

APPENDIX A

Rent for Demised Premises.

(a) **Annual Fixed Rent for the Term.** The Tenant shall pay the Landlord the fixed annual rent for the Demised Premises as set forth on the Annual Rent Schedule annexed as Exhibit _____. Annual rent shall be payable in lawful money of the United States of America, in twelve (12) equal consecutive monthly installments, on the first day of each month, in advance, with the exception that the first monthly installment of fixed annual rent shall be paid upon the signing of the Lease.

(b) **Additional Rent Based Upon Taxes.**

(i) **Personal Property Taxes.** The Tenant shall pay the Landlord, as additional rent, either upon demand (which may be made from time to time during the year, in order that the Landlord shall receive the additional rent prior to when such sums are due to the appropriate governmental authority), or, in the Landlord's discretion, in the manner provided in subparagraph (v) below, all taxes levied or otherwise charged or assessed against the Landlord or the Property, as the case may be, with respect to any and all personal property, equipment and/or trade fixtures placed by the Tenant in the Demised Premises, regardless of whether such tax is separately assessed as such or is a part of the computation of real estate taxes assessed and levied with respect to the Property.

(ii) **Real Estate Taxes.** The Tenant shall pay the Landlord, as additional rent, either upon demand (which may be made from time to time during the year, in order that the Landlord shall receive the Tenant's Proportionate Share prior to when such sums are due to the appropriate governmental authority), or, in the Landlord's discretion, as provided in subparagraph (v) below, the Tenant's Proportionate Share of all real estate taxes assessed and levied against the Property for the Lease term, regardless of the date of actual assessment and levy.

(iii) **Definition.** For the purpose of this Lease, the term "real estate taxes" shall include, in addition to real estate taxes and assessments, water and sewer rents or charges and other governmental impositions imposed upon or against the Property, of every kind and nature whatsoever, extraordinary as well as ordinary, foreseen and unforeseen, and each and every installment thereof, which shall or may during the Lease term be levied, assessed or imposed upon or against the Property.

(iv) **Adjustment.** If the real estate tax assessment shall be changed at any time during the Lease term, an appropriate adjustment shall be made. If there shall be more than one taxing authority, the real estate taxes for any period shall be attributable to each taxing authority.

(v) **Tax Escrow.** At the option of the Landlord, which the Landlord may exercise at any time, and from time to time, during the Lease term, the Tenant shall pay the Landlord, the Tenant's Proportionate Share of all real estate taxes and assessments, on the first day of each month in advance, in a sum equal to 1/12th of the Tenant's Proportionate Share of all real estate taxes due and payable for the then calendar year. If at a time a payment

is required the amount of the real estate taxes and assessments for the then calendar year shall not be known, the Tenant shall pay the Landlord, as additional rent, 1/12th of the Tenant's Proportionate Share of all real estate taxes and assessments for the preceding calendar year; and upon ascertaining the real estate taxes and assessments for the current calendar year, the Tenant shall pay the Landlord any difference upon demand, or if the Tenant shall be entitled to a credit, the Landlord shall, at its option, either pay the excess to the Tenant or credit the excess against the next monthly installment(s) of additional rent falling due. Additional rent based upon real estate taxes and assessments payable for the first and last years of the Lease Term, shall be adjusted and pro rated, so that the Landlord shall be responsible for the Landlord's pro rated share for the period prior to and subsequent to the Lease Term and the Tenant shall pay the Landlord its pro rated share for the Lease Term.

(c) **Additional Rent Based Upon Assessments for Public Improvements.**

The Tenant shall pay the Landlord, as additional rent, either upon demand (which may be made from time to time during the year, in order that the Landlord shall receive the additional rent prior to when such sums are due to the appropriate governmental authority), or, in the Landlord's discretion, in the manner provided in subparagraph (b)(v) above, the Tenant's Proportionate Share of all assessments for public improvements assessed and levied against the Property, regardless of the date of actual assessment or levy. If any assessment for public improvements shall be payable in installments, the Landlord shall pay such assessment in the maximum number of installments permitted by "Laws" (as defined in paragraph ___ below), and the Tenant's obligation to pay additional rent shall be limited to each installment or pro rata share thereof due and payable during the Lease Term.

