

LAMBERTVILLE CANAL PROPERTIES, LLC
505 Martinsville Road
Basking Ridge, New Jersey 07920

City of Lambertville
18 York Street
Lambertville, New Jersey 07030

Re: Proposed Lease
Condo Unit C located at 80 Lambert Lane, Lambertville, New Jersey

Dear Mayor Fahl:

I am pleased to present the following terms and conditions for consideration by the City of Lambertville for Unit C located at 80 Lambert Lane, Lambertville, New Jersey. The following is not intended to represent a binding lease agreement or an agreement to enter into a lease agreement. No binding agreement shall be in place unless a new lease or an amendment to the existing lease has been executed by both parties.

Premises: Unit C located on the 1st floor of the building located at 80 Lambert Lane, Lambertville, New Jersey, containing approximately 9,365 rentable square feet

Landlord: Lambertville Canal Properties, LLC

Tenant: City of Lambertville

Permitted Use: Police station and ancillary uses

Premises: 9,365 rentable square feet

Initial Term: 5 Years

Renewal Options: 5 consecutive 1 year options

<u>Base Rent:</u>	<u>Lease Years</u>	<u>Rent Per Square Foot, Triple Net</u>	<u>Annual Rent</u>
	1-3	\$ 9.00	\$ 84,285.00
	4	\$10.00	\$ 93,650.00
	5	\$11.00	\$103,015.00

Base Rent for any renewal options shall be as follows:

<u>Lease Years</u>	<u>Rent Per Square Foot, Triple Net</u>	<u>Annual Rent</u>
6	\$12.65	\$118,467.25
7	\$13.03	\$122,025.95
8	\$13.42	\$125,678.30
9	\$13.82	\$129,424.30
10	\$14.23	\$133,263.95

- Utilities:** Tenant shall pay for its utilities to the Premises.
- Commencement Date:** Upon completion of Landlord's Work (as defined below), provided that Tenant shall have the right, at Tenant's sole option, by written notice to Landlord, to defer the Commencement Date to a date no later than June 1, 2022.
- Rent Commencement:** Commencement Date.
- Triple NET Charges:** Effective as of the Commencement Date Tenant shall pay its pro-rata share of real estate taxes, insurance costs, condominium fees and maintenance expenses.
- Landlord's Work:** Landlord shall paint the Premises and install new floors in the Premises using building standard materials. All building systems will be good working order as of the Commencement Date.
- Assignment/
Subletting:** Tenant shall have the right to assign the Lease or sublet the whole or any part of the Premises with the prior consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.
- Repairs/Maintenance:** Landlord shall be responsible, at Landlord's sole cost and expense and not passed through to Tenant, for the maintenance, repair and replacement of the foundation, floor slab, roof, roof membrane, exterior walls, and other structural elements of the Premises. Tenant shall be responsible for the maintenance of the remainder of the Premises, including equipment, exterior doors and maintenance of the HVAC.
- Tenant Termination
Right:** Tenant presently owns and occupies premises located at 349 N. Main St., Lambertville, New Jersey ("Tenant's Existing Premises"), which Tenant's Existing Premises is under contract to be sold. In the event the sale of Tenant's Existing Premises does not close, Tenant shall have the right to terminate the Lease on thirty (30) days advance written notice to Landlord, which notice must be received by Landlord no later than May 1, 2022, time being of the essence.
- Broker:** None

The foregoing contains an outline of the basic business terms and conditions, which would have to be incorporated into a formal lease agreement. If the foregoing outline is acceptable, please have the Landlord confirm its agreement by executing a copy of this letter and returning one original to me.

The parties hereto expressly agree that the terms of this letter are not intended to represent a binding lease agreement or an agreement to enter into a lease agreement. The parties shall have reached no binding agreement unless both parties have in fact, executed a mutually satisfactory and duly authorized lease.

Upon your review please call with any questions or comments you may have.

Very truly yours,

Lambertville Canal Properties, LLC

By: _____

Name:

Title:

AGREED and ACCEPTED:

Name: City of Lambertville

By: _____

Name:

Title:

Date: _____