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May 12, 2004

By Federal Express Overnight Delivery and Regular Mail

Martha Norget, President
The Galaxy Towers Condominium Association
7000 Boulevard East
Guttenberg, New Jersey 07093

Re: ***Lease: Belfer Development I, LLC (Landlord) and
Galaxy Towers Condominium Association (Tenant)
Dated: January 1, 1996
North Bergen Tax Map: Block 316, Lots 1, 2, & 3***

Dear Ms. Norget:

Please be advised that we are the attorneys for Belfer Development I, LLC ("Belfer Development") which is the successor by merger, to the original landlord, Belfer Development Co., under the above Lease.

Pursuant to Article Fifth, Section 5.01 of the Lease, Belfer Development as Landlord has the option to terminate the Lease as of December 31, 2004. Please be advised that this letter will constitute notice to the Galaxy Towers Condominium Association ("Galaxy") that its Lease for the above property is hereby terminated effective December 31, 2004.

In accordance with the provisions of Section 5.02 of the Lease, Belfer Development is required to reimburse Galaxy for 25% of its costs for the playground, basketball courts and tennis courts which Galaxy constructed on the leased premises. By letter dated February 17, 1998 to Belfer Development Co., Bernard Furman the then President of the Galaxy, notified Belfer Development Co. that Galaxy's total construction costs for the recreational facilities were \$232,904.69. A copy of the February 1998 letter is enclosed for your convenience. Accordingly, we are enclosing herewith

NASHEL AND NASHEL

May 12, 2004

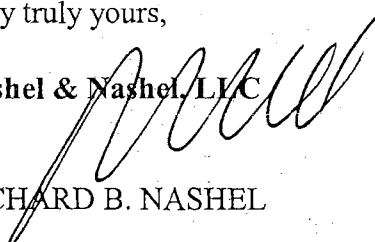
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our Trust Account check, payable to Galaxy, in the amount of \$58,226.18 in satisfaction of Belfer Development's reimbursement obligation under Section 5.02(b) of Article Fifth of the Lease.

Would you kindly acknowledge receipt of this notice and our check on the enclosed additional copy of this letter and return same in the enclosed return envelope.

Very truly yours,

Nashel & Nashel, LLC


RICHARD B. NASHEL

RBN/dc
encl.

cc: Belfer Development I, LLC
Robert Buckalew, Esq.
Carmine Alampi, Esq.

AGREEMENT OF LEASE
 BELFER DEVELOPMENT CO.,
 as LANDLORD
 AND
 GALAXY TOWERS CONDOMINIUM ASSOCIATION,
 as TENANT

Dated: As of January 1, 1996

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EXHIBIT A Description of Leased Premises
EXHIBIT B Survey of Leased Premises

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE dated as of the 1st day of January, 1996 (hereinafter referred to as this "Lease"), made by and between:

BELFER DEVELOPMENT CO., a limited partnership, having a mailing address of 40 Cutter Mill Road, Great Neck, New York 11021 (hereinafter referred to as "Landlord"),

and

GALAXY TOWERS CONDOMINIUM ASSOCIATION, a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey, having a mailing address of 7000 Boulevard East, Guttenberg, New Jersey 07093 (hereinafter referred to as "Tenant").

W I T N E S S E T H:

ARTICLE FIRST - LEASED PREMISES

That Landlord, in consideration of the rents hereinafter reserved and of the covenants, agreements, terms and conditions herein contained on the part of Tenant to be paid, observed and fulfilled, does demise and hereby leases to Tenant and Tenant hereby hires from Landlord the premises described in Exhibit "A" and graphically depicted on Exhibit "B" attached hereto and forming a part of this Lease.

Said premises are hereinafter referred to sometimes as the "Leased Premises".

Subject, however, to the following:

1. All present and future zoning ordinances, laws, rules and regulations of the Township of North Bergen, New Jersey and all present and future ordinances, laws, regulations, requirements, directives and orders of all boards, bureaus, commissions, districts and bodies of any municipal, county, state or Federal governments now or hereafter having, claiming or acquiring jurisdiction over the Leased Premises and of the use and improvement thereof, except as same may be expressly provided for under this Lease; and

2. The condition and state of repair of the Leased Premises as the same may be on the day of the commencement of the term of this Lease, including all deterioration, injury, loss, damage or destruction which may have occurred prior to such date and any encroachments existing at the date of the commencement of this Lease, except as same may be expressly provided for under this Lease.

TO HAVE AND TO HOLD the Leased Premises unto Tenant, its successors and assigns, for and during the term (hereinafter referred to as the "Term") commencing on January 1, 1996 and ending on December 31, 2007, unless otherwise terminated in accordance with this Lease.

IT IS HEREBY MUTUALLY COVENANTED AND AGREED between Landlord and Tenant as set forth in the following Articles of this Lease:

ARTICLE SECOND - FIXED NET RENT AND ADDITIONAL RENT

Section 2.01. Tenant covenants and agrees to pay to Landlord as the fixed net rentals for the Leased Premises (hereinafter referred to as the "Fixed Net Rent") the respective dollar amounts for and during the Term as set forth below:

(a) During the first calendar year, commencing on January 1, 1996, the sum of \$81,000 in equal monthly installments of \$6,750 each, in advance, on the first day of each and every month.

(b) During the second calendar year, commencing on January 1, 1997, the sum of \$82,500 in equal monthly installments of \$6,875 each, in advance, on the first day of each and every month.

(c) During the third calendar year, commencing on January 1, 1998, the sum of \$84,000 in equal monthly installments of \$7,000 each, in advance, on the first day of each and every month.

(d) During the fourth calendar year, commencing on January 1, 1999, the sum of \$85,500 in equal monthly installments of \$7,125 each, in advance, on the first day of each and every month.

(e) During the fifth calendar year, commencing on January 1, 2000, the sum of \$87,000 in equal monthly installments of \$7,250 each, in advance, on the first day of each and every month.

(f) During the sixth calendar year, commencing on January 1, 2001, the sum of \$88,500 in equal monthly installments of \$7,375 each, in advance, on the first day of each and every month.

(g) During the seventh calendar year, commencing on January 1, 2002, the sum of \$90,000 in equal monthly installments of \$7,500 each, in advance, on the first day of each and every month.

(h) During the eighth calendar year, commencing on January 1,

2003, the sum of \$91,500 in equal monthly installments of \$7,625 each, in advance, on the first day of each and every month.

(i) During the ninth calendar year, commencing on January 1, 2004, the sum of \$93,000 in equal monthly installments of \$7,750 each, in advance, on the first day of each and every month.

(j) During the tenth calendar year, commencing on January 1, 2005, the sum of \$94,500 in equal monthly installments of \$7,875 each, in advance, on the first day of each and every month.

(k) During the eleventh calendar year, commencing on January 1, 2006, the sum of \$96,000 in equal monthly installments of \$8,000 each, in advance, on the first day of each and every month.

(l) During the twelfth calendar year, commencing on January 1, 2007, the sum of \$97,500 in equal monthly installments of \$8,125 each, in advance, on the first day of each and every month.

Section 2.02. All sums, charges, costs and expenses which Tenant assumes or agrees to pay pursuant to the terms of this Lease shall be deemed additional rent, and in the event of their non-payment Landlord shall have all the rights and remedies herein provided for in case of non-payment of the Fixed Net Rent.

Section 2.03. Any payment of Fixed Net Rent or additional rent not received by Landlord by the tenth (10th) day of any month shall be subject to a late charge of five percent (5%) of the payment due.

Section 2.04. If Tenant shall default in making any payment, other than the payment of the Fixed Net Rent, required to be made by this Lease or shall default in performing any term, covenant or condition of this Lease on the part of Tenant to be performed, which shall involve the expenditure of money by Tenant, Landlord at its option may (but shall not be obligated to do so), upon the giving of at least ten (10) days prior written notice to Tenant of Landlord's intentions to do so, make such payment or, on behalf of Tenant, expend such sum as may be necessary to perform and fulfill such term, covenant or condition. Any and all sums so paid or expended by Landlord, with interest thereon at the prime rate as announced by The Wall Street Journal (hereinafter referred to as the "Prime Rate") increased by a factor of two percent (2%), from the date of such payment or expenditure, shall be additional rent, and shall be repaid by Tenant to Landlord on demand, but no such payment or expenditure by Landlord shall be deemed a waiver of Tenant's default nor shall it affect any other remedy of Landlord by reason of such default.

Section 2.05. All Fixed Net Rent and additional rent shall be payable at the office of Landlord first above set forth or such other place of which Landlord shall have given Tenant at least fifteen (15) days written notice.

