding any of the provisions of this Paragraph or any other provisions of the Lease to the contrary, Landlord shall have no obligation, responsibility, or liability whatsoever for any inconvenience, annoyance, interruption, loss of, or injury to Tenant's business, including, without limitation, lost profits or any other consequential damages however occurring, whether in the course of effectuating any environmental cleanup or making any repairs, replacements, restorations, alterations, additions, improvement, or otherwise, including those resulting from Landlord's negligence, acts or failures to act, or to provide services, or resulting from Landlord's failure to perform any obligation on the part of the Landlord to be performed under this Lease.

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Landlord shall not be personally liable with respect to any provision of this Lease. If Landlord is in breach or default with respect to its obligations under this Lease, Tenant shall look solely to Landlord's equity in the Leased Premises for satisfaction of Tenant's remedies. It is expressly understood and agreed that Landlord's obligations under this Lease shall in no event exceed the loss of its equity in the Leased Premises.

27. NON-WAIVER OF RIGHTS AND REMEDIES

Landlord's various rights, remedies, options, and elections contained in this Lease are cumulative. They are not intended to be exclusive of any other remedy Landlord may be entitled to pursue. If Landlord does not enforce Tenant's strict performance of any of the terms, conditions, or covenants of this Lease, or if it does not exercise an election or option available to it, or if it does not resort to or avail itself of any remedy provided in this Lease, or if Landlord accepts a rent installment after any breach by Tenant in one or more instances, Landlord's action shall not be construed or deemed to be a waiver or a relinquishment by Landlord of any such conditions, covenants, options, elections, or remedies, which shall each continue in full force and effect and be available to Landlord in the future.

28. LANDLORD'S INABILITY TO PROVIDE SERVICE OR MATERIAL

This Lease, and Tenant's obligation to pay rent and to comply with the terms, covenants, and conditions of this Lease, shall not be affected, curtailed, impaired, or excused because of Landlord's inability to supply any service or material called for under this Lease as a result of any rule, order, regulation, or pre-emption by any governmental entity, authority, department, agency, or subdivision; or for any delay which may arise from negotiations over the adjustment of any fire or other casualty loss; or because of strikes or other labor trouble; or for any cause beyond the control of Landlord.

29. QUIET ENJOYMENT

Landlord covenants and represents that it is the owner of the Leased Premises and has the right and authority to enter into, execute, and deliver this Lease. Landlord further covenants that Tenant, by paying the rent fixed in the Lease and performing all the terms, conditions, and covenants contained in this Lease, shall and may peaceably and quietly have, hold, and enjoy the Leased Premises for the Term of this Lease.

30. SALE OF PREMISES

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If the Leased Premises or the property of which they are a part are sold during the Term of this Lease, Tenant agrees to vacate the Leased Premises, remove all its property, and surrender peaceable possession of the Leased Premises to Landlord on the date fixed by Landlord in its written demand. This Lease shall terminate and its Term come to an end as of the date Landlord fixes in its demand as if that date was the date originally fixed in this Lease for its expiration.

31. TENANT'S WAIVER OF RIGHTS FOR INSURED LOSSES

Tenant waives all rights of recovery against Landlord or its agents, employees, self-insurance administrator, or other representatives for any loss, damage, or injury of any nature whatsoever to property or persons for which Tenant is insured. Tenant shall obtain from its insurance carriers, and shall deliver to Landlord, waivers of subrogation rights under the respective policies.

32. HOLDOVER

In the event Tenant remains in possession after the expiration of the Term of this lease without Landlord's consent, such occupancy shall be deemed to be a month-to-month tenancy and the "Holdover Period." In addition to any damages to which Landlord may be entitled or other remedies Landlord may have by law, Tenant shall pay to Landlord a rental for the Holdover Period at the rate of twice the rent payable during the last Lease Year of the Term, plus all items of additional rent, if any, and other charges with respect to the Leased Premises payable by Tenant during the last Lease Year of the Term. Nothing herein contained shall be deemed to give Tenant any right to remain in possession of the Leased Premises after the expiration of the Term of this Lease. The sum due to Landlord hereunder shall be payable by Tenant upon demand.

