

## ROUTING AND RECORD SHEET

<b>SUBJECT: (Optional)</b> Request for Authorization for QRPLUMB to Lease New Office Space.				
<b>FROM:</b> <i>C</i> PPS/SIB	EXTENSION	NO. <span style="border: 1px solid black; padding: 2px;">OL 20150X-87</span>	DATE 18 May 1987	
<b>TO: (Officer designation, room number, and building)</b> DC/PPS/SEO 3D00 HQS	DATE RECEIVED      FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)	
1. C/PPS/SIB 3D00 Hqs.	[ ]	18 [ ]	DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 3B2 NAZI WAR CRIMES DISCLOSURE ACT DATE 2007	
2.	[ ]	[ ]		
3. C/PPS/SS 3D13 Hqs.	19/5	19/5 [ ]		
4.	[ ]	[ ]		
5. D/OL 2C02 Page	19 JUN 1987	[ ]		
6.	[ ]	[ ]		
7. DC/PPS/SEO 3D00 Hqs.	[ ]	22/5 [ ]		
8.	[ ]	[ ]		
9. PPS/SIB 3D00 Hqs.	[ ]	[ ]		
10. <i>SIB - Marty</i>	[ ]	[ ]		
11.	[ ]	[ ]		
12.	[ ]	[ ]		
13.	[ ]	[ ]		
14.	[ ]	[ ]		
15.	[ ]	[ ]		

S E C R E T



18 May 1987

MEMORANDUM FOR: [ ]  
DC/PPS/SEO

VIA: C/PPS/SIB  
C/PPS/SS  
Director of Logistics

FROM: [ ]  
PPS/SIB

SUBJECT: Request for Authorization to Lease New Office  
Space for QRPLUMB

1. Request authorization for QRPLUMB to lease new office space.

2. The QRPLUMB organization is currently leasing office space in New York City which it has outgrown, and which has become too expensive. QRPLUMB has located suitable office space in Newark, New Jersey which, in addition to meeting their space requirements, will result in savings of approximately \$50,000.00 per year. Included in the savings estimate is the decrease in rental costs, difference in sales tax (from 9 to 6 percent), and elimination of New York occupancy tax (approximately \$6000.00).

3. The pertinent facts concerning both rental properties are as follows:

A. Old office. 854 W. 34th Street, New York, NY  
Present floor space - 4300 square feet at \$18/sq.ft.  
(The cost per square foot is due to go up in October to \$20 -22) The current lease expires 30 Sep 1987.

WARNING NOTICE  
INTELLIGENCE SOURCES  
OR METHODS INVOLVED

CL BY [ ]  
DECL OADR  
DRV HUM 4-82

S E C R E T

S E C R E T

SUBJECT: Request for Authorization to Lease New Office Space for  
QRPLUMB

B. New Office. 744 Broad Street, Newark, NJ.  
New floor space - 5231 (4731 usable) at \$11/sq. ft.,  
with 5 year option at \$12/sq.ft. Landlord to  
reconstruct/refurnish premises at his expense. Copy  
of proposed lease attached

4. Funds for relocating have been tentatively identified  
and are not expected to exceed \$50,000.

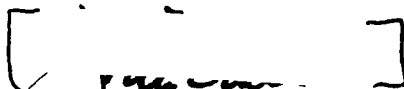
Handwritten marks: a checkmark and a bracket.

S E C R E T

S E C R E T

SUBJECT: Request for Authorization to Lease New Office Space for  
QRPLUMB


CONCUR:

  
\_\_\_\_\_  
C/PPS/SIB

18 May 87  
Date


  
\_\_\_\_\_  
C/PPS/SS

19 MAY 1987  
Date

  
\_\_\_\_\_  
Director of Logistics

6/19/87  
Date

APPROVED:

  
\_\_\_\_\_  
DC/PPS/SEO

22 Jun 87  
Date

S E C R E T

SUBJECT: Request for Authorization to Lease New Office Space for  
QRPLUMB

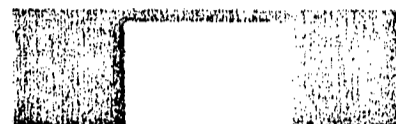
DO/PPS/SIB [ ] G-354346 (18 May 1987)

Distribution:

- Orig + 1 - Addressee (Please return original)
- 1 - PPS/SS
- 1 - Director of Logistics

S E C R E T

400 PLAZA DRIVE  
SECAUCUS, NEW JERSEY 07094  
(201) 864-4200



HELMSLEY-SPEAR

April 10, 1987

Mr. Pete Sodol  
PROLOG, INC.  
854 W. 34th Street  
8th Floor  
New York, NY 10001

Dear Pete:

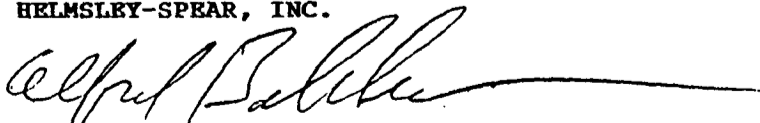
The owners' of 744 Broad Street, Newark, NJ have submitted the following offering:

OFFICE SPACE	11th Floor, Portion of Northeast corner
AREA	5,231 sq. ft. rentable 4,713 sq. ft. usable
OCCUPANCY	October 1st, 1987
RENT	\$11. sq. ft. + TE
ESCALATION	Yearly escalation based on CPI
RENT CONCESSION	1 month October 1987 1 month October 1988
WORKLETTER	Landlord, at his expense, will build tenant's space in accordance with submitted floor plan to the guidelines of quality in the standard workletter. Any additional costs in upgrading items on workletter will be paid by tenant.
OPTION	5 year option, \$12 sq. ft. + TE

Please review the above proposal and get back to me as soon as possible.

Very truly yours,

HELMSLEY-SPEAR, INC.

  
Al Baldwin

AB:bmw

cc: Dean Insalaco

400 PLAZA DRIVE  
SECAUCUS, NEW JERSEY 07094  
(201) 864-4200



HELMSLEY-SPEAR

April 27, 1987

Prolog Research  
8th Floor  
254 W. 31 Street  
New York, NY 10010

Dear Pete:

We enclose, herewith, an original and two copies of the new lease for Prolog Research Corporation, Room 1115-16 in the National Newark Building, 744 Broad Street, Newark, New Jersey.

Would you please have the authorized member of Prolog execute the lease where indicated by the red check marks on the original and copies, including the initialing of the attached rider, and have this signature witnessed. Please return the original and copies to this office for our signature, after which a fully executed copy will be forwarded for their records.

Along with the return of the lease, they should draw two checks; the first, made payable to Helmsley-Spear, Inc., in the amount of \$4,165.53, representing first month's advance rent, inclusive of electric. The second check should be made payable to Investment Properties Associates, in the amount of \$4,795., representing one month's security deposit. Along with this check, please furnish a nine-digit identification number so that the money will earn interest in our bank.

Finally, please ask a representative of Prolog Research Corporation to contact the building office with regard to the choice of colors for the carpeting and painting of their office, and the listing(s) they want added to the directory board in the lobby.

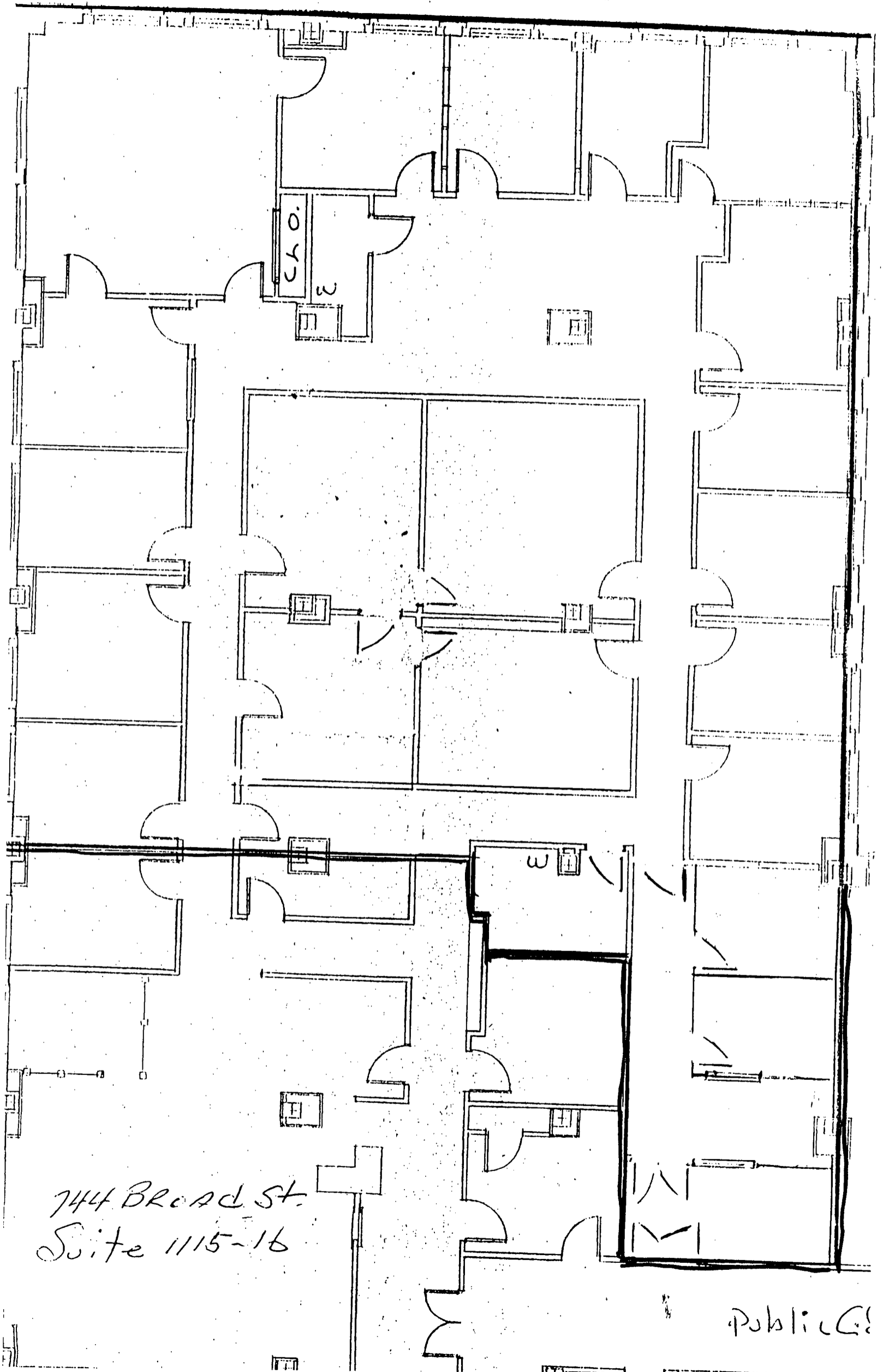
Very truly yours,

HELMSLEY-SPEAR, INC.