Section 2.06. The Fixed Net Rent payable hereunder shall be net to Landlord and, except as provided herein, all costs, expenses and obligations of every kind and nature whatsoever relating to the Leased Premises shall be paid by Tenant in addition to the Fixed Net Rent.

ARTICLE THIRD - TAXES, ASSESSMENTS AND UTILITY CHARGES

Section 3.01. Tenant shall, as additional rent, pay and discharge:

(a) all such real estate taxes, special, added or general assessments, and as shall, during the Term, be imposed, administered or collected by any governmental or public authority on, or become a lien in respect of the Leased Premises or any part thereof, or upon any "Improvements" (as such term is defined in Article Tenth of this Lease), now on or hereafter erected or placed on or in the Leased Premises, in excess of the real estate taxes actually payable upon the Leased Premises for calendar year 1996, as same may be reduced by any tax proceeding (hereinafter referred to as "Base Year Taxes), which may become due and payable with respect thereto; and

(b) all charges for electricity, water, sewer and all other public utility or similar service or services furnished to the Leased Premises or the Improvements during the Term hereof.

Section 3.02. Tenant acknowledges that Landlord has filed a tax appeal to reduce the real estate taxes imposed against the Leased Premises. If the Base Year Taxes, as initially imposed, administered or collected are ultimately reduced, then Tenant shall promptly pay Landlord, upon written demand, any additional amounts thereby payable pursuant to Section 3.01.

Section 3.03. Notwithstanding anything to the contrary in this Lease, Tenant shall be deemed to have complied with the foregoing covenant of Sections 3.01 and 3.02 if payment of any such taxes, assessments, or of any other governmental impositions, duties, fees and charges, is received by Landlord within ten (10) business days of notice from Landlord of the amount of the payment due from Tenant, together with a copy of the tax bill.

Section 3.04. Notices from Landlord of amounts due from Tenant shall be issued on a quarterly basis. The first notice which may be issued by Landlord shall be of any increase in the real estate tax payment due on January 1, 1997 over the January 1, 1996 real estate tax payment of Base Year Taxes. Notice of

Assessment Payments (as hereinafter defined) shall be given to Tenant upon receipt of notice of same from or in accordance with the payments dates imposed by the governmental or public authority.

Section 3.05. Both at the commencement and at the expiration of the Term, all taxes, assessments, fees and charges for public utility or similar services, and all fees, payments and other charges of every kind and nature, provided to be paid by Tenant under this Article Third whether accrued or prepaid as the case may be, and including any assessments which have been converted into installments, shall be apportioned between Landlord and Tenant in accordance with the usual practice and custom then in effect in the Township of North Bergen, New Jersey; provided, however, Landlord shall be entitled to deduct from the sums due to Tenant hereunder any such sum as may be due from Tenant if Tenant shall then be in default in the performance of any of the terms, covenants and conditions of this Lease on Tenant's part to be performed.

Section 3.06. Notwithstanding anything to the contrary in this Article Third, if Tenant makes payment of any assessments for municipal improvements imposed, administered or collected by any governmental or public authority which are payable during the Term of this Lease and not attributable to the Improvements (the "Assessment Payments"), Tenant shall be entitled to reimbursement of

(a) all Assessment Payments if Landlord terminates this Lease by December 31, 2001 pursuant to Section 5.01; and

(b) fifty percent (50%) of the Assessment Payments if Landlord terminates this Lease by December 31, 2004 pursuant to Section 5.01.

Section 3.07. Payments due from Tenant under this Article Third shall be subject to a five percent (5%) late charge which shall become due and payable ten (10) days after receipt of notice of the amounts due under Section 3.04. No notice will be given of the imposition of the late charge.

ARTICLE FOURTH - USE OF THE PREMISES

Section 4. Tenant covenants and agrees that it will use the Leased Premises for outdoor recreational purposes. Such use may include courts for tennis, basketball, volley ball, handball; a children's playground; dog walk; walking/jogging track; or other similar recreational facilities. The Leased Premises may be used for no other purpose without Landlord's prior written approval, which may be withheld by Landlord in its sole and absolute discretion. The provisions of this Article Fourth are subject to the provisions of Article Eighth and Article Tenth hereof.

ARTICLE FIFTH - LANDLORD'S OPTION TO TERMINATE

Section 5.01. Landlord shall have the option to terminate this Lease, which termination is to be effective December 31, 2001. In the event Landlord does not exercise the aforesaid option, Landlord shall have the further option to terminate this Lease, which termination is to be effective December 31, 2004. Landlord shall give at least six (6) months' prior notice of its exercise of either option to Tenant in accordance with Article Thirty-Seventh of this Agreement.

Section 5.02. Landlord acknowledges that Tenant may expend certain reasonable costs in the improvement of the Leased Premises from August 1, 1995 to December 31, 1997 (hereinafter referred to as the "Construction Period") for the use contemplated under Article Fourth of this Agreement and in accordance with Article Tenth. Those costs which are subject to reimbursement under this Section 5.02 shall be limited to the actual amount expended within the Construction Period in the construction of all or part of the Improvements and, in no event, exceed \$400,000.00 (hereinafter referred to as the "Costs"). Tenant shall use reasonable and customary bidding and contracting procedures and exert reasonable efforts to apprise Landlord of the proposed expenditure of funds, including the amount, purpose, proposed vendee, and such additional information as Landlord may reasonably request before any contract is awarded by Tenant. These Costs shall include and be limited to

(a) reasonable fees for experts and consultants such as landscape architects and designers; reasonable costs for materials and services for ground cover for the playground and courts; reasonable expenditures for the acquisition and installation of charcoal barbecue grills, reasonable expenditures for playground and other equipment to enable use of the Leased Premises for the intended purposes, fences, fence netting or screens, landscaping, and reasonably related costs. The payment of such expenses shall be evidenced by receipted invoices issued to Tenant for such materials and services, together with a partial or final waiver and release of liens in a form reasonably acceptable to Landlord (hereinafter referred to as a "Lien Waiver"), together with an indemnification by Tenant of Landlord, in a form reasonably acceptable to Landlord, indemnifying and holding Landlord harmless against any claim for or damages arising out of such costs (hereinafter referred to as "Cost Indemnification"); and

(b) reasonable time expended by Tenant's on-site personnel in improving the Leased Premises for the intended use provided that the cost of Tenant's personnel performing any portion of the work or services does not exceed market costs for the performance of such work or services, and the reasonable costs for materials utilized by Tenant's on-site personnel for the purposes described in Subsection (a). The cost for such services shall be based upon the hourly rate of Tenant's Unit Service Department in effect at the time the work is performed and shall be expressly subject to

the terms of the preceding sentence.

If Landlord exercises its option to terminate this Agreement as of December 31, 2001, Landlord shall reimburse Tenant for 50% of the Costs. If Landlord exercises its option to terminate this Agreement as of December 31, 2004, Landlord shall reimburse Tenant for 25% of the Costs. Tenant agrees to maintain complete records of the Costs and payment of same, and to provide to Landlord copies of such records of payment of the Costs, together with Lien Waivers and Cost Indemnifications related to such payments, on a quarterly basis. Landlord, in its reasonable discretion, may reject any expenses for which Tenant is seeking reimbursement which are not consistent with the provisions of this Section 5.02. Tenant shall first provide Landlord with copies of records on March 31, 1996 and shall do so every three (3) months thereafter.

**ARTICLE SIXTH - ENVIRONMENTAL CONDITIONS/
REPRESENTATIONS BY LANDLORD**

Section 6.01. Omni Environmental Corporation has prepared for Landlord that certain report captioned "Phase I Environmental Site Assessment Report, Block 316, Lots 1, 2, 3, and 5B, North Bergen, NJ 07093" dated August, 1995 (the "Phase I Report"), and for Tenant that certain report captioned "Limited Phase II Environmental Site Assessment Report, Block 316, Lot 3" dated September 11, 1995 (the "Phase II Report"), which are incorporated herein by reference. Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge, information and belief (i) the Phase I Report is a full and complete statement of the condition of the Leased Premises as of the date of the Report and there are no further conditions of which Landlord has knowledge, other than those set forth in the Phase II Report, and (ii) the Leased Premises is in full compliance with all New Jersey and federal environmental laws, rules and regulations.

