

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into as of the 1stth day of July 2016, by and between ATLANTICARE REGIONAL MEDICAL CENTER, a New Jersey corporation, with principal offices at 2500 English Creek Avenue (hereinafter "Tenant"), and BOARD OF FIRE COMMISSIONERS, FIRE DISTRICT NO, 3, LOWER TOWNSHIP, NJ with principal offices at 415 Breakwater Road, Erma, NJ 08204 (hereinafter "Landlord").

WITNESSETH:

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of Landlord's properly hereinafter identified as the Erma Volunteer Fire Company located at 415 Breakwater Road, Erma NJ 02048 on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Lease of Premises.** Landlord, for and in consideration of the rent, covenants and agreements hereinafter reserved and contained on the part of Tenant to be paid, kept, observed and performed, and subject to the terms and provisions of the Lease, shall and does hereby agree, commencing on the Commencement Date (hereinafter defined) to lease, rent, and demise unto Tenant, and Tenant shall thereupon take and hire, upon and subject to the conditions and limitations hereinafter expressed, all that certain medical office space consisting of approximately 100 square feet within the Landlord's Property, and specifically the front portion (36' x 20') of the engine bay closest to the police station, together with Tenant's non-exclusive use of the Common Areas ("Demised Premises", which includes the bathroom, kitchen room, and TV room of the far bay). The lease is for one suburban like vehicle only. An ambulance may be permitted by Landlord on rare occasions when special circumstances exist. Four (4) parking spaces in the front of the building are included in the Lease. The garage door is to be opened only by remote control.
2. **Term.** The term of this Lease shall commence July 1, 2016 (the "Commencement Date") and shall continue until 12:00 o'clock midnight on June 30, 2018, provided, however that either party shall have the right to terminate this Lease by providing ninety (90) days written notice to the other. This Agreement may be renewed upon the mutual agreement of both parties on annual basis, not to exceed two (2) one-year renewal terms.
3. **Rental.** Basic Rental During Term. In consideration of this Lease, Tenant shall pay to Landlord rental payments ("Basic Rental") during the term equal to

\$1,225.00 per month (\$14,700.00 per annum). This Basic Rental shall be inclusive of rent, common area maintenance (CAM), utilities, cleaning and use of equipment/furnishings. Said rental shall be payable in advance in monthly installments commencing on the Commencement Date and continuing on the first day of each calendar month thereafter during the term of this Lease.

4. **Use of Premises.** Tenant shall use and occupy the Demised Premises solely as an EMS Field Office for the conduct of EMS Response. AtlantiCare shall not use the Demised Premises to conduct EMS transports.
5. **Repairs.** Tenant shall keep and maintain the Premises in good order and repair and in a neat, clean and orderly condition, making all repairs, alterations, replacements and modifications at its own cost. Tenant shall and will on the last day of this Lease, or upon entry or reentry to Landlord due to default by Tenant, surrender and deliver peaceful possession of the Premises to Landlord without delay and in good order, condition and repair, reasonable wear and tear excepted. Any trade fixtures or personal property of Tenant, any sub lessee, invitee or concessionaire which shall remain upon the Premises after termination of this Lease and for thirty (30) days after Tenant's receipt of written notice to remove same shall be deemed to have been abandoned and either may be retained by Landlord as its property or may be disposed of, without accountability, in such a manner as Landlord may see fit. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any sub-lessee, invitee or concessionaire. The provisions of this Paragraph 5 shall survive any termination or expiration of this Lease.
6. **Improvements and Alterations.** Tenant accepts the premises in an "as is" condition.
7. **Indemnification and Insurance.** Landlord and Tenant (each a 'party' to this Lease Agreement) shall indemnify, defend and hold the other party, their respective trustees directors, officers, agents and employees harmless from and against any and all liabilities, suits, actions, claims, demands, damages, losses, expenses and costs of every kind and character suffered or incurred by or asserted or imposed against the party seeking indemnification and resulting from, connected with or arising out of any negligent or wrongful act or omission of the indemnifying party or any other agent or employee of the indemnifying party occurring at any time during the term of this Agreement. This indemnification provision shall survive termination of this Agreement.