*Alfred Baldwin*  
Al Baldwin

AB:bmw

Enclosure (original and two copies of  
lease for Room 1115-16, 744 Broad St.)



744 Broad St.  
Suite 1115-16

Public



**This Indenture**, made this **24th** day of **April**, 19**87**, between **INVESTMENT PROPERTY ASSOCIATES**, a limited partnership having office care of Helmsley-Spear, Inc., 744 Broad Street, Newark, New Jersey, hereinafter referred to as Lessor, and

**PROLOG RESEARCH CORPORATION**

hereinafter referred to as Lessee.

**Witnesseth:**

That the Lessor hereby leases to the Lessee and the Lessee hereby hires from the Lessor

**Room 1115-16, as per attached plan**

in the building located in the City of Newark, Essex County, New Jersey, generally known as the **National New-Building**, and by the street number **744 Broad Street** to be used as **office space** and for no other purpose, for a term of

**Five (5) years, two (2) months**

to commence on the **First** day of **October, 1987** and to end on the last day of **November, 1992** at an annual rental rate of

**FIFTY-SEVEN THOUSAND FIVE HUNDRED FORTY (\$57,540.) DOLLARS**

which the Lessee agrees to pay in equal monthly installments of **FOUR THOUSAND SEVEN HUNDRED NINETY-FIVE (\$4,795.) DOLLARS**

on the first day of each month, in advance, at the office of the Lessor, or at such other place as the Lessor may designate, without any set-off or deduction whatsoever, except that the first installment of rent due under this lease shall be paid by the Lessee upon the delivery of this lease (unless this lease is a renewal).

The parties further agree as follows, and the above letting is on condition of the performance by the Lessee of the covenants and agreements on the part of the Lessee to be performed:

1. The Lessee shall without any previous demand pay to the Lessor the said rent at the times and in the manner above provided.  
2. The Lessee will not assign, mortgage or otherwise encumber this lease, nor let or underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of the Lessor in each instance. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than the Lessee, the Lessor may, after default by the Lessee, collect rent from the assignee, undertenant or occupant and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant. The transfer of a majority of the issued and outstanding capital stock of any corporate Lessee of this lease or a majority of the total interest in any partnership Lessee, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this lease.

3. (A) If the said demised premises shall be deserted or vacated, or if the Lessee violates any of the covenants, agreements and conditions on the part of the Lessee to be performed, or any of the reasonable rules or regulations now or hereafter to be established, then upon Lessor's serving a written five (5) days' notice upon Lessee specifying the nature of said default and upon the expiration of said five (5) days, if Lessee shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of such a nature that the same cannot be completely cured or remedied within said five (5) day period, and if Lessee shall not have diligently commenced curing during such default within such five (5) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Lessor may serve a written three (3) days' notice of cancellation of this lease upon Lessee, and upon the expiration of said three (3) days, this lease and the term thereunder shall end and expire as fully and completely as if the date of expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Lessee shall then quit and surrender the demised premises to Lessor but Lessee shall remain liable as hereinafter provided.

(B) If the notice provided for in (A) hereof shall have been given, and the term shall expire as aforesaid; or (1) if the Lessee shall make default in the payment of the rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein provided; or (2) if any execution or attachment shall be issued against the Lessee or any of the Lessee's property whereupon the demised premises shall be taken or occupied or attempted to be taken or occupied by someone other than the Lessee; or (3) if the Lessee shall make default with respect to any other lease between the Lessor and the Lessee; or (4) if the Lessee shall fail to move into or take possession of the premises within fifteen (15) days after commencement of the term of this lease, of which fact the Lessor shall be the sole judge; then and in any of such events the Lessor may, without notice, re-enter the demised premises either by force or otherwise, and dispossess the Lessee by summary proceedings or otherwise, and the legal representative of the Lessee or other occupant of demised premises and remove their effects and hold the premises as if this lease had not been made, and the Lessee hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If the Lessee shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, the Lessor may cancel and terminate such renewal or extension agreement by written notice.

4. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise:  
(A) The rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, together with such expenses as the Lessor may incur for legal expenses, attorneys' fees, brokerages, and/or putting the demised premises in good order, or for preparing the same for re-rental;

(B) The Lessor may re-let the premises or any part or parts thereof, either in the name of the Lessor or otherwise, for a term or terms, which may at the Lessor's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent; and/or

(C) The Lessee or the legal representatives of the Lessee shall also pay the Lessor as liquidated damages for the failure of the Lessee to observe and perform the said Lessee's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure or refusal of the Lessor to re-let the premises or any part or parts thereof shall not release or affect the Lessee's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as the Lessor may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by the Lessee on the rent day specified in this lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of the Lessor to collect the deficiency for any subsequent month by a similar proceeding. The Lessor at the Lessor's option may make such alterations, repairs, replacements and/or decorations in the demised premises as the Lessor in the Lessor's sole judgment considers advisable and necessary for the purpose of re-letting the demised premises; and the making of such alterations and/or decorations shall not operate or be construed to release the Lessee from liability hereunder as aforesaid. The Lessor shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting. In the event of a breach or threatened breach by the Lessee of any of the covenants or provisions hereof, the Lessor shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy shall not preclude the Lessor from any other remedy, in law or in equity. The Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of the Lessee being evicted or dispossessed for any cause, or in the event of the Lessor obtaining possession of demised premises, by reason of the violation by the Lessee of any of the covenants and conditions of this lease, or otherwise.

5. The Lessee shall not make any alterations, additions or improvements in said premises or place any signs in or about the entrance to said premises without the prior written consent of the Lessor. All alterations, additions or improvements which may be made by either of the parties hereto upon the premises, except movable office furniture put in at the expense of the Lessee, shall be the property of the Lessor and shall remain and be surrendered with the premises as a part thereof at the termination of the lease, except that such alterations, additions and improvements which shall have been made by the Lessee and which the Lessor, by notice pursuant to Paragraph 34 hereof, given prior to the expiration or other termination of this lease, shall designate, shall be the property of the Lessee and shall be removed by the Lessee at its own expense prior to the expiration or other termination of this lease.

6. Lessor shall provide elevator service during all usual business hours including Saturdays until 1 p.m., except on Sundays, State holidays, Federal holidays, or building service employees union contract holidays; but in case it shall become necessary at any time through accident, or for reconditioning or repairing said elevators, the boilers, machinery or anything appertaining thereto, the Lessor may stop the operation of said elevators, and in such case due expedition and diligence shall be used to complete the necessary work.

7. The Lessor shall furnish heat to the premises during all usual business hours except on Sundays, State holidays, Federal holidays, or building service employees union contract holidays in the cold season in each year, but no deduction shall be made from the rent should such heating not be used by the Lessee, or should the service, or any other service which the Lessor undertakes by this lease to furnish, be interrupted by strikes, breakdowns, inability to secure fuel, or any other cause not due to negligence on the part of the Lessor.

8. (A) If and so long as Lessor provides electricity to the demised premises on a rent inclusion basis, Lessee agrees that the fixed annual rent shall be increased by the amount of the Electricity Rent Inclusion Factor (the "ERIF"), as hereinafter defined, to compensate Lessor as hereinafter provided, for supplying the current as an additional service, through the presently installed electrical facilities for Lessee's reasonable use of such lighting, electrical appliances and equipment as Lessor may permit to be installed in the demised premises. The "Electricity Rent Inclusion Factor" shall mean the amount determined by applying the estimated usage thereof in the demised premises (as determined by the electrical consultant as hereinafter provided) to the rate charged for such usage in the service classification in effect on the commencement of this lease pursuant to the classification applicable to the lease. If the cost to Lessor of electricity shall have been, or shall be, increased subsequently (whether such increase occurs prior to or during the term of this lease), by change in Lessor's electric rates, charges, fuel adjustment, or service classifications, or by taxes or charges of any kind imposed thereon, or for any other such reason, then the aforesaid ERIF portion of the fixed annual rent shall be increased in the same percentage. Any such percentage increase in Lessor's cost due to change in Lessor's electric rates, charges, etc., shall be computed on the basis of the average consumption of electricity for the building for the twelve full months immediately prior to the rate change or other such change in cost, energy and demand, and any changed rules on billing for same, applied on a consistent basis to the new rate or service classifications and to the immediately prior existing rate or service classifications. The parties acknowledge that the fixed annual rent hereinabove set forth has not yet been, but is to be, increased by the ERIF. Lessee, therefore, agrees to have the fixed annual rent hereinabove set forth so increased by \$.85 per square foot, to be paid in equal monthly installments, in advance, from the date when Lessor commenced to furnish electricity to Lessee on a rent inclusion basis, until there shall be made by a reputable, independent electrical consulting firm, selected by Lessor ("Lessor's consultant"), a determination of the proper rent adjustment (ERIF) in accordance with the provisions hereof. Based upon such determination, the parties shall adjust prior payments made at \$.85 per

square foot downward or upward, as the case may be, and make the appropriate refund or additional payment, and the fixed annual rent herein reserved shall be adjusted in accordance with such determination. Lessee shall make no alterations or additions to the electrical equipment and/or appliances in the demised premises without first obtaining Lessor's written consent in each instance. The parties agree that Lessor's electrical consultant may from time to time, make surveys in the demised premises covering electrical equipment and fixtures and use of current therein, and the ERIF shall be changed in accordance with such survey by Lessor's electrical consultant. The fixed annual rent shall be appropriately adjusted effective as of the date of any such change in usage, as disclosed by said survey. The determination of changes in the ERIF by Lessor's consultant shall be binding and conclusive on Lessor and on Lessee unless within fifteen (15) days after the delivery of copies of such determination to Lessor and Lessee, either Lessor or Lessee disputes such determination by written notice to the other. Pending the resolution of any such dispute, however, Lessee shall pay to Lessor the amount of ERIF as determined by Lessor's consultant, provided, however, if the ERIF as finally determined is different from that determined by Lessor's consultant, then Lessor and Lessee shall make adjustment for any deficiency owed by Lessee or overage paid by Lessee pursuant to the determination of Lessor's consultant.