Section 6.02. In reliance upon the Phase I Report, Phase II Report, and the representations and warranties of Landlord, as aforesaid, and subject to the matters disclosed therein, Tenant accepts the Leased Premises in their present condition and without any other representation or warranty by Landlord of any kind or nature, including, without limitation, as to its condition or as to the use which may be made thereof. Except as specifically provided otherwise, Tenant assumes the sole responsibility for the condition, operation, maintenance and management of the Leased Premises and Landlord shall not be required to furnish any facilities or services or make any repairs or alterations thereto.

6.03. Anything contained in this Lease to the contrary notwithstanding, Tenant's responsibility for the costs of any environmental remediation and/or compliance shall be strictly limited to such portion of the costs thereof as are applicable to (i) Tenant's action, including but not limited to the discharge by

Tenant of hazardous substances or wastes upon the Leased Premises during the term hereof or, with respect to Lots 1 and 2, during the term of any prior lease between Landlord and Tenant; or (ii) Tenant's inaction, provided that Tenant had knowledge of the conditions requiring remediation and/or compliance and could have exerted reasonable efforts to prevent such conditions. With respect to Lot 3, Tenant shall not be responsible for any conditions requiring environmental remediation and/or compliance which existed prior to the effective date of this Lease.

6.04. In the event that a qualified governmental agency determines that any environmental condition, whether presently existing but undisclosed or which hereafter occurs (other than that caused by Tenant), prevents the use by Tenant of all or any portion of the Leased Premises for the purposes described in Article Fourth, Tenant may cease its use of the unusable portion of the Leased Premises and reduce the Rent paid by Tenant under the Lease by that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises, until such time as the environmental condition has been remediated in accordance with all applicable New Jersey and federal environmental laws.

Notwithstanding anything to the contrary in this Section, smells or odors emitted from the North Bergen Waste Water Treatment Plant shall not give rise to an environmental condition entitling Tenant to reduce the Rent paid under the Lease unless a Qualified Expert, selected by Landlord subject to the approval of Tenant (which shall not be unreasonably withheld), makes a determination that such smell or odor prevents the use of the Leased Premises by Tenant. The term "Qualified Expert", as used within this Section 6.04, shall mean a professional engineer or certified industrial hygienist with experience in remedial investigations of environmental conditions, ground water clean-ups, and/or health and safety issues. In the event Tenant does not consent to the Qualified Expert selected by Landlord, Landlord and Tenant shall each select a Qualified Expert who will select a mutually acceptable third Qualified Expert to make a determination in accordance with this subparagraph.

If such environmental condition cannot or shall not be so remediated and renders unusable more than fifty (50%) percent of the total square footage of the Leased Premises, Landlord shall have the option to either (a) terminate the Lease, or (b) permanently sever from the Leased Premises that portion rendered unusable by Tenant, and reduce the Rent paid by Tenant under the Lease by that fraction the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. In the event Landlord exercises either option (a) or (b) under this paragraph, Tenant shall not be entitled to receive reimbursement for any Unamortized Costs (as defined hereinafter). However, in the event of a permanent severance of a portion of the Leased Premises, the

costs reimbursement which may thereafter be due from Landlord to Tenant under Section 5.02 shall be reduced by that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. Tenant shall not be precluded by this Section from receiving any Unamortized Costs to which it may be entitled under any other Section of this Lease.

**ARTICLE SEVENTH - LANDLORD NOT LIABLE FOR FAILURE OF
UTILITY SERVICE**

Section 7. Landlord shall not be liable for any failure of or irregularity in any utility service, nor for any injury or damage to person or property for any reason whatsoever, including, without limitation, that caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow or ice which may leak or flow from the street, sewer, gas mains or any subsurface area or from any part of the Improvements, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditaments by anybody, or caused by operations by or of any public or quasi-public work, except for any affirmative act of negligence of Landlord from and after the date hereof.

ARTICLE EIGHTH - TENANT TO REPAIR

Section 8. Except as otherwise specifically provided in this Lease, Tenant shall, at its own cost and expense, take good care of the Leased Premises and of any Improvements now or hereafter located thereon, and keep the same and all parts thereof, including, any and all permitted alterations, additions and improvements therein and thereto, in good order and condition, and shall, at Tenant's expense, promptly make all needed repairs and replacements, structural or otherwise, ordinary and extraordinary, in and to any Improvements now or hereafter erected upon the Leased Premises. All such repairs and replacements shall be of good quality sufficient for the proper maintenance and operation of the Leased Premises and any Improvements thereon and shall be constructed and installed in compliance with all requirements of all governmental authorities having jurisdiction thereof. Tenant shall not permit the accumulation of waste or refuse matter, nor permit anything to be done upon the Leased Premises or the Improvements which would invalidate or prevent the procurement of any insurance policies which may at any time be required pursuant to the provision of Article Twelfth hereof. Tenant shall not obstruct or permit the obstruction of the street or sidewalk except as may be permitted by municipal authorities having jurisdiction thereof, and shall keep the sidewalk and curb adjoining the Leased Premises clean and free of snow and ice. Landlord shall not be

required to furnish any services or facilities or to make any improvements, repairs or alterations in or to the Leased Premises during the Term. In no event shall any costs incurred by Tenant under this Article Eighth for repairs and replacements be subject to reimbursement by Landlord in accordance with Section 5.02 or otherwise.

ARTICLE NINTH - TENANT TO COMPLY WITH LAWS

Section 9.01. Except as otherwise specifically provided in this Lease, Tenant shall, at Tenant's own cost and expense, promptly comply with all present and future requirements of every applicable statute, law, ordinance, rule, regulation, directive, or order, now or thereafter made by any Federal, state, county, municipal or other public body, department, bureau, district, officer or authority (hereinafter referred to as "Governmental Requirements"), with respect to (a) the Leased Premises, the Improvements and appurtenances thereto; and (b) the use of the Leased Premises, and the Improvements including the making of any alteration or addition to the Leased Premises. In the event any governmental entity having jurisdiction over the Leased Premises threatens or imposes any fine, charge, penalty relative to the compliance with any present and future requirements imposed by any such governmental entity, Tenant shall be solely responsible for such fines, charges or penalties. Payments due under this Section 9.01 shall be due when payable and, if not so paid, be subject to a five percent (5%) late charge which shall become due and payable ten (10) days after receipt of notice from Landlord of any amounts due. No notice shall be given of the imposition of the late charge. Any amount due from Tenant which remains unpaid hereunder shall be deemed to be additional rent in accordance with Section 2.02 of this Lease.

Section 9.02. In the event that any Governmental Requirements whether presently existing or hereafter imposed, prevent the use of all or a portion of the Leased Premises for the purposes set forth at Article Fourth, Tenant may cease its use of the unusable portion of the Leased Premises and reduce the Rent paid by Tenant under the Lease by that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. Landlord shall apply for a waiver from such Governmental Requirements and, if the application is denied, appeal such determination through administrative proceedings; however, during the last year of the Term, the Landlord shall have the right, but not the obligation, to apply for a waiver and appeal any denial of its application. In the event of an adverse administrative determination, Landlord may file an appeal with the Superior Court of New Jersey, Law Division (the "Superior Court"). During the conduct of such challenge, Landlord shall be entitled to rent the unusable portion of the Leased Premises for such purposes and under such terms as Landlord, in its sole and absolute discretion, may deem appropriate. Tenant

shall reasonably cooperate with Landlord in its efforts under this Section and shall be responsible for one-half of the reasonable costs incurred by Landlord in its challenge of the Governmental Requirements as aforesaid. Any challenge of the Governmental Requirements beyond the filing of an appeal with the Superior Court shall be undertaken only with the mutual consent of Landlord and Tenant.

Notwithstanding anything to the contrary in this Section 9.02, Landlord shall be entitled to continue a challenge of any Governmental Requirement beyond the Superior Court without the consent of Tenant. However, Tenant shall not be responsible for any costs associated with such further challenge unless Tenant agrees to incur such costs at the time Landlord decides to pursue such challenge.

If, after the determination of the Superior Court, Tenant is prohibited from the use of more than fifty (50%) percent of the Leased Premises in accordance with Article Fourth, Landlord shall have the option to either (a) terminate the Lease, or (b) permanently sever from the Leased Premises that portion rendered unusable by Tenant, and reduce the Rent paid by Tenant under the Lease by that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. In the event Landlord exercises either option (a) or (b) under this paragraph, Tenant shall not be entitled to receive reimbursement for any Unamortized Costs (as defined hereinafter). However, in the event of a permanent severance of a portion of the Leased Premises, the costs reimbursement which may thereafter be due from Landlord to Tenant under Section 5.02 shall be reduced by that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. Tenant shall not be precluded by this Section from receiving any Unamortized Costs to which it may be entitled under any other Section of this Lease. If Landlord is successful in its challenge, Tenant shall resume use of the entire Leased Premises and full payment of the Rent to Landlord upon the completion of the challenge by Landlord.