33. LIMITATION ON USE OF NAME

Tenant shall be, and is hereby prohibited from, using the name of Landlord, in whole or in part, in the name of its organization or in its program literature.

34. ENVIRONMENTAL CONDITIONS

The Tenant expressly covenants and agrees to indemnify, defend, and save the

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Landlord harmless against any claim, damage, liability, costs, penalties, or fines which the Landlord may suffer as a result of air, ground, or water pollution caused by the Tenant in its use of the Leased Premises. The Tenant covenants and agrees to notify the Landlord immediately of any claim or notice served upon it with respect to any such claim the Tenant is causing water, ground, or air pollution; and the Tenant in any event, will take immediate steps to halt, remedy, or cure and remediate any pollution of air, ground, or water caused by the Tenant by its use of the Leased Premises. This covenant shall survive the expiration or earlier termination of this Lease.

35. BANKRUPTCY OF TENANT

35.1 Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor or as debtor in possession, and any trustee who may be appointed, agree to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Leased Premises in an amount equal to all basic rent and additional rent and due pursuant to this Lease; to reject or assume this Lease within sixty (60) days of the filing of such petition under Chapter 7 of the Bankruptcy Code or within one hundred twenty (120) days (or such shorter term as Landlord, in its sole discretion, may deem reasonable so long as notice of such period is given) of the filing of a petition under any other Chapter; to give Landlord at least forty-five (45) days' prior written notice of any proceeding relating to any assumption of this Lease; to give at least thirty (30) days' prior written notice of any abandonment of the Leased Premises, any such abandonment to be deemed a rejection of this Lease; to do all other things of benefit to Landlord otherwise required under the Bankruptcy Code; to be deemed to have rejected this Lease in the event of the failure to comply with any of the above; and to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing all of the above, Tenant hereby waives notice and hearing of the entry of such order.

35.2 No default of this Lease by Tenant, either prior to or subsequent to the filing of such a petition, shall be deemed to have been waived unless expressly done so in writing by Landlord.

36. DEFAULTS

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- 36.1** In the event that:
- 36.1.1** Tenant fails to pay any rent or any additional rent within seven (7) days when due;
 - 36.1.2** Tenant defaults in fulfilling any of the covenants or agreement of this Lease on its part to be kept or performed and such default is not cured within ten (10) days (or, in case of an emergency, such shorter period as is reasonable under the circumstances) after written notice from Landlord or its agents;
 - 36.1.3** This Lease is transferred to or devolves by merger, consolidation, or operation of law upon any person, firm, or corporation other than as permitted by Paragraph 13;
 - 36.1.4** Tenant abandons the Leased Premises or fails to take possession of the Leased Premises within thirty (30) days after the Commencement Date;
 - 36.1.5** At any time during the Term, there shall be filed by Tenant in any court, either of the United States or any other state, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of Tenant's property, or if Tenant makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement; or
 - 36.1.6** At any time during the Term, there shall be filed against Tenant, in any court, either of the United States or any state, a petition in bankruptcy or insolvency, or for reorganization, or for appointment of a receiver or trustee of all or a portion of Tenant's property, and if, within sixty (60) days after the commencement of any such proceeding against Tenant, the same shall not have been dismissed or stayed:

Then and in any of such events (each an "Event of Default") Landlord, or its agent, may give Tenant a written notice specifying a day not less than five (5) days thereafter whereupon the Term shall end, and on the day specified the Term shall expire as if that day were the day herein fixed for the expiration of the Term, and Tenant shall then quit and surrender the Leased Premises to Landlord and Tenant shall remain liable as herein provided. Tenant further waives any and all statutory rights of redemption following termination of this Lease or dispossession of Tenant.