(d) **Additional Rent Based Upon the Landlord's Insurance.**

(i) **Casualty Insurance.** The Tenant shall pay the Landlord, as additional rent, either upon demand or, in the Landlord's discretion, as provided in subparagraph (iii) below, the Tenant's Proportionate Share of the Landlord's Property Insurance (Special Form) (which may include, without limitation, rent insurance, water damage insurance, building ordinance coverage, vandalism and malicious mischief insurance, flood insurance and war and terrorism insurance, as well as and any other coverage which may be required by a mortgagee of the Landlord). This insurance may: (A) name only the Landlord and the Landlord's mortgagee, if any, as the insured and provide that any loss shall be payable to the Landlord and the Landlord's mortgagee, if any, as their respective interests may appear; (B) be in an amount equal to the full replacement cost of all buildings, improvements, alterations, additions and replacements now or hereafter on or at the Property (without imposing on the Landlord the obligation to insure any alterations made by the Tenant pursuant to the Lease); (C) provide that no act of the Tenant shall impede the right of the Landlord or the Landlord's mortgagee, if any, to receive and collect the insurance proceeds; and (D) provide that the right of the Landlord and the Landlord's mortgagee, if any, shall not be diminished because of any additional insurance carried by the Tenant for the Tenant's own account.

(ii) **Liability Insurance.** The Tenant shall pay the Landlord, as additional rent, either upon demand or, in the Landlord's discretion, as provided in subparagraph (iii) below, the Tenant's Proportionate Share of the Landlord's Commercial General Liability Insurance (including, without limitation, fire legal liability insurance), covering claims for bodily injury, death or property damage, occurring in or about the Property, including, without limitation, any sidewalks adjoining the Property. This insurance may be in an amount of \$5,000,000 for any single occurrence and shall name the Landlord as the insured. The Tenant shall also pay the Landlord, as additional rent, either upon demand or as provided in subparagraph (iii) below, the Tenant's Proportionate Share of the Landlord's Excess or Umbrella Liability Insurance, which insurance may be in the amount of \$10,000,000 for any single occurrence and shall name the Landlord as the insured. The Landlord may increase the limits of coverage of the foregoing policies if circumstances at the time reasonably warrant an increase.

(iii) **Insurance Escrow.** At the option of the Landlord, which the Landlord may exercise at any time, and from time to time, during the Lease Term, the Tenant shall pay the Landlord the Tenant's Proportionate Share of all insurance premiums for the insurance coverages referred to in subparagraphs (i) and (ii) above, on the first day of each month in advance, in a sum equal to 1/12th of the Tenant's Proportionate Share of all insurance premiums then due and payable. Additional rent based upon insurance premiums payable for the first and last years of the Lease Term, shall be adjusted and pro rated, so that the Landlord shall be responsible for the Landlord's pro rated share for the period prior to and subsequent to the Lease Term, and the Tenant shall pay the Landlord its pro rated share for the Lease Term.

(e) **Additional Rent Based Upon Utilities.**

(i) **Utilities.** As additional rent, the Tenant shall pay all charges for water, sewer, standby water for sprinkler system, and all other utilities or services which are made available to the Demised Premises, as provided for in this subparagraph (e) (collectively, "Utilities").

(ii) **Separate Meter for Demised Premises.** If a separate meter is installed or has been installed to meter the consumption of any Utilities used within the Demised Premises, then all charges incurred with respect to such Utilities shall be paid by the Tenant directly to the utility company. Should the Tenant not make payment thereof and should the Landlord become obligated to pay the same, then in addition to being in default hereunder, and the Landlord having all rights and remedies available to the Landlord under the Lease or by Laws, the Tenant shall promptly, upon demand, pay such sum to the Landlord, as additional rent.

(iii) **Separate Meter for Building.** If there is no separate meter to measure the consumption of any Utilities used within the Demised Premises, but a separate meter is installed or has been installed to meter the consumption of any Utilities used in the Building of which the Demised Premises is a part, then the Tenant shall pay the Landlord, as additional rent, upon demand, the Tenant's Proportionate Share of all such charges.