Payments due under this Section 9.02 shall be due upon notice from Landlord and, if not so paid, be subject to a five percent (5%) late charge which shall become due and payable ten (10) days after receipt of notice from Landlord of any amounts due. No notice shall be given of the imposition of the late charge. Any amount due from Tenant which remains unpaid hereunder shall be deemed to be additional rent in accordance with Section 2.02 of this Lease.

ARTICLE TENTH - TENANT'S RIGHT TO CONSTRUCT

Section 10.01. Tenant, at Tenant's own cost and expense,

shall have the right, but shall not be obligated, to improve the Leased Premises and/or to remove, renovate, construct and/or reconstruct in whole or in part, any improvements thereon, and any related improvements and appurtenances thereto, for the use set forth in Article Fourth (such resulting improvements and appurtenances are hereinbefore and hereafter sometimes referred to as the "Improvements").

Section 10.02. Tenant shall procure, at its own cost and expense, all permits requisite to the construction of the Improvements and shall, during the construction thereof, comply with all applicable legal requirements. The Improvements shall, when completed, comply with all applicable laws, ordinances, rules, directives, regulations or orders of any state, municipal or other public authority affecting the same, and of any liability insurance company insuring Landlord against liability for accidents in or connected with the Leased Premises or the Improvements thereon.

Section 10.03. After Tenant shall have commenced removal of any existing improvements on the Leased Premises, Tenant shall thereafter commence construction with diligence and continuity until completion of the Improvements.

Section 10.04. Prior to the removal of any existing improvements on the Leased Premises and the construction of the Improvements, Tenant shall deliver to Landlord certificates of insurance naming Landlord as a named insured thereunder for the respective risks and in the limits set forth in Article Twelfth, which insurance shall be maintained and kept in force by Tenant throughout the term of this Lease.

ARTICLE ELEVENTH - NET LEASE; NON-TERMINABILITY

Section 11.01. This Lease is a net lease and the Fixed Net Rent, additional rent and all other sums, payable hereunder to or on behalf of Landlord shall be paid without notice or demand and without setoff, counterclaim, abatement, suspension, deduction or defense, except as otherwise expressly provided.

Section 11.02. Except as otherwise specifically provided in this Lease, Tenant waives all rights now or hereafter conferred by law (a) to quit, terminate or surrender this Lease or the Leased Premises, the Improvements or any part thereof, or (b) to any abatement, suspension, deferment or reduction of the Fixed Net Rent or additional rent or any other sums payable under this Lease, regardless of whether such rights shall arise from any present or future constitution, statute or rule of law.

ARTICLE TWELFTH - INSURANCE

Section 12.01. As of the commencement date of this Lease and throughout the Term, Tenant shall, at its own cost and expense:

(a) Keep the Improvements and equipment on, in or appurtenant to the Leased Premises at the commencement of the Term and thereafter erected thereon or therein, including all alterations, additions and improvements thereto, insured for the benefit of Landlord against loss or damage by fire with standard all risk special form (or its equivalent) coverage, in an amount not less than eighty (80%) percent of the full replacement value thereof with a so-called "agreed amount" endorsement. Supplementing the foregoing, said Tenant shall also provide workmen's compensation for Tenant's employees and agents at no less than the statutory requirement. All such insurance shall:

(i) be issued by such insurance companies licensed to do business in the State of New Jersey under insurance policies in form and content reasonably satisfactory to Landlord;

(ii) comply with any changes in requirements applicable to the Leased Premises or the Improvements by the applicable Fire Insurance Rating Organization, or any similar body, or by statute;

(iii) in no event be in an amount less than that reasonably required by any Fee Mortgagee (as hereinafter defined) of the Leased Premises;

(iv) also name Tenant and the Fee Mortgagee, if any, as their interests may appear as loss payees under a non-contributory mortgage/loss payee endorsement;

(v) effectively provide that the respective interests of Landlord and the Fee Mortgagee shall not be subject to cancellation by reason of any act or omission of Tenant or any other party; and

(vi) provide that, subject to the right of any Fee Mortgagee whose interest may be covered by said policy or policies, that the loss, if any, under any such policies shall be adjusted by Tenant and paid by the insurance company or companies as provided in Section 12.08.

(b) Provide Landlord with public liability insurance. Such public liability insurance shall be in limits not less than Eighteen Million (\$18,000,000.00) Dollars for death of or injury to any one person and Eighteen Million (\$18,000,000.00) Dollars for any one occurrence. Such liability policies shall cover the Improvements, the appurtenances as well as the sidewalks adjacent to the Improvements or the Leased Premises. All the insurance described in this Section shall be carried in favor of and insure Landlord. Landlord shall be a named insured under such insurance. All such insurance shall:

(i) be issued by such insurance companies licensed to do business in the State of New Jersey under insurance policies

in form and content reasonably satisfactory to Landlord; and

(ii) effectively provide that the interests of Landlord shall not be subject to cancellation by reason of any act or omission of Tenant or any other party.

Section 12.02. Tenant shall procure policies for all said insurance for periods of from one (1) to five (5) years, as Tenant shall elect, and shall deliver to Landlord the originals or certified copies of such policies, if obtainable, or if not obtainable, certificates thereof with evidence, by stamping or otherwise, of the payment of the premiums thereon.

Section 12.03. All premiums and charges for all of said policies shall be paid by Tenant, and if Tenant shall fail to make any such payment when due, or carry any such policy, Landlord may, but shall not be obligated to, make such payment or carry such policy, and the amount paid by Landlord, with interest thereon at the Prime Rate increased by a factor of two percent (2%), shall be repaid to Landlord by Tenant as additional rent on demand and all such amounts so repayable, together with such interest, shall be considered as additional rent payable hereunder, for the collection of which Landlord shall have all of the remedies herein or by law provided for the collection of rent. Payment by Landlord of any such premium or the carrying by Landlord of any such policy shall not be deemed to waive or release the default of Tenant with respect thereto.

Section 12.04. Thirty (30) days prior to the expiration of each such policy, Tenant shall pay the premiums for renewal insurance and prior to said period shall deliver to Landlord the original or a certified copy of such policy or a certificate or binder and duplicate receipt (or other written documentation) evidencing the payment thereof; and if any such premiums shall not be so paid and the policy, or a certified copy thereof, or certificate or binder thereof, shall not be so delivered, Landlord may (after first having given Tenant notice of Landlord's intention to do so) procure and/or pay therefor, and the amounts so paid by Landlord with interest thereon at the Prime Rate increased by a factor of two percent (2%) from the date of payment shall become due and payable by Tenant as additional rent on demand and all such amounts so repayable, together with such interest, shall be considered as additional rent payable hereunder, for the collection of which Landlord shall have all of the remedies herein or by law provided for the collection of rent. Payment by Landlord of any such premium shall not be deemed to waive or release the default in payment thereof by Tenant, or the right of Landlord to take such action as may be permissible hereunder, as in the case of default in the payment of Fixed Net Rent.

Section 12.05. Tenant shall not knowingly and materially violate or permit to be violated any of the conditions or provision of any such policy, and Tenant shall so perform and satisfy the

reasonable requirements of the companies writing such policies.

Section 12.06. Tenant shall not carry separate insurance, concurrent in coverage and contributing in the event of loss with any insurance required to be furnished by Tenant under the provisions of this Article Twelfth if the effect of such separate insurance would be to reduce the protection or the payment to be made under said insurance required to be furnished by Tenant, unless Landlord (and the holder of any Fee Mortgage where said insurance required to be carried requires the inclusion of the holder) are included as insured with loss payable as hereinabove provided. Tenant shall promptly notify Landlord of the issuance of any such separate insurance and shall cause such policies to be delivered to the other and the holder of any Fee Mortgage as provide in this Article Twelfth.

Section 12.07. The proceeds of any fire or casualty insurance which are paid by reason of damage or destruction of the Improvements shall be paid to Tenant as a trust fund, deposited in a separate bank account maintained by Tenant and used, applied and paid to the repair and restoration of the damage of the Improvements on the Leased Premises.

Section 12.08. In the event Landlord receives any rent insurance proceeds under a policy, the premiums for which are paid by anyone other than Landlord, Tenant shall be credited therefor as payments made to Landlord on account of Fixed Net Rent and additional rent payable by Tenant.