- 36.2** Upon the occurrence of any of the events specified in Paragraph **36.1** Landlord may re-enter the Leased Premises and remove Tenant by summary proceedings or otherwise. In case of any such re-entry, expiration of the Term and/or dispossession by summary proceedings or otherwise, the basic rent and

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additional rent shall become due and payable up to the time of such re-entry, dispossess, and/or expiration, together with such expenses that Landlord may incur for obtaining possession and re-rental of the Leased Premises (including reasonable attorneys' fees) brokerage, and/or putting the Leased Premises in good order, or for preparing the same for re-rental. Landlord may re-let the Leased Premises or any part or parts thereof, for a term or terms which may, at Landlord's option, be less than or exceed the period which may otherwise have constituted the balance of the Term and may grant reasonable concessions, or free rent; and Tenant or the legal representative of Tenant shall also pay Landlord as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between all basic rent and additional rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the re-rental of the Leased Premises for each month of the period which would otherwise have constituted the balance of the Term. In computing such liquidated damages, there shall be added to such deficiency such expenses as Landlord may incur in connection with re-letting, including, but not limited to, reasonable attorneys' fees, brokerage, advertising, keeping the Leased Premises in good order, and preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent days specified in this Lease, unless and until Landlord shall elect to accelerate the payment of such liquidated damages, in which event Tenant shall pay Landlord, within ten (10) days after Landlord's demand, an amount equal to such deficiency above discounted to present value at the rate of four percent (4%) per annum. Any suit brought to collect the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, in its discretion, may make such alterations, repairs, replacements, and/or decorations in the Leased Premises as may be necessary for the purpose of re-letting the Leased Premises but shall not be obligated to do so; and the making of them shall not operate or be construed to release Tenant from liability hereunder. Tenant agrees that by listing the Leased Premises with a licensed real estate broker, Landlord shall be deemed to have fulfilled any and all obligations it may have had to attempt to re-let the Leased Premises and mitigate damages. Landlord shall not have any further duty or obligation to attempt to re-let the Property. The words "**re-enter**" or "re-entry" as used in this Lease shall not be restricted to their technical legal meaning.

36.3 In the event of a breach or threatened breach by Tenant of any of the covenants or provisions of this Lease, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings, and other remedies were not herein provided for. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

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36.4 If Tenant shall default in the performance of any provision, covenant, or condition on its part to be performed under this Lease, Landlord may, at its option, perform the same for the account and at the expense of Tenant. If Landlord at any time shall be compelled to pay or elects to pay any sum of money or do any act which requires the payment of any sum of money by reason of the failure of Tenant to comply with any provision of this Lease, or if Landlord incurs any expense, including reasonable attorneys' fees, in prosecuting or defending any action or proceeding by reason of any default of Tenant under this Lease, the sums so paid by Landlord, with interest at the rate of five percent (5%), plus costs and damages shall be due from and be paid by Tenant to Landlord on demand as additional rent.

37. BROKERS

Landlord and Tenant each represent and warrant to each other that it has not dealt with any real estate broker or agent in connection with the development, negotiation, and/or execution of this Lease. Each party agrees to hold and save the other harmless from and against any claims for commissions, fees, or payments of any kind made to the other party by any broker, agent, or the like and arising from the development, negotiation, and/or execution of this Lease.

38. SEVERABILITY

The terms, conditions, covenants, and provisions of this Lease shall be deemed to be severable. If any clause or provision contained in this Lease is found to be invalid or unenforceable by a court of competent jurisdiction, or by operation of any applicable law, it shall not affect the validity of any other clause or provision of this Lease, but such other clauses or provisions shall remain in full force and effect.

Further, if Landlord so elects, it may pursue the relief or remedy sought in any invalid clause by conforming the clause with the provisions of the statutes or the regulations of any government agencies as might apply, as if the particular provisions of the applicable statutes or regulations were provided or set forth at length in this Lease.

39. NOTICES

All notices required under the terms of this Lease shall be given and shall be complete upon mailing, by certified or registered mail, return receipt requested, to the address of the parties as shown at the head of this Lease, or to such other address as may be designated in writing by either party to the other in a manner consistent with this provision.