(f) **Additional Rent Based Upon Charges due Under or Pursuant to the Declaration, By-Laws and/or Rules and Regulations.**

The Tenant shall pay the Landlord, as additional rent, either upon demand (which may be made from time to time during the year, in order that the Landlord shall receive the additional rent prior to when such sums are due), or, in the Landlord's discretion, in the manner provided in subparagraph (b)(v) above, the Tenant's Proportionate Share of all sums due from the Property and/or the Landlord as "Owner" (as defined in the Declaration) of the Property, pursuant to the Declaration, the By-laws and/or the Rules and Regulations, regardless of the date of actual assessment or levy; however, the Tenant's obligation to pay such additional rent shall be limited to the amount due and payable during the Lease Term.

(g) **Additional Rent Based Upon Building Common Area Charges.**

(i) **Building Common Area Charges.** For the purposes of this Lease, "Building Common Area" shall include without limitation, all common areas of the Property, such as, but not limited to, the parking lot areas, landscaped areas, sections of the Building not leased or available for lease (including, without limitation, all hallways, stairwells, utility rooms, such as the sprinkler room, the water meter room and the electrical service room in the Building), walkways and sidewalks. The Tenant shall pay the Landlord, as additional rent, in the manner stated below, the Tenant's Proportionate Share of the charges not otherwise covered elsewhere in the Lease (the "Building Common Area Charges"), incurred during the Lease Term, regardless of the date of actual assessment or levy, including, without limitation, all costs and expenses incurred by the Landlord in owning, managing, equipping, maintaining, repairing, replacing and operating the Building and/or the Property and/or keeping the Building and/or the Property in compliance with all Laws, and/or otherwise complying with its obligations under the Lease, and further including, without limitation, (A) cleaning, (B) snow removal, (C) landscaping, (D) stripping, (E) Utilities attributable to the Building Common Area, (F) insurance costs not otherwise provided for in the Lease, (G) management fees charged by the Landlord or third parties with respect to the Property, (H) cleaning services, if provided, (I) janitorial services, if provided, (J) security services, if provided, (K) supplies, sundries and sales or use taxes on supplies or services, (L) costs of wages and salaries of all persons engaged in performing any of the foregoing activities (including so-called fringe benefits, social security taxes, unemployment insurance taxes, costs for providing coverage for disability benefits, costs of any pensions, hospitalization, welfare or retirement plans or any other similar or like expenses incurred under the provisions of any collective bargaining agreement, or any other reasonable cost or expense which the Landlord pays or incurs to provide benefits for employees directly engaged in performing any of the foregoing activities), (M) charges of any independent contractor who, under contract with the Landlord or its representatives, performs any of the foregoing activities, (N) legal and accounting expenses, (O) interest on amortization of any mortgage affecting the Property, (P) financing costs and (Q) any and all other expenses or charges whether or not specifically mentioned which are incurred in connection with the managing, owning, leasing, equipping, maintaining, repairing, replacing and operating the Building and/or the Property, and the like. There shall not be included in the Building Common Area Charges, depreciation, leasehold improvements made specifically for any tenant of the Building and brokerage commissions. The foregoing shall not, however, be deemed to obligate the Landlord to undertake any activities, or provide any services not otherwise expressly provided for elsewhere in this Lease.

(ii) **Payment.** On or before the Commencement Date, and annually thereafter, the Landlord shall furnish to the Tenant, a written statement of the Landlord's estimate of the annual Building Common Area Charges (the "Annual Estimated Building Expenses"), based upon a calendar year. The Tenant shall pay to the Landlord, on the first day of each month in advance (with the exception that the first installment shall be paid upon the execution and delivery of the Lease), the Tenant's Proportionate Share of the amount equal to 1/12th of the Annual Estimated Building Expenses. The Landlord shall furnish the Tenant with an accounting when the actual Building Common Area Charges for such calendar year are known, and the Landlord shall notify the Tenant whether such amount paid by the Tenant to the Landlord for such calendar year is greater or less than the actual Building Common Area Charges for such calendar year. If there is a deficiency, the Tenant shall pay the deficiency to the Landlord within fifteen (15) days after demand from the Landlord; if there is an excess, the Landlord shall pay the excess to the Tenant within fifteen (15) days, or shall credit the sum due to the next ensuing installment of additional rent. If at any time during the course of such year the Building shall not be fully leased, then the Landlord shall have the right to make reasonable adjustments to either or both of the actual Building Common Area Charges and the Tenant's Proportionate Share in order to ensure that the Landlord shall recover 100% of the actual Building Common Area Charges for such calendar year.