(B) At the option of Lessor, Lessee agrees to purchase from Lessor or its agents all lamps and bulbs used in the demised premises and to pay for the cost of installation thereof. Lessor shall not in any wise be liable or responsible to Lessee for any loss or damage or expense which Lessee may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable for Lessee's requirements. Lessee covenants and agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the building or the risers or wiring installation. Any riser or risers to supply Lessee's electrical requirements, upon written request of Lessee, will be installed by Lessor, at the sole cost and expense of Lessee, if, in Lessor's sole judgment, the same are necessary and will not cause permanent damage or injury to the building or demised premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants or occupants. In addition to the installation of such riser or risers Lessor will also at the sole cost and expense of Lessee, install all other equipment proper and necessary in connection therewith subject to the aforesaid terms and conditions. The parties acknowledge that they understand that it is anticipated that electric rates, charges, etc., may be changed by virtue of time-of-day rates or other methods of billing, and that the references in the foregoing two paragraphs to changes in methods of or rules on billing are intended to include any such changes. The Lessor reserves the right, at any time upon thirty (30) days' written notice, to change its furnishing of electricity to Lessee from a rent inclusion basis to a submetering basis, or vice versa. The Lessor reserves the right to terminate the furnishing of electricity on a rent-inclusion, submetering, or any other basis at any time, upon thirty (30) days' written notice to the Lessee, in which event the Lessee may make application directly to the utility company servicing the building for the Lessee's entire separate supply of electric current and Lessor shall permit its wires and conduits, to the extent available and safely capable, to be used for such purpose. Any meters, risers or other equipment or connections necessary to furnish electricity on a submetering basis or to enable Lessee to obtain electric current directly from such utility company shall be installed at Lessee's sole cost and expense. Rigid conduit only will be allowed. The Lessor, upon the expiration of the aforesaid thirty (30) days' written notice to the Lessee may discontinue furnishing the electric current, in which latter event the Lessee's liability for additional rent or ERIF provided for in this Paragraph shall terminate as of the date of discontinuance of the supplying of electric current, but this lease shall otherwise remain in full force and effect. Lessor, its cleaning contractor and their employees shall have after-hours access to the demised premises and the use of Lessee's light, power and water in the demised premises as may be reasonably required for the purpose of cleaning the demised premises.

9. The Lessor at its expense will provide sufficient lighting for the halls and stairways in said building. The same to be entirely under the control of and regulated by Lessor, and will cause said demised premises to be cleaned.

10. If the Lessee requires, uses or consumes water for any purpose, in addition to ordinary lavatory purposes, the Lessor may at the Lessee's expense, install a water meter and thereby measure the Lessee's water consumption for all purposes. The Lessee shall keep the said meter and installation in good working order and repair it at the Lessee's expense. The Lessee agrees to pay as additional rent, for water consumed as shown on said meter when bills are rendered. In addition, in the event that any taxes charged to Lessor, including the real property taxes on the building, are increased by reason of the affixing thereto or the installing therein by Lessee of any machinery, fixtures, equipment or other property of the Lessee, the Lessee hereby agrees to pay, as additional rent said additional tax on such portion thereof as may be allocated to the assessed value of such machinery, fixtures, equipment or other property. All payments by Lessee under this paragraph shall be deemed additional rent under the terms of this lease and Lessor shall have all rights with respect to the collection thereof as Lessor has hereunder with respect to any other rent or additional rent charge.

11. The Lessor will provide a directory of the tenants in a place in the main entrance of the building in which the demised premises are located.

12. The Lessor may enter the demised premises at reasonable hours in the day or night to examine the same, or to run telegraph or other wires, or to make such repairs, additions and alterations as it shall deem necessary for the safety, preservation or restoration of the said building, or for the safety or convenience of the occupants thereof and also to exhibit the said premises to persons wishing to hire or purchase same and place upon them the usual notice "To Let," which notice shall not be removed or obliterated by any tenant.

13. The Lessor shall not be liable to the Lessee for any loss or damage to the person, property or business of the Lessee caused by theft, burglary, fire, explosion, wind, accident, breakage or leakage of water, gas, steam or sewer pipes or electric conduits, or by any other cause of whatsoever nature, or occasioned by workmen engaged in making repairs or alterations in or upon the demised premises or the building in which they are located, or resulting from any suspension of any service which the Lessor hereby undertakes to furnish resulting from strikes, breakdowns, inability to secure fuel, or any other cause not due to negligence of the Lessor.

14. The Lessee agrees to hold the Lessor harmless against any and all damage, direct or indirect, to the building of which the demised premises are a part, or to the property of the Lessor therein and against any and all damage or claim thereof, direct or indirect, to the person or property of others than the Lessor, by reason of any use of the demised premises by the Lessee, whether the use or occupation be as hereinabove defined or otherwise, or whether the damage to persons or property be due to negligence on the part of the Lessee, or otherwise, or whether the use be casual, occasional, or otherwise, or authorized or unauthorized.

15. The Lessor reserves the right to, and the Lessee agrees that the Lessor may, make any alterations to the building or any part thereof as it may deem advisable, and enter the premises hereby demised at any and all reasonable times for the purpose of making such alterations. The Lessee hereby waives all claims for damages because of injuries to person, property or business resulting from the prosecution of such alterations by the Lessor and shall not be entitled to any deduction or allowance from the rent by reason of being deprived of the partial use of the demised premises during such alterations.

16. If the demised premises shall be partially damaged by fire or other cause without the fault or neglect of the Lessee, the Lessee's servants, employees, agents, visitors or licensees, the damages shall be repaired by and at the expense of the Lessor and the rent until such repairs shall be made shall be apportioned according to the part of the demised premises which is usable by the Lessee. But if such partial damage is due to the fault or neglect of the Lessee, the Lessee's servants, employees, agents, visitors or licensees, there shall be no apportionment or abatement of rent. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of fire insurance on the part of the Lessor, and for reasonable delay on account of "labor troubles," or any other cause beyond the Lessor's control. If the demised premises are totally damaged or are rendered wholly untenable by fire or other cause, and if the Lessor shall decide not to restore or not to rebuild the same, or if the building shall be so damaged that the Lessor shall decide to demolish it or to rebuild it, the Lessor may, within ninety (90) days after such fire or other cause, give written notice to the Lessee of such decision, and the term of this lease shall automatically expire on the third day after such notice is given, and the Lessee shall vacate the demised premises and surrender the same to the Lessor.

17. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, the term of this lease shall cease and terminate from the date of title vesting in such proceeding and the Lessee shall have no claim against the Lessor for the value of any unexpired term of this lease.

18. The Lessee at its sole expense shall comply with all laws, orders and regulations of federal, state, county and municipal authorities, and with any direction of any public officer pursuant to law, which shall impose any violation, order or duty upon the Lessor or the Lessee with respect to demised premises, or the use thereof. The Lessee shall not do or permit to be done any act or thing upon said premises, which will invalidate or be in conflict with fire insurance policies covering the building of which demised premises form a part, and fixtures and property therein and the Lessee at its sole expense shall comply with all rules, orders, regulations or requirements of the Board of Fire Underwriters, Division of Labor, or any other similar department, agency or body, and shall not do, or permit anything to be done, in or upon said premises which shall increase the rate of fire insurance on the building of which demised premises form a part, or on property located therein, over that in effect prior to this lease. If by reason of failure of the Lessee to comply with the provisions of this paragraph, including, but not limited to, the mere use to which the Lessee puts the premises, the fire insurance rate shall be higher than it otherwise would be, then the Lessee shall reimburse the Lessor, as additional rent hereunder, for that part, of all fire insurance premiums thereafter paid by the Lessor, which shall have been charged because of such failure or use by the Lessee, and shall make such reimbursement upon the first day of the month following such outlay by the Lessor.

19. Any Notice of Intention, Mechanic's Lien or Stop Notice filed against the demised premises, or the building of which the same form a part, for work claimed to have been done for, or materials claimed to have been furnished to the Lessee, shall be discharged by the Lessee within ten days thereafter, at the Lessee's expense, in such manner as provided for by law.

20. If at any time prior to the commencement of the term of this lease, there shall be filed by or against the Lessee, in any court, pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency, or for re-organization, or for the appointment of a receiver or trustee of all or a portion of the Lessee's property, or if the Lessee makes an arrangement for the benefit of creditors, or petition for or enter into an arrangement this lease shall automatically be cancelled and the Lessor may retain as liquidated damages any rent, security, deposit or monies received by it from the Lessee upon the execution hereof. If any one or more of such events shall occur during the term of this lease, the Lessor, at its option, may cancel this lease, in which event, neither the Lessee nor any person claiming through the Lessee by virtue of any statute or court order shall be entitled to retain possession of the demised premises, and the Lessor, in addition to any other rights and remedies, may retain as liquidated damages, any rent, security, deposit or monies received by it from the Lessee. Notwithstanding anything to the contrary hereinbefore contained, it is agreed that if the Lessee, in good faith, contests any involuntary petition of a nature described above, the Lessee shall be permitted to remain in possession of the demised premises until the matter is adjudicated. If the Lessee is ultimately unsuccessful in its contest, then the cancellation of this lease shall thereupon become effective.

21. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such lease or the real property of which demised premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. This lease shall be self-operative and no further instrument of subordination shall be required by any mortgagee. In confirmation of such subordination, the Lessee shall execute promptly any certificate that the Lessor may request. The Lessee hereby constitutes and appoints the Lessor as the Lessee's attorney-in-fact to execute any such certificate or certificates for and on behalf of the Lessee. From time to time, Lessee, on at least ten (10) days' prior written request by Lessor, will deliver to Lessor a statement in writing certifying that this lease is unmodified and in full force and effect (or if there shall have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the rent and other charges have been paid and stating whether or not the Lessor is in default in performance of any covenant, agreement or condition contained in this lease and, if so, specifying each such default of which Lessee may have knowledge.

22. In the event that the demised premises are not ready for occupancy at the time of the commencement of the term fixed by this lease, this lease shall not be affected thereby nor shall the Lessee have any claim against the Lessor by reason thereof, but no rent shall be due hereunder until the Lessor shall send notice by mail to the Lessee addressed to the Lessee's last known post office address, that the demised premises are ready for occupancy. It is expressly understood and agreed, however, that in the event that the demised premises are ready for occupancy, except for alterations or repairs to be performed by the Lessee, the rent under this lease shall nevertheless commence on the date fixed herein, and no allowance for rent or damages shall be made by reason of the fact that said alterations or repairs are not completed.