Section 12.09. All insurance policies carried by Tenant covering the Leased Premises, including, but not limited to fire and casualty insurance, shall expressly waive any right of subrogation on the part of the insurer against Landlord. Tenant waives any and all rights of recovery, claim, action or cause of action, against Landlord, its agents, officers, directors and employees for any loss or damage that may occur to the Leased Premises, or any Improvements, by reason of fire, the elements or any other cause which could be insured against under the terms of a standard fire and extended coverage insurance policy or policies, regardless of cause or origin, including the negligence of Landlord its agents, officers and employees.

ARTICLE THIRTEENTH - FIRE OR CASUALTY

Section 13.01. If the Improvements now or hereafter erected upon the Leased Premises during the Term shall be destroyed or damaged in whole or in part by fire, or as a result directly or indirectly of war, or by act of God, or occurring by reason of any causes whatsoever, Tenant covenants that Tenant shall give prompt notice thereof to Landlord, and Tenant at its own cost and expense, shall promptly repair, replace and rebuild the same, at least to the extent to of the value and as nearly as practicable to the

character of the Improvements existing immediately prior to such occurrence. Such repairs, replacements or rebuilding shall be made by Tenant, as aforesaid, and in accordance with the following terms and conditions:

(a) the same shall be made in accordance with plans and specifications therefor if required by law, subject, however to the provisions of Article Fourth and Section 10.1 of this Lease;

(b) before commencing any such work, said plans and specifications and application for all permits shall be filed and approved by all municipal or other governmental departments or authorities having jurisdiction thereof and a firm estimate for the cost of such repairs or restoration shall be obtained;

(c) before commencing any such work, Tenant shall, at its own cost and expense, deliver to Landlord appropriate endorsements to be attached to and made part of the fire and liability policies more particularly described in Article Twelfth hereof. Said endorsements shall cover all of the risks concerned during the course of such work and shall be in form and content reasonably satisfactory to Landlord;

(d) such work shall be commenced within one hundred twenty (120) days after settlement shall have been made with the insurance companies and the insurance monies shall have been turned over to Tenant as provided in Article Twelfth hereof and the necessary governmental approvals, as herein provided for, shall have been obtained, and such work shall be completed within a reasonable time, due regard being had to conditions, free and clear of all liens and encumbrances and in accordance with said plans and specifications;

(e) at least ten (10) days before commencing such work Tenant shall notify Landlord of Tenant's intention to commence the same, and Tenant shall pay the increased premiums, if any, charged by the insurance companies carrying insurance on the Improvements, to cover the additional risk during the course of such work.

Section 13.02. The total cost of all such rebuilding shall, at all events, be borne by Tenant without any contribution thereto by Landlord. If the insurance proceeds shall exceed the cost of such repairs or rebuilding, the balance remaining after payment to the cost of such repairs or rebuilding shall be paid over and belong to Tenant.

Section 13.03. If the work of repairing, replacing or rebuilding said damaged or destroyed Improvements shall not have been commenced within the one hundred twenty (120) day period provided for in subsection (d) of Section 13.01 hereof, or if such work, after commencement shall not diligently proceed, unless such work is delayed by strikes, lockouts, labor disputes or other causes unavoidable or reasonably beyond the control of Tenant,

Landlord shall have the right to terminate this Lease and the term thereof by giving Tenant not less than thirty (30) days' written notice of its intention so to do, and upon the expiration of the date fixed in such notice, if such work shall not have been commenced and the other conditions hereof complied with, or if after commencement such work shall not diligently proceed, this Lease, and the Term hereby granted, shall wholly cease and expire.

Section 13.04. Except as specifically provided in this Lease, this Lease shall not terminate or be affected in any manner by reason of the destruction or damage in whole or in part of the Improvements, now or hereafter standing or erected on the Leased Premises and the Fixed Net Rent reserved in this Lease as well as all other charges payable hereunder shall be paid by Tenant in accordance with the terms, covenants and conditions of this Lease, without abatement, diminution or reduction.

ARTICLE FOURTEENTH - LANDLORD MAY CURE DEFAULTS

Section 14. If Tenant shall default in the performance of any covenant contained herein and to be performed on Tenant's part (except in the payment of Fixed Net Rent or additional rent), Landlord may but shall not be obligated to, after thirty (30) days' notice to Tenant, or on shorter notice if an emergency exists, perform the same for the account and at the expense of Tenant. If Landlord should incur any expense, including reasonable attorneys' fees, in instituting, prosecuting or defending any action or proceeding instituted by reason of any default of Tenant, Tenant shall reimburse Landlord for the amount of such expense plus interest thereon at the Prime Rate increased by a factor of two percent (2%). Should Tenant, pursuant to this Lease, become obligated to reimburse or otherwise pay Landlord one or more sums of money in addition to the Fixed Net Rent, the amount thereof shall be deemed additional rent and may, at the option of Landlord, be added to any subsequent installment of the Fixed Net rent due and payable under this Lease; in which event Landlord shall have the remedies for default in the payment thereof provided by Article Fifteenth hereof.

ARTICLE FIFTEENTH - DEFAULT CLAUSES AND LANDLORD'S REMEDIES

Section 15.01. Upon the occurrence of any of the following events (herein called "Events of Default"), i.e.,

(a) if Tenant shall fail to pay any installment of Fixed Net Rent or any Additional Rent or other charges, or any part thereof, and such default shall continue for a period of five (5) days after notice, which notice shall be given ten (10) days after any payment or charge shall become due and payable; or

(b) if Tenant shall violate, fail to comply with or

perform any other covenant, term, condition or agreement of this Lease, other than that requiring payment of a sum of money, and such default shall continue for a period of thirty (30) days after notice; provided, however, if the default is of a type or character which cannot be cured within said thirty (30) day period, the Tenant shall have such additional time as may be necessary in order to effect such cure so long as the Tenant is acting in good faith and is diligently undertaking to remedy the default, Landlord shall have the right, at Landlord's option, to terminate this Lease and the Term hereof, as well as all the right, title and interest of Tenant hereunder, by giving Tenant ten (10) days' notice in writing of such termination, and this Lease and the Term hereof, as well as all of the right, title and interest of Tenant hereunder in the Leased Premises and the Improvements, shall wholly cease and expire in the same manner and with the same force and effect as if the date fixed by such latter notice were the expiration of the term herein originally granted, and Tenant shall immediately quit and surrender to Landlord the Leased Premises, the Improvements and each and every part thereof, and Landlord may enter into or repossess the Leased Premises and the Improvements either by force, summary proceedings or otherwise.

Section 15.02. In the event that this Lease shall be terminated as provided in Section 15.01, either by summary proceedings or otherwise, or in the event that the Leased Premises shall be abandoned by Tenant, then Landlord, or his agents or representatives may re-enter and resume possession of the Leased Premises and the Improvements either by summary proceedings or by a suitable action or proceeding at law or in equity, without being liable for any damages therefor. Landlord shall also be entitled to pursue all rights and remedies available to Landlord by law.

Section 15.03. In spite of anything to the contrary in this Article Fifteenth, in the event this Lease shall be terminated pursuant to Article Thirteenth, Tenant shall remain obligated for all payments of Fixed Net Rent, as well as any other charges payable hereunder for the balance of the Term of the Lease.

Section 15.04. No default shall be deemed waived unless in writing and signed by Landlord.

ARTICLE SIXTEENTH - TENANT TO INDEMNIFY LANDLORD

Section 16. Tenant shall not do or permit any act or thing upon the Leased Premises or Improvements which may subject Landlord to any liability by reason of any illegal business or conduct upon the Leased Premises or Improvements, or by reason of any violation of law or of any legal requirement of public authority, but shall exercise such control over the Leased Premises and Improvements as to fully protect Landlord. Tenant shall indemnify and hold Landlord harmless from and against any and all liability, fines, suits, claims, demands and actions, and costs and expenses of any kind or

nature including reasonable attorneys' fees or by anyone whosoever, due to or arising out of (a) any breach, violation or non-performance of any covenant, condition or agreement in this Lease or any prior lease between Landlord and Tenant set forth and contained on the part of Tenant to be fulfilled, kept, observed and performed, and/or (b) any damage to person or property occasioned by Tenant's use of the Leased Premises and Improvements or to any use which Tenant may permit or suffer to be made of the Leased Premises and Improvements during the Term of this Lease or any prior lease between Landlord and Tenant, and/or (c) any injury to person or persons, including death resulting at any time therefrom, occurring in or about the Leased Premises, the Improvements and/or on the sidewalks in front of the same during the Term of this Lease or any prior lease between Landlord and Tenant, but nothing herein shall be deemed to relieve Landlord from any liability (i) resulting from the wanton or wilful acts of Landlord with respect to a claim by any third party or (ii) resulting from the gross negligence or wanton or wilful acts of Landlord with respect to a claim by Tenant. If Landlord be required to defend any action or proceeding for which it is entitled to indemnification pursuant to this Article Sixteenth, Landlord shall be entitled to appear, defend, or otherwise take part in the matter involved, at its election, by counsel of its own choosing at the reasonable expense of Tenant, providing (i) such action by Landlord does not limit or make void any liability of any insurer of Landlord or Tenant hereunder in respect to the claim or matter in question, (ii) such action or proceeding is not subject to defense by an insurance carrier under a policy or policies of insurance required to be carried pursuant to Article Twelfth hereof if (a) the coverage of such policy(ies) is in excess of the amount sought in the litigation, and (b) there is not a disclaimer of coverage or reservation of rights by the insurer, and (iii) Landlord has made a written demand on Tenant to assume such defense with counsel reasonably acceptable to Landlord and Tenant has failed or refused to do so. Tenant's liability under this Article Sixteenth shall be reduced by the net proceeds actually collected of any insurance effected by Tenant on the risks in question for Landlord's benefit.