40. **ENTIRE AGREEMENT**

This Lease contains the entire agreement between the parties. No representative, agent, or employee of Landlord has been authorized to make any representations or promises with regard to this Lease, or to vary, alter, or modify the terms of this Lease. No additions, changes or modifications, renewals, or extensions shall be binding unless reduced to writing and signed by Landlord and Tenant.

41. **REFERENCES AND BINDING COVENANTS**

Words used in the singular shall be considered to include the plural and, whenever any particular gender is used, it shall be inclusive of the masculine, feminine, and neuter gender where the text so requires.

All the terms, covenants, and conditions contained in this Lease shall be for, and shall inure to the benefit of, and shall bind the respective parties hereto, their heirs, executors, administrators, personal or legal representatives, successors, and assigns.

42. **AUTHORITY TO BIND**

Landlord and Tenant represent and warrant to the other that the corporate officers signing this Lease have the authority, duly and properly conferred upon them, to bind their respective organization to the terms and conditions of this Lease and to execute this Lease.

43. **FORCE MAJEURE**

If Landlord is unable to perform any of its obligation; or to supply or is delayed in supplying any service expressly or impliedly to be supplied; or is unable to make or is delayed in making any repair, additions, alterations, or decorations; or is unable to supply or is delayed in supplying any equipment or fixtures due to events beyond its control; the time provided to Landlord for performing such obligations shall be extended by a period of time equal to the duration of such events; and the Tenant shall not be entitled to any claim against Landlord by reason thereof; and the obligation of Tenant to perform all its obligations under this Lease shall not be affected, impaired, or excused thereby. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, casualty, labor or material shortages, government regulation or restriction, and weather conditions. Nothing herein,

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however, shall delay or affect Tenant's obligation to pay rent under this Lease as and when the same becomes due.

44. NOTICE OF LANDLORD'S DEFAULT

Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord. Landlord shall not be in default under this lease unless Landlord fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. If more than thirty (30) days are required to cure such non-performance, Landlord shall not be in default if such cure is commenced within such thirty- (30) day period and therefore diligently pursued to completion.

45. MISCELLANEOUS

- (a) The laws of the State of New Jersey shall govern this Lease.
- (b) This Lease shall not be recorded.
- (c) The submission of this Lease to Tenant shall not be deemed to be an offer and shall not bind either party until duly executed by Landlord.
- (d) This Lease may be executed in counterparts, and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

46. LANDLORD'S REMEDIES

In the event that Tenant commits a material breach of this Agreement, as defined in Paragraph 13 of this Agreement, Landlord may exercise any rights and remedies available at law or in equity, including, but not limited to, the right to continue this Agreement by not terminating Tenant's right to possession and continuing to enforce Landlord's rights and remedies under this Agreement, including the right to recover the rent specified in this Agreement as it becomes due, for any period during which Tenant remains in actual possession of the premises.

45. MODIFICATION

This Agreement may be modified only by written instrument signed by both Landlord and Tenant, and any oral modification of the terms of this Agreement, whether real or purported, shall be of no force or effect. Landlord reserves the right to increase the amount of rent payable under this Agreement, or to modify

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any other term or condition of this Agreement, on 30 days written notice to Tenant. Tenant’s written assent to such modification or continuation in possession of the premises after the effective date of such modification, shall constitute acceptance by Tenant of the terms of the modification. All terms and conditions of this Agreement not specifically modified in the manner specified above shall continue in full force and effect for the duration of this Agreement.

In Witness Whereof, the parties have here set their hands and seals, or caused these presents to be signed by their proper corporate officers and their proper corporate seal to be affixed to this Lease, the day and year first above written.

LANDLORD:

*Holy Spirit Church
Union, New Jersey*

Attest:

Reverend Krsysztof K. Maslowski
Secretary

Very Reverend John J. Chadwick. V.G.
Vice President

TENANT:

*Union County Educational
Services Commission
Westfield, New Jersey*

Attest:

To be disclosed
Secretary

Michael J. Kowalski
Acting Superintendent