23. (A) Lessee acknowledges that its continued occupancy of the demised premises, and the regular conduct of its business therein, are of utmost importance to the Lessor in the renewal of other leases in the building, in the renting of vacant space in the building, in the providing of electricity, air conditioning, steam and other services to the tenants in the building, and in the maintenance of the character and quality of the tenants in the building. Lessee therefore covenants and agrees that it will occupy the entire demised premises, and will conduct its business therein in the regular and usual manner, throughout the term of this lease. Lessee acknowledges that Lessor is executing this lease in reliance upon these covenants, and that these covenants are a material element of consideration inducing the Lessor to execute this lease. Lessee further agrees that if it vacates the demised premises or fails to so conduct its business therein, at any time during the term of this lease, without the prior written consent of the Lessor, then all rent and additional rent reserved in this lease from the date of such breach to the expiration date of this lease shall become immediately due and payable to Lessor.

(B) The parties recognize and agree that the damage to Lessor resulting from any breach of the covenants in subdivision (A) hereof will be extremely substantial, will be far greater than the rent payable for the balance of the term of this lease, and will be impossible of accurate measurement. The parties therefore agree as follows:

(1) In the event of a breach or threatened breach of the said covenants, in addition to all of Lessor's other rights and remedies, at law or in equity or otherwise, Lessor shall have the right of injunction to preserve Lessee's occupancy and use. The words "become vacant or deserted" as used elsewhere in this lease shall include Lessee's failure to occupy or use as required by this Paragraph.

(2) If Lessee breaches either of the covenants in subdivision (A) above, and this lease be terminated because of such default, then, anything in this lease to the contrary notwithstanding:

(a) Lessor shall have the right to re-enter the demised premises, and to alter, reconstruct and rent all or any part of the premises, at any rental to which Lessor shall agree, for any portion of or beyond the original term of this lease.

(b) Any income received by Lessor on any such re-rental shall be the property of Lessor, alone, as compensation for the expenses in connection with the preparation and re-renting of the demised space, and, together with the rents and additional rents payable as aforesaid, as liquidated damages for the breach of Lessee, which damages cannot be computed, as aforesaid. Lessee shall have no right to any portion of such income.

(c) If any provision of this Paragraph of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Paragraph, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Paragraph and of this lease shall be valid and be enforced to the fullest extent permitted by law.

24. The rules and regulations in regard to the said building, printed upon this lease, or any modifications thereof or additions thereto, shall during the term of this lease be observed and performed by the Lessee. Nothing contained in this lease shall be construed to impose upon the Lessor any duty to enforce the Rules and Regulations or terms, covenants, or conditions in any other lease, as against any other tenant, and the Lessor shall not be liable to the Lessee for violation of the same by any other tenant.

25. The receipt by the Lessor of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach. The failure of the Lessor to enforce any of the Rules and Regulations set forth, or hereafter adopted, against the Lessee or any other tenant in the building shall not be deemed a waiver of any such Rules and Regulations. No provision of this lease shall be deemed to have been waived by the Lessor, unless such waiver be in writing signed by the Lessor.

26. The Lessor or the Lessor's agents have made no representations or promises with respect to the said building or demised premises except as herein expressly set forth. The taking of possession of the demised premises by the Lessee shall be conclusive evidence, as against the Lessee, that said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

27. Upon the expiration or other termination of the term of this lease, the Lessee shall quit and surrender to the Lessor the demised premises, broom clean, in good order and condition, ordinary wear excepted, and the Lessee shall remove all of its property. The Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease. If the last day of the term of this lease or any renewal thereof falls on Sunday this lease shall expire on the business day immediately preceding. Lessee acknowledges that possession of the demised premises must be surrendered to the Lessor at the expiration or sooner termination of the term of this lease. Lessee agrees it shall indemnify and save Lessor harmless against costs, claims, loss or liability resulting from delay by Lessee in so surrendering the demised premises, including, without limitation, any claims made by any succeeding tenant founded on such delay. The parties recognize and agree that the damage to Lessor resulting from any failure by Lessee timely to surrender possession of the demised premises as aforesaid will be extremely substantial, will exceed the amount of monthly rent theretofore payable hereunder, and will be impossible of accurate measurement. Lessee therefore agrees that if possession of the demised premises is not surrendered to Lessor within seven (7) days after the date of the expiration or sooner termination of the term of this Lease, then Lessee agrees to pay Lessor as liquidated damages for each month and for each portion of any month during which Lessee holds over in the premises after expiration or termination of the term of this Lease, a sum equal to three times the average rent and additional rent which was payable per month under this Lease during the last six months of the term thereof. The aforesaid provisions of this paragraph shall survive the expiration or sooner termination of the term of this Lease.

28. The fixed annual rent reserved in this lease and payable hereunder shall be adjusted, as of the times and in the manner set forth in this Paragraph:

(A) Definitions: For the purposes of this Paragraph, the following definitions shall apply:

(1) The term "Base Year" shall mean the full calendar year during which the term of this lease commences.

(2) The term "Price Index" shall mean the "Consumer Price Index" published by the Bureau of Labor Statistics of the U.S. Department of Labor, U.S. City Average, All Items, or a successor or substitute index appropriately adjusted.

(3) The term "Price Index for the Base Year" shall mean the average of the monthly All Items Price Indexes for each of the 12 months of the Base Year.

(B) Effective as of each January and July subsequent to the Base Year, but in no event sooner than six months after the commencement date of this lease, there shall be made a cost of living adjustment of the annual rental rate payable hereunder. The July adjustment shall be based on the percentage difference between the Price Index for the preceding month of June and the Price Index for the Base Year. The January adjustment shall be based on such percentage difference between the Price Index for the preceding month of December and the Price Index for the Base Year.

(1) In the event the Price Index for June in any calendar year during the term of this lease reflects an increase over the Price Index for the Base Year, then the fixed annual rent originally herein provided to be paid as of the July 1st following such month of June (unchanged by any adjustments under this Paragraph) shall be multiplied by the percentage difference between the Price Index for June and the Price Index for the Base Year, and the resulting sum shall be added to such fixed annual rent, effective as of such July 1st. Said adjusted annual rent shall thereafter be payable hereunder, in equal monthly installments, until it is readjusted pursuant to the terms of this lease.

(2) In the event the Price Index for December in any calendar year during the term of this lease reflects an increase over the Price Index for the Base Year, then the fixed annual rent originally herein provided to be paid as of the January 1st following such month of December (unchanged by any adjustments under this Paragraph) shall be multiplied by the percentage difference between the Price Index for December and the Price Index for the Base Year, and the resulting sum shall be added to such fixed annual rent effective as of such January 1st. Said adjusted annual rent shall thereafter be payable hereunder, in equal monthly installments, until it is readjusted pursuant to the terms of this lease.

The following illustrates the intentions of the parties hereto as to the computation of the aforementioned cost of living adjustment in the annual rent payable hereunder:

Assuming that said fixed annual rent is \$10,000, that the Price Index for the Base Year was 102.0 and that the Price Index for the month of June in a calendar year following the Base Year was 105.0, then the percentage increase thus reflected, i.e., 2.941% (3.0/102.0) would be multiplied by \$10,000, and said fixed annual rent would be increased by \$294.10 effective as of July 1st of said calendar year.

In the event that the Price Index ceases to use 1967=100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the Price Index, then the Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Price Index in effect at the date of this lease not been altered. In the event such Price Index (or a successor or substitute index) is not available, a reliable governmental or other non-partisan publication evaluating the information theretofore used in determining the Price Index shall be used.

No adjustments or recomputations, retroactive or otherwise, shall be made due to any revision which may later be made in the first published figure of the Price Index for any month.

(C) The statements of the cost of living adjustment to be furnished by Lessor as provided in subdivision (B) above shall consist of data prepared for the Lessor by a firm of Certified Public Accountants (who may be the firm now or then currently employed by Lessor for the audit of its accounts). The statements thus furnished to Lessee shall constitute a final determination as between Lessor and Lessee of the cost of living adjustment for the periods represented thereby.

(D) In no event shall the fixed annual rent originally provided to be paid under this lease (exclusive of the adjustments under this Paragraph) be reduced.

(E) Any delay or failure of Lessor, beyond July or January of any year, in computing or billing for the rent adjustments hereinabove provided, shall not constitute a waiver of or in any way impair the continuing obligation of Lessee to pay such rent adjustments hereunder.

(F) Notwithstanding any expiration or termination of this lease prior to the lease expiration date (except in the case of a cancellation by mutual agreement) Lessee's obligation to pay rent as adjusted under this Paragraph shall continue and shall cover all periods up to the lease expiration date, and shall survive any expiration or termination of this lease.

29. The term "Lessor" as used in this lease means only the owner or the mortgagee in possession for the time being of the land and buildings, or the owner of the lease of the buildings, or of the land and buildings, of which the demised premises form a part, so that in the event of any sale or sales of said land or buildings, or of said lease, or in the event of a lease of said building or buildings, or a lease of the land and building or buildings, the said Lessor shall be and hereby is entirely free and relieved of all covenants and obligations of the Lessor hereunder, and it shall be deemed and construed without further agreement between the parties, or their successors in interest, or between the parties and the purchaser, on any such sale, or the said lessee of the building, or the lessee of the land and buildings, that the purchaser or the Lessee has assumed and agreed to carry out any and all covenants and obligations of the Lessor hereunder.

30. The Lessor reserves the right to stop service of the heating, elevator, plumbing, electric, water or other services, whenever same shall be necessary as a result of any accident or emergency, or when in Lessor's sole judgment same shall require any repairs, alterations, replacement or improvement. The Lessor shall incur no liability for failure to supply any such service during said period, or when prevented from so doing by any strike, accident or any reason beyond its control, or as the result of any law, ordinance, order or regulation of any governmental authority, or by reason of the failure or malfunctioning of the system supplying such service, or inability to obtain the materials with which to supply any such service.

31. No employee of the Lessor or of the Lessor's agents shall have any power to accept the keys of said premises prior to the termination of this lease. The delivery of keys to any employee of the Lessor or of the Lessor's agents shall not operate as a termination of the lease or a surrender of the premises. In the event that any payment herein provided for by Lessee to Lessor shall become overdue for a period in excess of thirty (30) days, then at Lessor's option a "late charge" for such period and for each additional period of thirty (30) days or any part thereof shall become immediately due and owing to Lessor, as additional rent by reason of the failure of Lessee to make prompt payment, at the following rates: for individual and partnership Lessees, said late charge shall be computed at the maximum legal rate of interest; for corporate Lessees, the late charge shall be computed at one percent per month; for Lessees which are government entities, the late charge shall be computed at one percent per month unless there is an applicable maximum legal rate of interest against said government entity which then shall be used.