At all times during the Term, Tenant and Landlord shall maintain in full force and effect the following insurance in standard form generally in use in the State of New Jersey with insurance companies satisfactory with Landlord and authorized to do business in this state:

- 7.1 Comprehensive Public Liability Insurance in the amount of at least One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate for bodily and/or personal injury to, or the death of, one or more persons, and consequential damages arising therefrom.
 - 7.2 Landlord shall require that any contractor retained by or on behalf of Landlord maintain who performs services for the benefit of the premises and building provides certificates of insurance evidencing any Comprehensive Public liability Insurance and property damage insurance in reasonable amounts. Such insurance shall include "Completed Operations Coverage".
 - 7.3 Tenant shall at all times maintain worker compensation and any other statutory mandated insurance to comply with the applicable laws of the State of New Jersey.
 - 7.4 Tenant shall provide insurance covering Tenant's trade fixtures, furnishings, equipments, betterments, and improvements and other installations of Tenant providing protection equal to the replacement costs of Tenant's betterments and improvements on the Premises against all casualties included under standard insurance policy practices within the classification of fire and extended coverage, vandalism and malicious mischief and insurance covering sprinkler leakage.
 - 7.5 All policies of insurance obtained by either Landlord or Tenant pursuant to the terms of this Lease shall contain a mutual waiver of subrogation, provided that such waiver is available from the insurance company.
8. **Assignment and Sub-letting.** Tenant shall not assign, create a security interest in, pledge or encumber this Lease in whole or in part, sublet the whole or any part of the Premises, or permit the use of the whole or any part hereof by any licensee or concessionaire, without first obtaining the written consent of Landlord, which consent shall not unreasonably be withheld, conditioned, or delayed. In the event of any such assignment, subletting licensing or granting of a concession, Tenant shall nevertheless remain liable for the performance of each term, condition and covenant of this Lease, including, but not limited to, the payment of all rental and other payments due hereunder.
9. **Covenants of Tenant.** Tenant covenants and agrees that it shall during the term:
- 9.1 Pay all amounts of Basic Rental and additional rent and other sums due and payable during the term without demand therefore being made by Landlord; and

- 9.2 Comply with all statutes, ordinances and regulations applicable to Tenant and its use of the Demised Premises, and save Landlord harmless from penalties, fines, costs, expenses or damages resulting from its failure to do so; and
- 9.3 Keep and maintain the Premises in good repair and in a neat and orderly condition; and
- 9.4 At the end of the term, quit and surrender the Premises in as good condition as the same were at the time Tenant took possession, together with all leasehold improvements made by Tenant, reasonable wear and tear excepted. In addition, Tenant covenants and agrees that it will not:
 - i. Do or permit to be done any act whereby any insurance now in force or hereafter to be placed upon the Demised Premises shall become void or suspended, or be rated as a more hazardous risk, than at the commencement date of this Lease.
 - ii. Use the Demised Premises for any unlawful purpose whatsoever, or conduct or permit to be conducted thereon any unlawful business or occupation.
 - iii. Do or permit any act to be done in or about the Demised Premises which would be liable to cause structural injury to the buildings and improvements.

10. **Condemnation.** In the event that the Landlord's Property or such portion thereof as Landlord shall have determined to make it economically unfeasible to continue Landlord's business, shall be taken by any governmental body under the exercise of the power of eminent domain or by agreement with any governmental body in lieu of such taking, that upon such taking this Lease shall terminate. Tenant, hereby waives the right of any compensation for any loss or damage to Tenant as a result of such taking as such loss or damage relates to any possessory or leasehold estate in the Premises. Tenant, however, shall be free to seek compensation for any such governmental body based on Tenant's loss or damages as they may relate to the unamortized cost of any improvements and to non-possessory or non-leasehold interests including, without limitation, reimbursement for relocation costs and expense and loss of profit's and/or business.

11. **Event of Default.** The occurrence of any of the following shall, in addition to any other events of default provided herein, constitute an event of default hereunder:

- 11.1 The filing of a petition by or against Tenant for adjudication as a bankrupt or insolvent, or for its reorganization or for the appointment of a receiver

or trustee of Tenant or Tenant's property; or any assignment or other process of law substantial amount upon Tenant's interest in the leasehold estate or any part thereof;

- 11.2 Failure of Tenant to pay when due any installment of rent hereunder, or the sum herein required to be paid by Tenant, within five (5) days after receipt of notice that same is due, or
- 11.3 Tenant's failure to perform or observe any of the covenants or conditions set forth in this lease, provided that Landlord has given Tenant written notice of such failure and Tenant has failed to commence the curing thereof within ten (10) days after the notice or fellow has failed to proceed diligently to affect the cure thereafter.

12. **Landlord's Remedies Upon Default.**

- 12.1 If an event of default shall have occurred and shall be continuing beyond those periods of time herein granted to cure the same, then:
 - i. Landlord, at Landlord's option, may enter the Premises and without further demand take possession thereof either with or without process of law; and
 - ii. Landlord may give Tenant notice of Landlord's intention to terminate this Lease on a date specified in such notice, in which case the term hereof and the estate hereby granted with respect to the Premises shall expire on the date specified in said notice, with the same effect as if the date specified in said notice were the date herein before fixed for the expiration of the term; and
 - iii. With or without terminating this Lease, and with or without reentering, and obtaining possession of the Premises, accelerate the rent for the entire remaining balance of the term, so that the same shall be immediately due and payable less the fair market rental value of the Premises for such remaining balance of the term, and relet the Premises to any other person upon such terms as Landlord shall, in its sole discretion, deem reasonable, and Tenant shall be liable for any loss in rent for the balance of the term (less such fair market rental value), together with any expense and costs incurred by Landlord in re-renting the Premises.
- 12.2 No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity. Failure by Landlord to insist upon the strict performance of any covenant,

agreement, term or condition of this Lease on the part of Tenant to be performed or to exercise any permitted right or remedy consequent upon a default herein, or acceptance of payment of full or partial rent during the continuance of any such default, shall not constitute a waiver by Landlord of such default or of such covenant, agreement, term or condition.