(iii) **Adjustments.** Additional Rent based upon Building Common Area Charges, payable for the first and last years of the Lease Term shall be adjusted and pro rated, so that the Landlord shall be responsible for the Landlord's pro rated share for the period prior to and subsequent to the Lease Term, and the Tenant shall pay the Landlord its pro rated share for the Lease Term.

(iv) **Challenge to Accounting.** The accounting of the Landlord, referred to in subparagraph (ii) above, shall be conclusively deemed to be correct unless within thirty (30) days after the delivery of the accounting to the Tenant, the Tenant delivers a notice to the Landlord requesting a review of the Landlord's books and records with respect to the accounting and, within ten (10) days following the Tenant's review of the Landlord's books and records, files a written exception to any item of expense, setting forth the specific facts upon which such objection is based. The Tenant's review of the Landlord's books and records shall be performed, if at all, within ten (10) days of notice from the Landlord to the Tenant that the books and records are available for inspection, and thereafter the right of the Tenant to inspect the books and records shall be void and of no further force or effect. Notwithstanding the foregoing, in no event shall the foregoing be deemed to afford the Tenant any right to withhold any payment due from the Tenant to the Landlord. In the event the Tenant fails to file a written exception to any item of expense within the ten (10) day period provided for above, the accounting of the Landlord shall conclusively be deemed to be accurate. In the event the Tenant does file an exception to any item of expense, then the Landlord and Tenant shall endeavor to resolve the dispute over the ensuing thirty (30) day period and in the event, during such time period, they are unable to resolve the dispute, the Tenant may file an arbitration action in accordance with the provisions of Section _____ in order to challenge the Landlord's accounting with respect to any item of expense as to which the Tenant has provided timely written exception. All other items of expense as to which no timely written exception has been filed shall conclusively be deemed to be accurate. Any audit conducted by the Tenant shall be performed only by the Tenant or a third party that charges on an hourly basis and not on a contingency basis. In no event may the Tenant use any

former employee of the Landlord or any management company used by the Landlord for the management of the Property. Prior to conducting any audit, each of the Tenant and any third party retained by the Tenant shall execute and deliver to the Landlord a non-disclosure and confidentiality agreement in form and substance satisfactory to the Landlord and its counsel.

(h) **Additional Rent Based Upon Reimbursement to the Landlord.**

If the Tenant shall fail to comply with or to perform any term, condition or covenant of the Lease, the Landlord may (but with no obligation to do so) carry out and perform such term, condition and covenant, at the expense of the Tenant, which expense shall be payable by the Tenant, as additional rent, upon the demand of the Landlord.

Additional Rent Based Upon Late Payment. If the Tenant defaults, for more than five (5) days in the payment of any monthly installment of fixed rent or additional rent, or any other sum required of the Tenant under the Lease, or if the Tenant, within five (5) days after demand from the Landlord, fails to reimburse the Landlord for any expenses incurred by the Landlord pursuant to the Lease, then the Tenant shall pay the Landlord, as additional rent, upon demand, a late charge of ten (10%) percent of the sum due. The Tenant acknowledges that the late charge is provided to ensure the Tenant's prompt payment of the fixed rent and additional rent when due so as to enable the timely payment by the Landlord of the expenses of the Property, to avoid the possibility of forfeiture, interest charges or penalties, additional management expenses to collect the fixed rent and additional rent, and to avoid the impairment of the Landlord's creditworthiness. The Tenant acknowledges that the late charge is a reasonable estimate of the damages that the Landlord will suffer in the event of the late payment of the sums due by the Tenant.