32. Lessor and Lessee hereby waive trial by jury in any action, proceeding or counterclaim involving any matter whatsoever arising out of or in any way connected with this lease, the relationship of landlord and tenant, Lessee's use or occupancy of the premises (except for personal injury or property damage) or involving the right to any statutory relief or remedy. Lessee will not interpose any counterclaim of any nature in any summary proceeding.

33. The Lessee has deposited with the Lessor the sum of \$4,795. (four thous. seven hun. 95) Dollars as security for the faithful performance and observance by the Lessee of the terms, provisions and conditions of this lease; it is agreed that in the event the Lessee defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, the Lessor may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms, covenants and conditions of this lease, including, but not limited to, any damages or deficiency in the re-letting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by the Lessor. The Lessee shall, upon demand, deposit with the Lessor the full amount so used, applied or retained, in order that the Lessor shall have the full security deposit on hand at all times during the term of this lease. In the event that the Lessee shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to the Lessee after the date fixed as the end of the lease and after delivery of entire possession of the demised premises to the Lessor. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, the Lessor shall have the right to transfer the security to the vendee or Lessee and the Lessor shall thereupon be released by the Lessee from all liability for the return of such security; and the Lessee agrees to look to the new Lessor solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Lessor. The Lessee further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither the Lessor nor its successors or assigns shall be bound by any such assignment, encumbrances, attempted assignment or attempted encumbrance.

34. A bill, statement, notice or communication which the Lessor may desire or be required to give to the Lessee, shall be deemed sufficiently given or rendered if, in writing, delivered to the Lessee personally or sent by certified or registered mail addressed to the Lessee at the building of which the demised premises form a part or at the last known residence address or business address of the Lessee. Any notice by the Lessee to the Lessor must be served by certified or registered mail addressed to the Lessor at the address first hereinabove given or at such other address as the Lessor shall designate by written notice.

35. The covenants and agreements herein contained shall bind and insure to the benefit of heirs, executors, administrators, successors and assigns of the respective parties hereto.

Rider attached hereto before execution.

In Witness Whereof, the Lessor and the Lessee have respectively signed and sealed this lease as of the day and year first above written.

INVESTMENT PROPERTIES ASSOCIATES  
HELMSLEY-SPEAR, INC. AGENTS

By ..... (LS)  
Witness for Lessor Leon G. Topelsohn Lessor Vice President  
PROLOG RESEARCH CORPORATION

By: ..... (LS)  
Witness for Lessee Lessee

..... (LS)

..... (LS)

**RULES AND REGULATIONS**  
Referred to in Foregoing Lease

1. The sidewalks, halls, passageways, elevators and stairways shall not be obstructed by any of the tenants, or used by them for any other purpose than ingress and egress to or from their respective office.
2. The floors, skylights, windows, doors and transoms that reflect or admit light into passageways, or into any other place in said building, shall not be covered or obstructed by any of the tenants. All doors leading from the tenants' space into the public corridor shall be kept closed at all times except for ingress and egress. The toilet-rooms, water-closets and other water apparatus shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, ink, chemicals or the refuse from electric batteries or other unsuitable substances shall be thrown therein. Any damage resulting from such misuse or abuse shall be borne by the tenant by whom or by whose employees it shall be caused.
3. No sign, advertisement, notice or thing shall be inscribed, painted or affixed on any part of the outside of said building, nor on the inside thereof, unless of such color, size and style and in such places, upon or in said building, as shall be first designated by the Lessor and endorsed hereon. No newspaper or magazine advertising is to be done by the Lessee referring to the said building, unless the same is first approved by the Lessor, or its agent.
4. No safe shall be put or hoisted in any part of said building except under the direction of the Lessor. Tenants shall arrange with the Lessor's agent as to time for receiving or delivering safes, furniture or freight.
5. No tenant shall do or permit anything to be done in said premises, or bring or keep anything therein, which will in any way increase the rate of fire insurance on said building, or on property kept therein, or obstruct or interfere with the rights of other tenants, or conflict with laws relating to fires, or with the regulations of the Fire Department or with any insurance policy upon said building or any part thereof, or conflict with any of the rules and ordinances or the City of Newark, or with any laws or regulations of the State of New Jersey or of the United States, or of any department or authority of either State or Federal Government.
6. No tenant shall employ any person or persons, other than the Lessor's janitor, or his assistants, for the purpose of cleaning or of taking charge of said premises, it being understood and agreed that the Lessor shall be in no wise responsible to any tenant for any damage done to the furniture or other effects of any tenant by the janitor or any of his employees, or any other person, or for any loss of property from leased premises, however occurring. Tenants shall see that the windows are closed and the doors securely locked before leaving the demised premises.
7. No carpet, rug or other article shall be hung or shaken out of any window, and nothing shall be thrown or allowed to drop, by the tenants, their clerks or employees, out of the windows or doors, or down the passages or skylights of the building, and no Lessee shall sweep or throw, or permit to be swept or thrown from the leased premises, any dirt or other substance into any of the corridors or halls, elevators or stairways of said building, or into any of the light-shafts, elevator-shafts or ventilators thereof.
8. Tenants desiring to install telephones or call-boxes will notify the Lessor, who will direct where the same shall be placed, and without such direction no running of wires, nor boring or cutting thereof, will be permitted.
9. Tenants shall not use or keep in the building any explosives, kerosene, burning fluid or other illuminating material, except gas or electric light. Nor shall any bed or bedding be brought or placed in or upon the demised premises, nor shall they in any event be used as a lodging place. Nor shall any animal or bird be kept on or about the premises.
10. No article shall be fastened to or holes drilled or nails or screws driven into the ceilings, walls, doors, window frames or partitions, nor shall any part of the demised premises be painted, papered or otherwise covered, or in any way marked or broken, without the written consent of the Lessor, and no work shall be done upon the premises by any mechanics except those employed by the Lessor.
11. The Lessor reserves the right to rescind any of these rules and to make such other and further reasonable rules and regulations as, in the judgment of its duly authorized agent or attorney, may from time to time be needful for the safety, care and cleanliness of the premises, and for the preservation of good order therein, which, when so made and notice thereof given to the Lessee, shall have the same force and effect as if originally made a part of the foregoing lease; such other and further rules not, however, to be inconsistent with the proper and rightful enjoyment by the Lessee under the foregoing lease of the premises therein referred to.

**Lease**

INVESTMENT PROPERTIES ASSOCIATES

PROLOG RESEARCH CORPORATION

— to —

Dated April 24, 19 87

Rent per Year \$57,540.

Rent per Month \$4,795.

Term Five (5) years, two (2) months  
From 10/1/87-11/30/92

Drawn by ..... K.N. Checked by .....  
Entered by ..... Approved by .....

HELMSLEY-SPEAR, INC.  
REAL ESTATE AND INSURANCE  
Main Office  
LINCOLN BUILDING  
60 E. 42nd STREET NEW YORK, N.Y. 10017  
687-6400  
Branch Office  
744 BROAD STREET NEWARK, N.J. 07102  
643-6822

34. A bill, statement, notice or communication which the Lessor may desire or be required to give to the Lessee, shall be deemed sufficiently given or rendered if, in writing, delivered to the Lessee personally or sent by certified or registered mail addressed to the Lessee at the building of which the demised premises form a part or at the last known residence address or business address of the Lessee. Any notice by the Lessee to the Lessor must be sent by certified or registered mail addressed to the Lessor at the address first hereinabove given or at such other address as the Lessor shall designate by written notice.

35. The covenants and agreements herein contained shall bind and insure to the benefit of heirs, executors, administrators, successors and assigns of the respective parties hereto.

Rider attached hereto before execution.

In Witness Whereof, the Lessor and the Lessee have respectively signed and sealed this lease as of the day and year first above written.

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By ..... (LS)  
Witness for Lessor Leon G. Topelsohn Lessor Vice President  
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2. The floors, skylights, windows, doors and transoms that reflect or admit light into passageways, or into any other place in said building, shall not be covered or obstructed by any of the tenants. All doors leading from the tenants' space into the public corridor shall be kept closed at all times except for ingress and egress. The toilet-rooms, water-closets and other water apparatus shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, ink, chemicals or the refuse from electric batteries or other unsuitable substances shall be thrown therein. Any damage resulting from such misuse or abuse shall be borne by the tenant by whom or by whose employees it shall be caused.
3. No sign, advertisement, notice or thing shall be inscribed, painted or affixed on any part of the outside of said building, nor on the inside thereof, unless of such color, size and style and in such places, upon or in said building, as shall be first designated by the Lessor and endorsed hereon. No newspaper or magazine advertising is to be done by the Lessee referring to the said building, unless the same is first approved by the Lessor, or its agent.
4. No safe shall be put or hoisted in any part of said building except under the direction of the Lessor. Tenants shall arrange with the Lessor's agent as to time for receiving or delivering safes, furniture or freight.
5. No tenant shall do or permit anything to be done in said premises, or bring or keep anything therein, which will in any way increase the rate of fire insurance on said building, or on property kept therein, or obstruct or interfere with the rights of other tenants, or conflict with laws relating to fires, or with the regulations of the Fire Department or with any insurance policy upon said building or any part thereof, or conflict with any of the rules and ordinances of the City of Newark, or with any laws or regulations of the State of New Jersey or of the United States, or of any department or authority of either State or Federal Government.
6. No tenant shall employ any person or persons, other than the Lessor's janitor, or his assistants, for the purpose of cleaning or of taking charge of said premises, it being understood and agreed that the Lessor shall be in no wise responsible to any tenant for any damage done to the furniture or other effects of any tenant by the janitor or any of his employees, or any other person, or for any loss of property from leased premises, however occurring. Tenants shall see that the windows are closed and the doors securely locked before leaving the demised premises.
7. No carpet, rug or other article shall be hung or shaken out of any window, and nothing shall be thrown or allowed to drop, by the tenants, their clerks or employees, out of the windows or doors, or down the passages or skylights of the building, and no Lessee shall sweep or throw, or permit to be swept or thrown from the leased premises, any dirt or other substance into any of the corridors or halls, elevators or stairways of said building, or into any of the light-shafts, elevator-shafts or ventilators thereof.
8. Tenants desiring to install telephones or call-boxes will notify the Lessor, who will direct where the same shall be placed, and without such direction no running of wires, nor boring or cutting therefor, will be permitted.
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10. No article shall be fastened to or holes drilled or nails or screws driven into the ceilings, walls, doors, window frames or partitions, nor shall any part of the demised premises be painted, papered or otherwise covered, or in any way marked or broken, without the written consent of the Lessor, and no work shall be done upon the premises by any mechanics except those employed by the Lessor.
11. The Lessor reserves the right to rescind any of these rules and to make such other and further reasonable rules and regulations as, in the judgment of its duly authorized agent or attorney, may from time to time be needful for the safety, care and cleanliness of the premises, and for the preservation of good order therein, which, when so made and notice thereof given to the Lessee, shall have the same force and effect as if originally made a part of the foregoing lease; such other and further rules not, however, to be inconsistent with the proper and rightful enjoyment by the Lessee under the foregoing lease of the premises therein referred to.