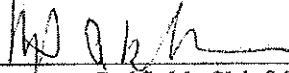
13. **Waiver of Remedies.** The failure of Landlord to insist in any one or more instances upon the performance of any of the covenants or conditions of this Lease or to exercise any right or privilege herein conferred shall not be construed as thereafter waiving or relinquishing any such covenant, condition, right or privilege and the same shall continue and remain in full force and effect, and the waiver one default or right shall not constitute waiver of any other default or right. The receipt of any rental by Landlord, or any portion thereof shall not operate as a waiver of the right of Landlord to enforce the payment of additional rental or of any other obligation of this Lease by any such remedy as may be appropriate, and shall not waive the right of Landlord at any time thereafter to elect to terminate this Lease upon breach of any covenant or condition by Tenant.

14. **Loss.** In the event the Demised Premises shall at any time during the term of this Lease be destroyed or so damaged and they are uninhabitable, the rent shall be paid up to the time of said destruction or damage. All insurance proceeds shall be assigned to Landlord and thereafter Landlord shall have the option to repair or rebuild, and if Landlord so elects, it shall have the option to continue the lease in full force and effect with the rental payments to be made by Tenant from the date of the Demised Premises are restored by Landlord and ready for occupancy by Tenant, provided the same can be accomplished within one hundred twenty (120) days of the date of casualty. In the event that such repairing or rebuilding cannot be accomplished within one hundred twenty (120) days, or if such repairing and rebuilding shall have been commenced and the Demised Premises are not ready for occupancy within said one hundred twenty (120) day period, Tenant shall have the option to terminate this Lease until such time as the repairing and rebuilding are substantially complete, and neither party shall thereafter have any obligation to the other. In the event Landlord elects not to rebuild or repair, this Lease shall forthwith terminate, and neither party shall have any further obligation to the other. In the event that said Demised Premises are partially damaged by fire or other casualty, rent reserved herein shall not cease or be reduced, provided that the Demised Premises are in such condition that they may reasonably continue to be occupied by Tenant.

15. **Condition of Premises.** Tenant herewith accepts the Demised Premises and all personal property therein contained in its present "As Is" condition. It is understood and agreed that Landlord makes no representation or warranty with respect, to the condition of the Demised Premises or any personal property therein contained, and Tenant has not relied upon any representation or warranty, except as specifically set forth herein.
16. **Lease and Mortgage Priority.** This Lease and the lien thereof shall be and is hereby made subordinate to the lien of any and all mortgages now existing or hereafter created on or against the Demised Premises.
17. **Title and Quiet Enjoyment.** Landlord covenants and represents that it has the right and authority to enter into, execute and deliver this Lease and that it has good and marketable title to the Demised Premises, subject to the rights of mortgage holders. Landlord does hereby covenant that Tenant, upon payment of rent and performance of the covenants, terms and conditions contained herein, shall at all times during the term peaceably and quietly enjoy the Demised Premises without any disturbance for Landlord or from any other person claiming through Landlord.
18. **Notices.** All notices, approvals, consents, demands and requests which may or are required to be given by any party to another party shall be in writing and shall be deemed to have been properly given if and when delivered personally or sent by certified mail return-receipt requested, addressed as provided in the heading hereof.
19. **Binding Effect.** This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, executors, successors and assigns.
20. **Entire Agreement.** This Lease (including Exhibit "A" hereto) contains the entire agreement between the parties and all understandings and agreements heretofore and between the parties hereto are merged into this Lease.
21. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of New Jersey.
22. **Late Payments.** If any payment of Basic Rental or additional rent is not made by Tenant within five (5) calendar days after written notification by Landlord to Tenant that the said amount is due, then Tenant shall be obligated to pay to Landlord as additional rent a late charge of five percent (5%) of the amount that was due. Tenant acknowledges that such late charge payment is a reasonable estimate by Landlord and Tenant of the administrative costs that will be incurred by Landlord in connection with the late payment.


TENANT:

ATLANTICARE REGIONAL MEDICAL CENTER

By: 
Margaret Belfield, Chief Operating Officer

LANDLORD:

THE COMMISSIONERS OF FIRE DISTRICT NO. 3
TOWNSHIP OF LOWER,
COUNTY OF CAPE MAY, NEW JERSEY

By: 
Jeff Van Mourik, Chairman