(i) **The Landlord's Legal Expenses in Enforcing the Lease and Brokerage Commissions.**

The Tenant shall pay the Landlord, as additional rent, all reasonable attorneys' fees and costs incurred by the Landlord in enforcing the Tenant's obligations under the Lease, within five (5) days of demand by the Landlord regardless of whether a court proceeding is commenced to enforce the Tenant's obligations and regardless of any monetary recovery by the Landlord. If the Landlord re-enters and re-possesses the Demised Premises or otherwise terminates the Lease, the Tenant shall also pay the Landlord, as additional rent, upon demand, an amount equal to the real estate brokerage commission, if any, incurred by the Landlord in effecting the Lease, multiplied by a fraction, the numerator of which shall be the number of unexpired full or partial months remaining in the Lease Term from and after the date of the Tenant's default, and the denominator of which shall be the number of months of the Lease Term.

(j) **Additional Rent Based Upon Taxes Based on Rent.**

If at any time during the term of the Lease a tax or charge shall be imposed by the State of New Jersey or the county or municipality in which the Demised Premises is located, pursuant to any future Laws, which tax or charge shall be based upon the fixed rent and/or additional rent due or paid by the Tenant to the Landlord, then the Tenant shall pay the Landlord, as additional rent, upon demand, such tax or charge. The foregoing shall not require payment by the Tenant of any income taxes assessed against the Landlord or of any capital levy, franchise, estate, succession, inheritance or transfer tax due from the Landlord.

(k) **Place and Form of Payment of Rent and Additional Rent.**

The payment of fixed rent and additional rent due from the Tenant under the Lease shall be paid by the Tenant to the Landlord at the address of the Landlord specified at the head of the Lease, or at such other place as the Landlord may, from time to time, notify the Tenant. The fixed rent and additional rent shall be paid by the Tenant to the Landlord when due, and without the need of notice or demand from the Landlord.

(l) **Additional Rent Based Upon Other Sums.**

The Tenant shall pay the Landlord, as additional rent, all other sums of money on the Tenant's part to be paid pursuant to the terms, covenants and conditions of the Lease.

(m) **Proportionate Share.**

The Tenant's proportionate share (the "Tenant's Proportionate Share") shall equal _____ (_____%) percent.

(n) **Survival.**

The provisions of this paragraph _____ shall, to the extent applicable, survive the expiration or earlier termination of the Lease.

(o) **Net Lease, No Setoff; Application and Effect of Payment of Rent.**

(i) **Net Lease.** It is the intention of the parties that this Lease is a "triple net lease" and the Landlord shall receive the fixed annual rent, additional rent and other sums required of the Tenant under the Lease, undiminished from all costs, expenses and obligations of every kind relating to the Building and the Property which shall arise or become due during the Lease Term, all of which shall be paid by the Tenant.

(ii) **No Setoff.** The Tenant shall pay the Landlord the fixed rent and additional rent without abatement, deduction or setoff, and irrespective of any claims that the Tenant may have against the Landlord; and this provision is independent of any other provision of the Lease.

(iii) **Application and Effect of Payment.** No payment by the Tenant or receipt by the Landlord of an amount less than the fixed rent or additional rent due under the Lease shall be deemed anything other than a payment on account of the earliest of those sums due from the Tenant under the Lease. No endorsement or statement on any check or any letter accompanying any check for the payment of fixed rent or additional rent shall be deemed an accord and satisfaction by the Landlord, and the Landlord may accept any payment from the Tenant without prejudice to the Landlord's right to recover the balance due, and without prejudice to the Landlord to pursue any right or remedy provided to the Landlord under the Lease or by Laws.

(iv) **Non-Payment of Additional Rent.** In the event of a default by the Tenant in the payment of the additional rent, the Landlord shall be entitled to the same rights and remedies that the Landlord has for the non-payment of the fixed rent by the Tenant.

(q) **Rent Reserved.** The total fixed rent reserved under this Lease is _____ (\$ _____) Dollars, plus all additional rent and other sums referred to in this Lease.