**Lease**

INVESTMENT PROPERTIES ASSOCIATES

PROLOG RESEARCH CORPORATION

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Branch Office  
744 BROAD STREET NEWARK, N.J. 07102  
643-6822

Rev 8/77



(1) In the event of a breach or threatened breach of the said covenants, in addition to all of Lessor's other rights and remedies, at law or in equity or otherwise, Lessor shall have the right of injunction to preserve Lessee's occupancy and use. The words "become vacant or deserted" as used elsewhere in this lease shall include Lessee's failure to occupy or use as by this Paragraph required.

(2) If Lessee breaches either of the covenants in subdivision (A) above, and this lease be terminated because of such default, then, anything in this lease to the contrary notwithstanding:

(a) Lessor shall have the right to re-enter the demised premises, and to alter, reconstruct and rent all or any part of the premises, at any rental to which Lessor shall agree, for any portion of or beyond the original term of this lease.

(b) Any income received by Lessor on any such re-rental shall be the property of Lessor, alone, as compensation for the expenses in connection with the preparation and re-renting of the demised space, and, together with the rents and additional rents payable as aforesaid, as liquidated damages for the breach of Lessee, which damages cannot be computed, as aforesaid. Lessee shall have no right to any portion of such income.

(c) If any provision of this Paragraph of this lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Paragraph, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Paragraph and of this lease shall be valid and be enforced to the fullest extent permitted by law.

24. The rules and regulations in regard to the said building, printed upon this lease, or any modifications thereof or additions thereto, shall during the term of this lease be observed and performed by the Lessee. Nothing contained in this lease shall be construed to impose upon the Lessor any duty to enforce the Rules and Regulations or terms, covenants, or conditions in any other lease, as against any other tenant, and the Lessor shall not be liable to the Lessee for violation of the same by any other tenant.

25. The receipt by the Lessor of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach. The failure of the Lessor to enforce any of the Rules and Regulations set forth, or hereafter adopted, against the Lessee or any other tenant in the building shall not be deemed a waiver of any such Rules and Regulations. No provision of this lease shall be deemed to have been waived by the Lessor, unless such waiver be in writing signed by the Lessor.

26. The Lessor or the Lessor's agents have made no representations or promises with respect to the said building or demised premises except as herein expressly set forth. The taking of possession of the demised premises by the Lessee shall be conclusive evidence, as against the Lessee, that said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken.

27. Upon the expiration or other termination of the term of this lease, the Lessee shall quit and surrender to the Lessor the demised premises, broom clean, in good order and condition, ordinary wear excepted, and the Lessee shall remove all of its property. The Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease. If the last day of the term of this lease or any renewal thereof falls on Sunday this lease shall expire on the business day immediately preceding. Lessee acknowledges that possession of the demised premises must be surrendered to the Lessor at the expiration or sooner termination of the term of this lease. Lessee agrees it shall indemnify and save Lessor harmless against costs, claims, loss or liability resulting from delay by Lessee in so surrendering the demised premises, including, without limitation, any claims made by any succeeding tenant founded on such delay. The parties recognize and agree that the damage to Lessor resulting from any failure by Lessee timely to surrender possession of the demised premises as aforesaid will be extremely substantial, will exceed the amount of monthly rent theretofore payable hereunder, and will be impossible of accurate measurement. Lessee therefore agrees that if possession of the demised premises is not surrendered to Lessor within seven (7) days after the date of the expiration or sooner termination of the term of this Lease, then Lessee agrees to pay Lessor as liquidated damages for each month and for each portion of any month during which Lessee holds over in the premises after expiration or termination of the term of this Lease, a sum equal to three times the average rent and additional rent which was payable per month under this Lease during the last six months of the term thereof. The aforesaid provisions of this paragraph shall survive the expiration or sooner termination of the term of this Lease.

28. The fixed annual rent reserved in this lease and payable hereunder shall be adjusted, as of the times and in the manner set forth in this Paragraph:

(A) Definitions: For the purposes of this Paragraph, the following definitions shall apply:

(1) The term "Base Year" shall mean the full calendar year during which the term of this lease commences.

(2) The term "Price Index" shall mean the "Consumer Price Index" published by the Bureau of Labor Statistics of the U.S. Department of Labor, U.S. City Average, All Items, or a successor or substitute index appropriately adjusted.

(3) The term "Price Index for the Base Year" shall mean the average of the monthly All Items Price Indexes for each of the 12 months of the Base Year.

(B) Effective as of each January and July subsequent to the Base Year, but in no event sooner than six months after the commencement date of this lease, there shall be made a cost of living adjustment of the annual rental rate payable hereunder. The July adjustment shall be based on the percentage difference between the Price Index for the preceding month of June and the Price Index for the Base Year. The January adjustment shall be based on such percentage difference between the Price Index for the preceding month of December and the Price Index for the Base Year.

(1) In the event the Price Index for June in any calendar year during the term of this lease reflects an increase over the Price Index for the Base Year, then the fixed annual rent originally herein provided to be paid as of the July 1st following such month of June (unchanged by any adjustments under this Paragraph) shall be multiplied by the percentage difference between the Price Index for June and the Price Index for the Base Year, and the resulting sum shall be added to such fixed annual rent, effective as of such July 1st. Said adjusted annual rent shall thereafter be payable hereunder, in equal monthly installments, until it is readjusted pursuant to the terms of this lease.

(2) In the event the Price Index for December in any calendar year during the term of this lease reflects an increase over the Price Index for the Base Year, then the fixed annual rent originally herein provided to be paid as of the January 1st following such month of December (unchanged by any adjustments under this Paragraph) shall be multiplied by the percentage difference between the Price Index for December and the Price Index for the Base Year, and the resulting sum shall be added to such fixed annual rent effective as of such January 1st. Said adjusted annual rent shall thereafter be payable hereunder, in equal monthly installments, until it is readjusted pursuant to the terms of this lease.

The following illustrates the intentions of the parties hereto as to the computation of the aforementioned cost of living adjustment in the annual rent payable hereunder:

Assuming that said fixed annual rent is \$10,000, that the Price Index for the Base Year was 102.0 and that the Price Index for the month of June in a calendar year following the Base Year was 105.0, then the percentage increase thus reflected, i.e., 2.941% (3.0/102.0) would be multiplied by \$10,000, and said fixed annual rent would be increased by \$294.10 effective as of July 1st of said calendar year.

In the event that the Price Index ceases to use 1967=100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the Price Index, then the Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Price Index in effect at the date of this lease not been altered. In the event such Price Index (or a successor or substitute index) is not available, a reliable governmental or other non-partisan publication evaluating the information theretofore used in determining the Price Index shall be used.

No adjustments or recomputations, retroactive or otherwise, shall be made due to any revision which may later be made in the first published figure of the Price Index for any month.

(C) The statements of the cost of living adjustment to be furnished by Lessor as provided in subdivision (B) above shall consist of data prepared for the Lessor by a firm of Certified Public Accountants (who may be the firm now or then currently employed by Lessor for the audit of its accounts). The statements thus furnished to Lessee shall constitute a final determination as between Lessor and Lessee of the cost of living adjustment for the periods represented thereby.

(D) In no event shall the fixed annual rent originally provided to be paid under this lease (exclusive of the adjustments under this Paragraph) be reduced.

(E) Any delay or failure of Lessor, beyond July or January of any year, in computing or billing for the rent adjustments hereinabove provided, shall not constitute a waiver of or in any way impair the continuing obligation of Lessee to pay such rent adjustments hereunder.

(F) Notwithstanding any expiration or termination of this lease prior to the lease expiration date (except in the case of a cancellation by mutual agreement) Lessee's obligation to pay rent as adjusted under this Paragraph shall continue and shall cover all periods up to the lease expiration date, and shall survive any expiration or termination of this lease.

29. The term "Lessor" as used in this lease means only the owner or the mortgagee in possession for the time being of the land and buildings, or the owner of the lease of the buildings, or of the land and buildings, of which the demised premises form a part, so that in the event of any sale or sales of said land or buildings, or of said lease, or in the event of a lease of said building or buildings, or a lease of the land and building or buildings, the said Lessor shall be and hereby is entirely free and relieved of all covenants and obligations of the Lessor hereunder, and it shall be deemed and construed without further agreement between the parties, or their successors in interest, or between the parties and the purchaser, on any such sale, or the said lessee of the building, or the lessee of the land and buildings, that the purchaser or the Lessee has assumed and agreed to carry out any and all covenants and obligations of the Lessor hereunder.

30. The Lessor reserves the right to stop service of the heating, elevator, plumbing, electric, water or other services, whenever same shall be necessary as a result of any accident or emergency, or when in Lessor's sole judgment same shall require any repairs, alterations, replacement or improvement. The Lessor shall incur no liability for failure to supply any such service during said period, or when prevented from so doing by any strike, accident or any reason beyond its control, or as the result of any law, ordinance, order or regulation of any governmental authority, or by reason of the failure or malfunctioning of the system supplying such service, or inability to obtain the materials with which to supply any such service.

31. No employee of the Lessor or of the Lessor's agents shall have any power to accept the keys of said premises prior to the termination of this lease. The delivery of keys to any employee of the Lessor or of the Lessor's agents shall not operate as a termination of the lease or a surrender of the premises. In the event that any payment herein provided for by Lessee to Lessor shall become overdue for a period in excess of thirty (30) days, then at Lessor's option a "late charge" for such period and for each additional period of thirty (30) days or any part thereof shall become immediately due and owing to Lessor, as additional rent by reason of the failure of Lessee to make prompt payment, at the following rates: for individual and partnership Lessees, said late charge shall be computed at the maximum legal rate of interest; for corporate Lessees, the late charge shall be computed at one percent per month; for Lessees which are government entities, the late charge shall be computed at one percent per month unless there is an applicable maximum legal rate of interest against said government entity which then shall be used.