ARTICLE SEVENTEENTH - LANDLORD TO INDEMNIFY TENANT

Section 17. Landlord shall indemnify and hold Tenant harmless from and against any and all liability, fines, suits, claims, demands and actions, and costs and expenses of any kind or nature including reasonable attorneys' fees or by anyone whosoever, due to or arising out of (a) Landlord's action or inaction relative to Lot 3 of the Leased Premises during any period of time prior to the Term of this Lease, and (b) any misrepresentation made by Landlord in Section 6.01 of this Lease, and (c) any attempt by Landlord to obtain a Letter of Non-Applicability from the New Jersey Department of Environmental Protection in accordance with the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., but nothing herein shall be deemed to relieve Tenant from any liability resulting from any act

or omission of Tenant which alters the condition of the Leased Premises as set forth in the Phase I Report.

ARTICLE EIGHTEENTH - TENANT'S CONTINUING OBLIGATIONS

Section 18. Consistent with Sections 13.04 and 15.03 of this Lease, this Lease shall not terminate or be affected in any manner by reason of the destruction or damage in whole or in part of the Improvements. Tenant shall remain responsible for the Fixed Net Rent reserved under the Lease as well as all other charges payable hereunder for the balance of the Term of the Lease.

ARTICLE NINETEENTH - MECHANIC'S LIENS

Section 19.01. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or other lien, charge or order for the payment of money for any such labor or materials (hereinafter collectively referred to as "Mechanic's Liens") shall attach to or affect the reversion of any estate or interest of Landlord in and to the Leased Premises or the Improvements. Tenant shall deliver Lien Waivers and Cost Indemnifications to Landlord, together with copies of records of payment of money for labor or materials furnished to Tenant for the construction of the Improvements, in accordance with Section 5.02 of this Lease.

Section 19.02. Tenant covenants that whenever and as often as any Mechanic's Liens shall have been filed against any part or all of the Leased Premises or any part of the Improvements based upon any act or interest of Tenant or of anyone claiming through Tenant, Tenant shall forthwith take such action by bonding, depositing or paying so as to remove or satisfy the lien; and in default thereof for thirty (30) days, Landlord may discharge the Mechanic's Lien by bonding or deposit, and the amount so expended, with interest thereon, shall be deemed additional rent reserved under this Lease, and shall be payable forthwith with interest at the Prime Rate increased by a factor of two percent (2%) from the date of such advance and with the same remedies to Landlord as in case of default in the payment of rent as herein provided.

ARTICLE TWENTIETH - CONDEMNATION

Section 20.1. If the Township of North Bergen Municipal Utilities Authority, or any successors and/or assigns (the "MUA"), (a) on or after January 1, 2001, shall lawfully commence an action to condemn and acquire title to all or part of the Leased Premises or the Improvements in or by condemnation proceedings for the expansion or modification of the North Bergen Waste Water Treatment Plant or (b) shall have previously commenced such an action which is pending as of January 1, 2001 then, as of that date, this Lease

shall automatically convert to a month-to-month lease subject to the remaining terms of the Lease and terminable by Landlord upon thirty (30) days notice. Landlord may terminate this Lease in the event Landlord, in its sole and absolute discretion, determines that the termination of the Lease is necessary in order for Landlord to be fully compensated for its losses and damages in the condemnation proceeding. Upon termination of this Lease, the Term hereof shall terminate and expire on the date of such termination and the Fixed Net Rent, additional rent and other sum or sums of money and other charges herein reserved and provided to be paid by Tenant shall be apportioned and paid to the date of such termination. Tenant shall not be entitled to seek directly from the MUA compensation for any loss or damage suffered by Tenant by virtue of the condemnation proceedings. Tenant's sole remedy shall be reimbursement of that sum represented by the Costs under Section 5.02 of the Lease multiplied by that fraction, the numerator of which is the number of months remaining under the Term and the denominator of which is 144 (representing the total number of months in the Term) (hereinafter referred to as the "Unamortized Costs"). Landlord shall pursue, on behalf of Tenant, payment of the Unamortized Costs from the MUA and shall pay the Unamortized Costs to Tenant from the award from the condemnation proceeding.

Section 20.2.

(a) If at any time during the Term any person or corporation, municipal, public, private or otherwise, other than the MUA or its successors and/or assigns, shall lawfully condemn and acquire title to all of the Leased Premises or the Improvements, or to such portion thereof as shall render the remaining portion unusable, in or by condemnation proceedings in pursuance of any law, general or special or otherwise, or by agreement between Landlord, Tenant and those authorized to exercise such right, this Lease and the Term hereof shall terminate and expire on the date of such taking and the Fixed Net Rent, additional rent and other sum or sums of money and other charges herein reserved and provided to be paid by Tenant shall be apportioned and paid to the date of such taking.

(b) If less than all of the Leased Premises and Improvements shall be taken as aforesaid, with the remaining portion being usable by Tenant, or if any appurtenances to the Leased Premises or Improvements, including but not limited to vaults, areas or projections outside of the boundaries of the land owned by Landlord or rights in, under or above the streets adjoining such land, or the rights and benefits of light, air or access to said streets, or space or rights therein below the surface of or above the Leased Premises or Improvements, shall be taken as aforesaid, this Lease and the term hereof shall continue, but the Fixed Net Rent thereafter payable to Tenant shall be reduced as and from the date of such partial taking, or of such taking of appurtenances, by an amount per annum equal to that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased

Premises.

(c) The rights of Landlord and Tenant in and to the award and awards upon any such taking shall be determined as follows:

(i) In the event of any such taking of all or less than all of the Leased Premises, as the case may be, Landlord shall always be entitled to receive such portion of the award therefor, with interest thereon, as shall represent compensation for the value of the land and Improvements on the Leased Premises subject to this Lease as of the day of taking plus consequential, severance and other damages, if any, to its reversionary interest in the portion of the land constituting the Leased Premises not so taken.

(ii) In the event of any taking of only appurtenances to the Leased Premises or rights in, under or above the streets adjoining the Leased Premises, or the rights and benefits of light, air or access to said streets, or the taking of space or rights therein below the surface of or above the Leased Premises, or change of grade, Landlord shall always be entitled to receive such equitable portion of the award therefor, with interest thereon, as shall represent compensation for diminution, if any, in the value of the land constituting the Leased Premises, as distinct from consequential or other damages to the Improvements thereon.

(iii) Tenant's maximum award under this Section 20.2 shall be limited to the Unamortized Costs for the condemnation of all of the Leased Premises. In the event of the condemnation of a portion of the Leased Premises, Tenant's award shall be based upon the Unamortized Costs reduced by an amount equal to that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises.

(d) If the Improvements or any replacement thereof shall be damaged or partially destroyed by any such taking of less than all thereof, Tenant shall proceed with reasonable diligence to conduct any necessary demolition and to repair, replace or rebuild at Tenant's own cost and expense any remaining part of the Improvements not so taken so as to constitute such remaining part thereof in good condition and repair and Tenant shall retain that portion, if any, of any award which represents compensation for that portion of the Improvements taken and consequential damages to the Building and Improvements not so taken, in trust, to apply the same to the extent necessary to the cost and expense of such demolition, repair, replacement and rebuilding by whomsoever incurred and sums in excess of the cost thereof shall belong to Tenant. Notwithstanding anything to the contrary in this subsection, Tenant's maximum award shall be limited to the Unamortized Costs for the condemnation of all of the Leased Premises. In the event of the condemnation of a portion of the Leased Premises, Tenant's award shall be based upon the Unamortized Costs reduced by an amount equal to that fraction, the numerator of

which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises. Notwithstanding anything to the contrary in this Section 20.1(d), Tenant shall have no obligation to reconstruct any Improvements if the action to condemn is commenced during the final year of the Term.