32. Lessor and Lessee hereby waive trial by jury in any action, proceeding or counterclaim involving any matter whatsoever arising out of or in any way connected with this lease, the relationship of landlord and tenant, Lessee's use or occupancy of the premises (except for personal injury or property damage) or involving the right to any statutory relief or remedy. Lessee will not interpose any counterclaim of any nature in any summary proceeding.

33. The Lessee has deposited with the Lessor the sum of \$4,795. (four thous. seven hun. 95) Dollars as security for the faithful performance and observance by the Lessee of the terms, provisions and conditions of this lease; it is agreed that in the event the Lessee defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, the Lessor may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which the Lessee is in default or for any sum which the Lessor may expend or may be required to expend by reason of the Lessee's default in respect of any of the terms, covenants and conditions of this lease, including, but not limited to, any damages or deficiency in the re-letting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by the Lessor. The Lessee shall, upon demand, deposit with the Lessor the full amount so used, applied or retained, in order that the Lessor shall have the full security deposit on hand at all times during the term of this lease. In the event that the Lessee shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to the Lessee after the date fixed as the end of the lease and after delivery of entire possession of the demised premises to the Lessor. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, the Lessor shall have the right to transfer the security to the vendee or Lessee and the Lessor shall thereupon be released by the Lessee from all liability for the return of such security; and the Lessee agrees to look to the new Lessor solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Lessor. The Lessee further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither the Lessor nor its successors or assigns shall be bound by any such assignment, encumbrances, attempted assignment or attempted encumbrance.

This Indenture, made this 24th day of April, 1987, between INVESTMENT PROPER ASSOCIATES, a limited partnership having office care of Helmsley-Spear, Inc., 744 Broad Street, Newark, New Jersey, hereinafter referred to as Lessor, and

**PROLOG RESEARCH CORPORATION**

hereinafter referred to as Lessee.

**Witnesseth:**

That the Lessor hereby leases to the Lessee and the Lessee hereby hires from the Lessor

**Room 1115-16, as per attached plan**

in the building located in the City of Newark, Essex County, New Jersey, generally known as the National New-Building, and by the street number **744 Broad Street** to be used as **office space** and for no other purpose, for a term of

**Five (5) years, two (2) months**

to commence on the **First** day of **October, 1987** and to end on the last day of **November, 1992** at an annual rental rate of

**FIFTY-SEVEN THOUSAND FIVE HUNDRED FORTY (\$57,540.) DOLLARS**

which the Lessee agrees to pay in equal monthly installments of **FOUR THOUSAND SEVEN HUNDRED NINETY-FIVE (\$4,795.) DOLLARS**

on the first day of each month, in advance, at the office of the Lessor, or at such other place as the Lessor may designate, without any set-off or deduction whatsoever, except that the first installment of rent due under this lease shall be paid by the Lessee upon the delivery of this lease (unless this lease is a renewal).

The parties further agree as follows, and the above letting is on condition of the performance by the Lessee of the covenants and agreements on the part of the Lessee to be performed:

1. The Lessee shall without any previous demand pay to the Lessor the said rent at the times and in the manner above provided.  
2. The Lessee will not assign, mortgage or otherwise encumber this lease, nor let or underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of the Lessor in each instance. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than the Lessee, the Lessor may, after default by the Lessee, collect rent from the assignee, undertenant or occupant and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant. The transfer of a majority of the issued and outstanding capital stock of any corporate Lessee of this lease or a majority of the total interest in any partnership Lessee, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this lease.

3. (A) If the said demised premises shall be deserted or vacated, or if the Lessee violates any of the covenants, agreements and conditions on the part of the Lessee to be performed, or any of the reasonable rules or regulations now or hereafter to be established, then upon Lessor's serving a written five (5) days' notice upon Lessee specifying the nature of said default and upon the expiration of said five (5) days, if Lessee shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of such a nature that the same cannot be completely cured or remedied within said five (5) day period, and if Lessee shall not have diligently commenced curing during such default within such five (5) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Lessor may serve a written three (3) days' notice of cancellation of this lease upon Lessee, and upon the expiration of said three (3) days, this lease and the term thereunder shall end and expire as fully and completely as if the date of expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Lessee shall then quit and surrender the demised premises to Lessor but Lessee shall remain liable as hereinafter provided.

(B) If the notice provided for in (A) hereof shall have been given, and the term shall expire as aforesaid; or (1) if the Lessee shall make default in the payment of the rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein provided; or (2) if any execution or attachment shall be issued against the Lessee or any of the Lessee's property whereupon the demised premises shall be taken or occupied or attempted to be taken or occupied by someone other than the Lessee; or (3) if the Lessee shall make default with respect to any other lease between the Lessor and the Lessee; or (4) if the Lessee shall fail to move into or take possession of the premises within fifteen (15) days after commencement of the term of this lease, of which fact the Lessor shall be the sole judge; then and in any of such events the Lessor may, without notice, re-enter the demised premises either by force or otherwise, and dispossess the Lessee by summary proceedings or otherwise, and the legal representative of the Lessee or other occupant of demised premises and remove their effects and hold the premises as if this lease had not been made, and the Lessee hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If the Lessee shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, the Lessor may cancel and terminate such renewal or extension agreement by written notice.

4. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise:  
(A) The rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, together with such expenses as the Lessor may incur for legal expenses, attorneys' fees, brokerages, and/or putting the demised premises in good order, or for preparing the same for re-rental;

(B) The Lessor may re-let the premises or any part or parts thereof, either in the name of the Lessor or otherwise, for a term or terms, which may at the Lessor's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent; and/or

(C) The Lessee or the legal representatives of the Lessee shall also pay the Lessor as liquidated damages for the failure of the Lessee to observe and perform the said Lessee's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure or refusal of the Lessor to re-let the premises or any part or parts thereof shall not release or affect the Lessee's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as the Lessor may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by the Lessee on the rent day specified in this lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of the Lessor to collect the deficiency for any subsequent month by a similar proceeding. The Lessor at the Lessor's option may make such alterations, repairs, replacements and/or decorations in the demised premises as the Lessor in the Lessor's sole judgment considers advisable and necessary for the purpose of re-letting the demised premises; and the making of such alterations and/or decorations shall not operate or be construed to release the Lessee from liability hereunder as aforesaid. The Lessor shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting. In the event of a breach or threatened breach by the Lessee of any of the covenants or provisions hereof, the Lessor shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy shall not preclude the Lessor from any other remedy, in law or in equity. The Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of the Lessee being evicted or dispossessed for any cause, or in the event of the Lessor obtaining possession of demised premises, by reason of the violation by the Lessee of any of the covenants and conditions of this lease, or otherwise.

5. The Lessee shall not make any alterations, additions or improvements in said premises or place any signs in or about the entrance to said premises without the prior written consent of the Lessor. All alterations, additions or improvements which may be made by either of the parties hereto upon the premises, except movable office furniture put in at the expense of the Lessee, shall be the property of the Lessor and shall remain and be surrendered with the premises as a part thereof at the termination of the lease, except that such alterations, additions and improvements which shall have been made by the Lessee and which the Lessor, by notice pursuant to Paragraph 34 hereof, given prior to the expiration or other termination of this lease, shall designate, shall be the property of the Lessee and shall be removed by the Lessee at its own expense prior to the expiration or other termination of this lease.

6. Lessor shall provide elevator service during all usual business hours including Saturdays until 1 p.m., except on Sundays, State holidays, Federal holidays, or building service employees union contract holidays; but in case it shall become necessary at any time through accident, or for reconditioning or repairing said elevators, the boilers, machinery or anything appertaining thereto, the Lessor may stop the operation of said elevators, and in such case due expedition and diligence shall be used to complete the necessary work.

7. The Lessor shall furnish heat to the premises during all usual business hours except on Sundays, State holidays, Federal holidays, or building service employees union contract holidays in the cold season in each year, but no deduction shall be made from the rent should such heating not be used by the Lessee, or should the service, or any other service which the Lessor undertakes by this lease to furnish, be interrupted by strikes, breakdowns, inability to secure fuel, or any other cause not due to negligence on the part of the Lessor.

8. (A) If and so long as Lessor provides electricity to the demised premises on a rent inclusion basis, Lessee agrees that the fixed annual rent shall be increased by the amount of the Electricity Rent Inclusion Factor (the "ERIF"), as hereinafter defined, to compensate Lessor as hereinafter provided, for supplying the current as an additional service, through the presently installed electrical facilities for Lessee's reasonable use of such lighting, electrical appliances and equipment as Lessor may permit to be installed in the demised premises. The "Electricity Rent Inclusion Factor" shall mean the amount determined by applying the estimated usage thereof in the demised premises (as determined by the electrical consultant as hereinafter provided) to the rate charged for such usage in the service classification in effect on the commencement of this lease pursuant to the classification applicable to the lease. If the cost to Lessor of electricity shall have been, or shall be, increased subsequently (whether such increase occurs prior to or during the term of this lease), by change in Lessor's electric rates, charges, fuel adjustment, or service classifications, or by taxes or charges of any kind imposed thereon, or for any other such reason, then the aforesaid ERIF portion of the fixed annual rent shall be increased in the same percentage. Any such percentage increase in Lessor's cost due to change in Lessor's electric rates, charges, etc., shall be computed on the basis of the average consumption of electricity for the building for the twelve full months immediately prior to the rate change or other such change in cost, energy and demand, and any changed rules on billing for same, applied on a consistent basis to the new rate or service classifications and to the immediately prior existing rate or service classifications. The parties acknowledge that the fixed annual rent hereinabove set forth has not yet been, but is to be, increased by the ERIF. Lessee, therefore, agrees to have the fixed annual rent hereinabove set forth so increased by \$.85 per square foot, to be paid in equal monthly installments, in advance, from the date when Lessor commenced to furnish electricity to Lessee on a rent inclusion basis, until there shall be made by a reputable, independent electrical consulting firm, selected by Lessor ("Lessor's consultant"), a determination of the proper rent adjustment (ERIF) in accordance with the provisions hereof. Based upon such determination, the parties shall adjust prior payments made at \$.85 per

36. Lessor, at its sole cost and expense, shall cause the following work to be performed upon the demised premises in accordance with Lessor's standard of building specifications and quality of workmanship:

1. Demolish approximately 82 lineal feet of walls and construct approximately 120 lineal feet of sheetrock walls complete with building standard doors and bucks to conform the premises to the attached layout outlined in red. Remove existing entrance door. Furnish and install two (2) sets of double wood doors as indicated on plan.
2. Paint the entire demised premises, Lessee's choice of color from Lessor's color chart.
3. Furnish and install new wall to wall carpeting throughout the demised premises, Lessee's choice of color from Lessor's color samples.
4. Lessor shall relocate air conditioning registers where necessary due to alterations and maintain existing air conditioning equipment, exclusive of furnishing electric current, thereto, pursuant to Paragraph eight (8).
5. Furnish and install in each of the two locations indicated by letter "W" on the attached floor plan two non-industrial water faucets (one for cold and one for hot water) with necessary plumbing to provide running water and sink-drainage.
6. Furnish and install a plexiglass reception room window (4 by 3.5 ft.) as marked on the attached floor plan with a metal-covered two-way speaker in the center and a sliding drawer at base of window for receiving mail and packets. Window should have an extended sill (6-9 inches) on both sides of the wall and base approximately 40 inches from the floor.
7. Furnish and install a single-pane window (3 by 2.5 ft.) as marked on the attached floor plan in the center of the wall behind the receptionist with the base at 40 inches from the floor.
8. Furnish and install, where missing, window wind deflectors.
9. Repair all water-damaged walls and windows.

**ADDITIONAL CLAUSES** attached to and forming a part of lease dated April 24, 1987

between INVESTMENT PROPERTIES ASSOCIATES

and

for PROLOG RESEARCH CORPORATION

Room 1115-16

at

744 Broad Street, Newark, N.J.

**TO BE INITIALED BY THE LESSOR AND LESSEE**

(LESSOR)  
(LANDLORD)

(LESSEE)  
(TENANT)



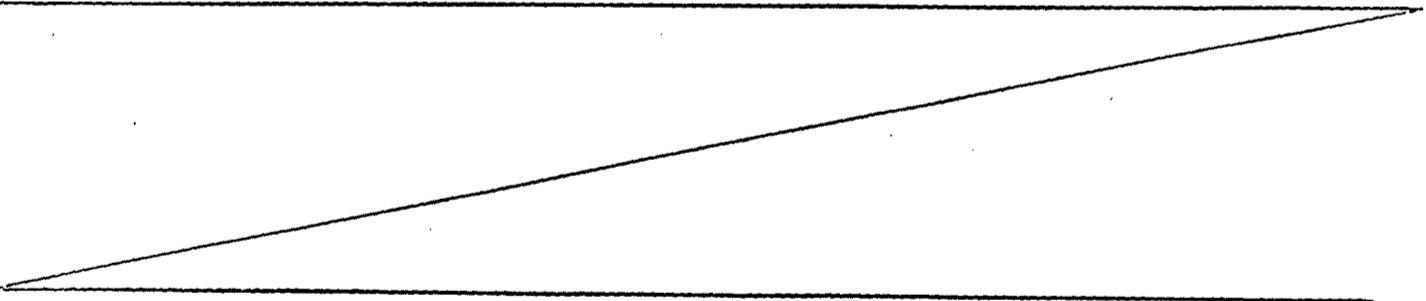
- 10. Install electrical outlets as necessary to insure that each room has at least two double three-pronged outlets (on opposite walls from each other). Double three-pronged electrical outlets must be located in locations as designated by Lessee in each corridor.
- 11. Insure that all corridors are at least 4 feet wide at each point along the length thereof.
- 12. Install in the two rooms with water outlets (kitchenette and darkroom) solid tile floors (no carpeting). Lessee shall have the option to direct that Landlord install tile floors in such other areas as it may designate.

37. It is further understood and agreed between the parties hereto that there shall be no rent due the Lessor from the Lessee for the months of October, 1987 and October, 1988.

38. The Lessee, provided that it is not in default under any of the terms and conditions of this lease shall have the privilege of renewing this lease for a further term of five (5) years from December 1, 1992 to November 30, 1997 at an annual rental of SIXTY-TWO THOUSAND SEVEN HUNDRED SEVENTY-TWO (\$62,772.) DOLLARS, payable in equal monthly installments of FIVE THOUSAND TWO HUNDRED THIRTY-ONE (\$5,231.) DOLLARS, each, commencing on December 1, 1992 and ending November 30, 1997. It is expressly understood that the Lessee shall advise the Lessor of its intention to exercise this privilege to renew on or before June 1, 1992, the term of this lease shall end on November 30, 1992, as herein provided. The foregoing shall in no way effect the Lessee's obligation with respect to "additional rent" or other charges of any kind hereunder.

39. The Landlord hereby specifically represents that the rentable square footage of the premises here and demised is approximately 5,231 square feet and the usable square footage is approximately 4,713 square feet.

40. Anything in Paragraph Six (6) to the contrary notwithstanding, Lessor shall provide access to the building and one elevator for service during evening hours and weekends.



**ADDITIONAL CLAUSES** attached to and forming a part of lease dated April 24, 1987  
 between INVESTMENT PROPERTIES ASSOCIATES and  
 for PROLOG RESEARCH CORPORATION at 744 Broad Street, Newark, N.J.  
 Room 1115-16

**TO BE INITIALED BY THE LESSOR AND LESSEE**

(LESSOR)  
 (LANDLORD)

(LESSEE)  
 (TENANT)

41. Supplementing the provisions of Paragraph 2 and 23 hereof, Lessor shall not unreasonably withhold consent to an assignment of this lease or to subletting of all or part of the demised premises, providing that Lessee will not move the conduct of its business to another building in Newark.

A. Any such assignment or subletting shall be made solely upon the following terms and conditions:

1. (a) No assignment and no subletting shall become effective unless and until Lessee shall have given Lessor at least 30 days' prior written notice of such proposed assignment or proposed bona fide subletting. The parties agree that if there is a proposed assignment or a proposed subletting of all of the demised premises, then Lessor shall thereupon have the option, exercisable by written notice within 30 days after receipt of the notice from Lessee, to terminate this lease effective as of the date of the proposed assignment or the commencement date of the term of such proposed subletting. If there is a proposed subletting of part but not all of the demised premises, then Lessor shall thereupon have the option, exercisable by written notice within 30 days after the receipt of the notice from Lessee, to delete the space proposed to be subleased from the premises demised hereunder (with a prorated change in all payments due hereunder for the remainder of the term of this lease) effective as of the commencement date of the term of such proposed subletting. If Lessor shall so terminate this lease or delete portions of space therefrom, then Lessee shall vacate and surrender the demised premises, or the deleted space portions, to Lessor, on or before the date fixed in the Lessor's termination or space deletion notice.

(b) In the event Lessor shall elect not to terminate this lease or delete portions of space therefrom pursuant to the provisions of this Paragraph, then Lessor shall have the right, upon five (5) days' prior written notice to Lessee, to require Lessee thereafter to pay to Lessor a sum equal to (i) any rent or other consideration paid to Lessee by any sublessee which is in excess of the rent then being paid by Lessee to Lessor for the subleased space pursuant to the terms hereof, and (ii) any other profit or gain realized by Lessee from any such subletting or assignment. All sums payable hereunder by Lessee shall be paid to Lessor as additional rent immediately upon receipt thereof by Lessee.

2. At least twenty (20) days prior to commencement of the term of any such proposed subletting and at least ten (10) days prior to the effective date of any such proposed assignment, Lessee shall deliver to Lessor a statement containing the name and address of the proposed sublessee or assignee and a copy of the proposed sublease or assignment.

3. There shall be no default by Lessee under any of the terms, covenants and conditions of this lease at the time that Lessor's consent to any such subletting or assignment is requested and on the date of the commencement of the term of any such proposed sublease or the effective date of any such proposed assignment.

4. Upon receiving Lessor's written consent, a duly executed copy of the sublease or assignment shall be delivered to Lessor within ten (10) days after execution thereof. Any such sublease shall provide that the sublessee shall comply with all applicable terms and conditions of this lease to be performed by the Lessee hereunder. Any such assignment of lease shall contain an assumption by the assignee of all of the terms and obligations of this lease to be performed by the Lessee.

ADDITIONAL CLAUSES attached to and forming a part of lease dated April 24, 1987 between INVESTMENT PROPERTIES ASSOCIATES and PROLOG RESEARCH CORPORATION for Room 1115-16 at 744 Broad Street, Newark, New Jersey

TO BE INITIALED BY THE LESSOR AND LESSEE

(Lessor)  
(Landlord)

(Lessee)  
(Tenant)

✓

5. (a) Lessee shall designate the Managing Agent as Lessee's exclusive agent to effect such assignment or sublease:

(b) Lessee agree to pay the Managing Agent a commission of no less than 6% on any assignment, sublease, or if a surrender of lease is entered into by the Lessee. The term "Managing Agent" as used herein shall mean the person, firm or corporation who is the Lessor's agent at the time the assignment, sublease or surrender of lease is executed.

B. Anything herein contained to the contrary notwithstanding:

1. Lessee shall not advertise or list its space for assignment or subletting at a rental rate lower than the rental rate then being paid by Lessee to Lessor.

2. The transfer of a majority of the issued and outstanding capital stock of any corporate lessee of this lease or a majority of the total interest in any partnership lessee, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, shall be deemed an assignment of this lease. The transfer of outstanding capital stock of any corporate lessee, for purposes of this Paragraph, shall not include sale of such stock by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934 as amended, and which sale is effected through the "over-the-counter market" or through any recognized stock exchange.

3. No assignment or subletting shall be made:

(a) To any person or entity which shall at the time be a tenant or subtenant of any part of the building of which the demised premises form a part.

(b) By the legal representatives of the Lessee or by any person to whom Lessee's interest under this lease passes by operation of law, except in compliance with the provisions of this Paragraph and Paragraph 2 and 23 hereof; and

(c) To any person or entity for the conduct of a business which is not in keeping with the standards for and general character of the building of which the demised premises form a part.

4. In no event shall any permitted sublessee assign its sublease or further sublet all or any portion of its sublet space without Lessor's prior written consent. In no event shall Lessee be entitled to make, nor shall Lessee make, any claim, and Lessee hereby waives any claim, for money damages (nor shall Lessee claim any money damages by way of set-off, counterclaim or defense) based upon any claim or assertion by Lessee that Lessor has unreasonably withheld or unreasonably delayed its consent or approval to a proposed assignment or subletting as provided for in this Paragraph. Lessee's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

5. No other or further assignment or subletting shall be made except in compliance with the provisions of this Paragraph and Paragraph 2 and 23 hereof.

ADDITIONAL CLAUSES attached to and forming a part of lease dated April 24, 1987  
between INVESTMENT PROPERTIES ASSOCIATES and  
PROLOG RESEARCH CORPORATION  
for Room 1115-16 at 744 Broad Street, Newark, N.J.

TO BE INITIALED BY THE LESSOR AND LESSEE

(Lessor)  
(Landlord)

(Lessee)  
(Tenant)