(e) If the taking of any appurtenances to the Leased Premises, vaults, areas or projections outside of the boundaries of the land owned by Landlord or rights in, under or above the streets adjoining such land, or the rights and benefits of light, air or access to said streets, or the taking of space or rights therein below the surface of or above the Leased Premises, or change of grade, shall result in physical damage to the Improvements now or hereafter erected upon the Leased Premises, Tenant shall proceed with reasonable diligence to conduct any necessary repairs, replacements or rebuilding at Tenant's own cost and expense. Tenant shall retain that portion, if any, of the award which represents compensation for physical damage to the Improvements then existing and maintained upon the Leased Premises and the cost of repairing, restoring or replacing the same, in trust, to apply the same, to the extent that such portion will permit, to the cost and expense of such repairs, replacements and rebuilding, and any sums in excess thereof shall belong the Tenant. Notwithstanding anything to the contrary in this subsection, Tenant's maximum award shall be limited to the Unamortized Costs for the condemnation of all of the Leased Premises. In the event of the condemnation of a portion of the Leased Premises, Tenant's award shall be based upon the Unamortized Costs reduced by an amount equal to that fraction, the numerator of which is the square footage of that portion rendered unusable and the denominator of which is the total square footage of the Leased Premises.

(f) If the temporary use of the whole or any part of the Leased Premises or Improvements shall be taken at any time during the Term for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, the foregoing provisions of this Article Twentieth shall be inapplicable thereto; in such event, however, the Rent paid by Tenant under the Lease shall be reduced during the period of such temporary taking by that fraction, the numerator of which is the square footage of that portion temporarily taken and the denominator of which is the total square footage of the Leased Premises. Upon termination of the temporary taking and restoration of the Leased Premises Tenant shall resume use of the entire Leased Premises and full payment of the Rent to Landlord.

ARTICLE TWENTY-FIRST - WAIVER OF REDEMPTION

Section 21. Tenant, for itself and for all persons claiming through or under it, hereby expressly waives any and all rights

which are or may be conferred upon Tenant by any present or future law to redeem the Leased Premises, or to any new trial in any action of ejectment under any provision of law, after re-entry thereupon, or upon any part thereof, by Landlord, or after any warrant to dispossess or judgment in ejectment. If Landlord shall have acquired possession of the Leased Premises by summary proceedings, or in any other lawful manner without judicial proceedings, it shall be deemed a re-entry within the meaning of that word as used in this Lease.

ARTICLE TWENTY-SECOND - COVENANT OF QUIET ENJOYMENT

Section 22. If and so long as Tenant shall pay the Fixed Net Rent and additional rent reserved by this Lease, and shall perform and observe all the covenants and conditions herein contained on the part of Tenant to be performed and observed, Landlord warrants that Tenant shall have the right to and shall quietly enjoy the Leased Premises, subject, however, to the terms of this Lease.

ARTICLE TWENTY-THIRD - WAIVER OF JURY TRIAL

Section 23. The parties hereto waive a trial by jury on any or all issues arising in any action or proceeding between them or their successors under or connected with this Lease or any of its provisions, any negotiations in connection therewith, or Tenant's use of the Leased Premises.

ARTICLE TWENTY-FOURTH - ASSIGNMENT AND SUBLETTING

Section 24. Tenant shall not, without the prior consent of Landlord which may be withheld in the sole and absolute discretion of Landlord, assign or transfer this Lease in whole or in part or to underlease or sublet the whole or any part of the Leased Premises or to grant concessions or licenses in the Leased Premises to any one or more parties or entities.

ARTICLE TWENTY-FIFTH - NO RIGHT OF TENANT TO MORTGAGE LEASE

Section 25. Tenant shall not, without Landlord's consent which may be withheld in the sole and absolute discretion of Landlord, mortgage this Lease and Tenant's leasehold interest.

**ARTICLE TWENTY-SIXTH - WAIVERS AND SURRENDERS
TO BE IN WRITING**

Section 26. The receipt of rent by Landlord, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the conditions or

covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of Landlord to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by Landlord, unless in writing, shall discharge or invalidate such covenant or provision or affect the right of Landlord to enforce the same in the event of any subsequent breach or default. The receipt by Landlord of any rent or any other sum of money or any other consideration hereunder paid by Tenant after the termination, in any manner, of the Term herein demised, shall not reinstate, continue, or extend the Term herein demised, unless so agreed to in writing and signed by Landlord. No act or thing done by Landlord or any agent or employee during the Term shall be deemed to be an acceptance of a surrender of the Leased Premises, excepting only an agreement in writing signed by Landlord accepting or agreeing to accept such a surrender.

ARTICLE TWENTY-SEVENTH - CUMULATIVE RIGHTS

Section 27. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise. All the rights and remedies of Landlord under this Lease or pursuant to present or future law shall be deemed to be separate, distinct and cumulative and no one or more of them, whether exercised or not, nor any mention of or reference to, any one or more of them in this Lease, shall be deemed to be in exclusion of, or a waiver of, any of the others, or of any of the rights or remedies which Landlord may have, whether by present or future law or pursuant to this Lease, and Landlord shall have, to the fullest extent permitted by law, the right to enforce any rights or remedies separately and to take any lawful action or proceedings to exercise or enforce any right or remedy without thereby waiving or being barred or estopped from exercising and enforcing any other rights and remedies by appropriate action or proceedings.

ARTICLE TWENTY-EIGHTH - SURRENDER AND REMOVAL PROPERTY

Section 28. Tenant shall, on or before the last day of the Term of this Lease, or on the sooner termination thereof, peaceably and quietly leave, surrender and deliver to Landlord all and singular the Leased Premises. Tenant at its option, may remove all alterations, additions and Improvements which may have been made to the Leased Premises in accordance with Article Fifth. If Tenant has made any alterations, additions and Improvement to the Lease Premises which do not conform with the uses permitted under Article Fourth, at the sole option of Landlord, Tenant shall remove the nonconforming alterations, additions and Improvements, and restore the portion of the Leased Premises to substantially the same condition as at the commencement of the Lease.

**ARTICLE TWENTY-NINTH - SALE, CONVEYANCE OR MORTGAGE OF PREMISES
AND LIMITS OF LIABILITY OF LANDLORD**

Section 29. Landlord shall have the right to sell, convey or otherwise transfer its interest, or any portion thereof, in the Leased Premises without the consent of Tenant. The term "Landlord", as used in this Lease, means only the owner for the time being of the Leased Premises, so that in the event of any sale, assignment or other conveyance of the Leased Premises, both of which are expressly permitted, the seller, assignor or grantor shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder thereafter arising, and it shall be deemed and construed, without further agreement between the parties or between the parties and the purchaser or grantee of the Leased Premises, that such purchaser, assignee or grantee has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. If Landlord or any successor in interest of Landlord shall be an individual or individuals who are joint venturers, tenants in common, members of a firm, a general or limited partnership or a corporation, it is specifically understood and agreed that the monetary liability of such individual or of the members, officers, directors, shareholders and/or employees of that firm, corporation, partnership or joint venture in relation to any covenants or conditions under this Lease, shall be limited to the equity of Landlord in the Leased Premises in the event of a breach by Landlord of any of the terms, covenants and conditions of the Lease to be performed by Landlord. Notwithstanding anything to the contrary herein contained and any rights which Tenant may have under law which rights are hereby expressly waived, Tenant shall look solely to the interest of Landlord in the Leased Premises for the satisfaction of any claim or remedy it may have hereunder or in connection herewith, and shall not look to any other assets of Landlord or of any other person, firm, or corporation. There shall be absolutely no personal liability on the part of Landlord or any of its successors or assigns or on the part of any present or future shareholder, partner, joint venturer, officer, agent or director of Landlord, or of any of their respective successors or assigns, with respect to any obligation hereunder or in connection herewith.

ARTICLE THIRTIETH - FEE MORTGAGES

Section 30.01. Landlord hereby represents that there are no mortgage liens on Landlord's fee estate in the Leased Premises (hereinafter referred to as a "Fee Mortgage"). The holder of a Fee Mortgage shall be referred to in this Lease as a "Fee Mortgagee".

Section 30.02. Landlord shall have the right to enter into any such Fee Mortgage at any time during the Term of this Lease without the consent of Tenant and this Lease shall be subordinate to any such Fee Mortgage.

Section 30.03. Landlord shall have the right and power to modify, extend, renew, replace, refinance or otherwise change or affect any Fee Mortgage at any time without the prior consent of Tenant and Tenant covenants and agrees that it shall fully cooperate with Landlord to effect any such modification, extensions, renewals, replacements, or other changes requested by Landlord.

Section 30.04. In the event Landlord enters into any such Fee Mortgage, then Tenant covenants and agrees to execute such documents and instruments as may reasonably be required by Landlord or the mortgagee under any of the respective Fee Mortgages, including but not limited to an agreement to attorn and any modifications to this Lease, or any modifications, extensions, renewals, replacements, refinances or changes to such required documents and instruments, provided that no material rights of Tenant are surrendered or modified.

ARTICLE THIRTY-FIRST - ALTERATIONS

Section 31. Following the expiration of the Construction Period, Tenant shall have the right, with Landlord's consent which shall not be unreasonably withheld, to make any alterations to the Improvements, provided that such alterations are for purposes permitted under Article Fourth of this Lease. Any alterations to which Landlord may consent under this Article Thirty-First shall not be subject to reimbursement pursuant to Article Fifth. The right of Tenant to perform alterations under this Section 31 shall be in addition to the right of Tenant to repair and maintain the Improvements under Article Eighth.

ARTICLE THIRTY-SECOND - SURRENDER AT END OF TERM

Section 32. On the last day of the Term hereof, or on the earlier termination of the Term, subject to Article Twenty-Seventh hereof, Tenant shall peaceably and quietly leave, surrender and deliver the Leased Premises to Landlord in the condition required under the provisions of Article Twenty-Eighth hereof.

ARTICLE THIRTY-THIRD - COVENANTS BINDING ON SUCCESSORS AND ASSIGNS

Section 33. The covenants, agreements, terms, provisions and conditions contained in this Lease shall apply to and inure to the benefit of and be binding upon Landlord and Tenant, and their respective successors and assigns, except as expressly otherwise hereinbefore provided.

ARTICLE THIRTY-FORTH - CONSENTS

Section 34. Where the consent or approval of either party hereto shall be required, the parties hereto agree that such consent shall not be unreasonably withheld or unduly delayed unless specifically provided herein to the contrary.

ARTICLE THIRTY-FIFTH - ENTIRE AGREEMENT

Section 35. This Lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest. This Lease shall not be recorded.

ARTICLE THIRTY-SIXTH - DESIGNATIONS HEREIN

Section 36.01. The captions of this Lease and the index preceding this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

Section 36.02. All the provisions of this Lease shall be deemed and construed to be "conditions" as well as "covenants", as though the words specifically expressing or importing covenants and conditions were used in each separate provision hereof.

Section 36.03. Words of any gender in this Lease shall be held to include any other gender and words in the singular number shall be held to include the plural when the sense requires.

ARTICLE THIRTY-SEVENTH - NOTICES

Section 37. All notices and other communication under this Agreement shall be in writing, shall refer to this Agreement and shall be delivered by hand, by national recognized overnight courier service or shall be sent by registered or certified mail, return receipt requested, address as follows:

(a) If to Landlord:

BELFER DEVELOPMENT CO.
40 Cutter Mill Road
Great Neck, New York 11021
Attn: Andrew Belfer

with a copy to:

Greenbaum, Rowe, Smith, Ravin & Davis
Metro Corporate Campus I
99 Wood Avenue South
Iselin, New Jersey 08830
Attn: Christine F. Li, Esq.

(b) If to Tenant:

GALAXY TOWERS CONDOMINIUM ASSOCIATION
7000 Boulevard East
Guttenberg, New Jersey 07093
Attn: President

with a copy to:

Okin, Cohen & Hollander
One Parker Plaza
Fort Lee, New Jersey 07024
Attn: Burton T. Cohen, Esq.

Any such notice or other communication shall be deemed effective on the date of delivery if by hand or such courier service or, if by mail, on the fourth business day after the date of mailing, as the case may be. The address for delivery of notices may be changed by any party upon furnishing to the other the new address in accordance with the provisions of this Section.

ARTICLE THIRTY-EIGHTH - NON-MERGER

Section 38. There shall not be a merger of (a) Tenant's interest in this Lease or the leasehold estate created hereby, or (b) Tenant's interest in the Improvements, or (c) the fee estate in the Leased Premises or any part thereof by reason of the fact that the same person may acquire, own or hold, directly or indirectly, all or part of (a), (b) or (c) above, and no such merger shall occur unless and until all persons, including, without limitation, Landlord and Tenant shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE THIRTY-NINTH - BROKER

Section 39. Landlord and Tenant covenant, warrant and represent that there was no broker or finder instrumental in consummating this Lease and that no conversations or negotiations were had with any broker or finder concerning the leasing of the Leased Premises.

ARTICLE FORTIETH - TERMINATION OF PRIOR LEASE

Section 40. Upon this commencement of this Lease, all prior lease agreements between Landlord and Tenant for the Leased

Premises shall be deemed terminated and of no further force and effect.

ARTICLE FORTY-FIRST - EXECUTION IN COUNTERPARTS

Section 41. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

ARTICLE FORTY-SECOND - PARTIAL INVALIDITY

Section 42. If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE FORTY-THIRD - GOVERNING LAW

Section 43. This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the substantive laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the day and year first above written by their duly authorized general partners or corporate officers, as applicable.

WITNESS:

Richard Sacco

BELFER DEVELOPMENT CO.

By: *William J. Kelly*

ATTEST:

Paul J. Sacco
ABFI SECRETARY

GALAXY TOWERS CONDOMINIUM ASSOCIATION

By: *Grand Furman*
PRESIDENT



The Galaxy Towers
Condominium Association

February 17, 1998

Mr. Andrew Belfer, V.P.
Belfer Development Co.
40 Cutter Mill Road
Great Neck, NY 11021

Dear Andy:

Set forth below is a listing of our costs and charges through December 31, 1997, as provided for in Article Fifth of the lease between your company and our Association, dated as of January 1, 1996. (You will recall that the cap, for your purposes, was \$400,000.)

Playground/Basketball Courts

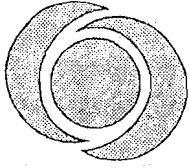
Ben Shaffer	Playground Equipment	\$ 64,462
Atlas Concrete	Drilling of Posts	1,875
Sinissi Paving	Playground preparation	4,500
Sinissi Paving	Blacktop for Courts	2,400
McMaster	Basketball Pole	418.50
Kurpiel	Stripe Court	375

Time charges for on-site personnel: 2,779.20
\$76,809.70

Tennis Courts

Valley Paving	Resurfacing	\$13,900
Universal Lighting	Lights	9,312
Nicco Electric	Installation of Lights	2,970
American Service	Boomto install Lights	1,082.50

Time charges for on-site personnel: 450
\$ 27,714.50



Picnic Area

Country View	Clean fill, etc. (Lot 3)	\$ 37,600
EcolScience	Environmental Compliance	575
Samuel Kleinberg	Drainage Compliance	2,865
Time charges for on-site personnel:		<u>\$ 1,460.80</u>
		\$ 42,500.80

Architects' Fees:

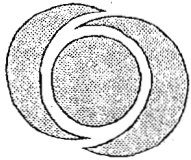
Frank Fernandez	5,800.00
Frank Fernandez	4,433.72
Frank Fernandez	5,758.00
Frank Fernandez	2,550.00
William Wallis	<u>5,000.00</u>
	\$23,541.72

Miscellaneous:

Faraldi Group-	Site Engineers	5,500.00
Azzolina & Feury-	Site Engineers	3,546.50
Samuel Kleinberg-	Drainage Engineer	1,600.00
Gorton Assoc.-	Budget Estimate	5,000.00
EcolScience-	Environmental Studies	6,020.00
Omni	Environmental Tests	5,184.00
C.A.Rich	Environmental Tests	<u>10,908.13</u>
		37,758.63

Attorney Fees:

St. John & Wayne- Site Plan Approvals, etc.	\$21,966.12
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Government Agencies (Permits, etc.):

Hudson County-Planning Brd	71.25
Hudson County-Plannign Brd	210.00
Hudson County-Planning Brd	481.00
Hudson County-Planning Brd	500.00
Hudson County-Planning Brd	175.00
Hudson County-Soil	550.00
Hudson County-Planning Brd	<u>625.97</u>

\$2,613.22

Total

\$ 232,904.69

Best regards.

Cordially,

Bernard Furman
President, G.T.C.A.