

## **AGREEMENT TO LEASE**

FOR AND IN CONSIDERATION of the mutual covenants herein contained, the parties do hereby agree as follow:

1. **Incorporated Terms.** The following terms are incorporated by reference into this Agreement.

**(a) DATE OF LEASE:**

February 6, 2023

**(b) NAME AND ADDRESS OF LANDLORD:**

301 Hoboken LLC  
301 Hoboken Road  
Carlstadt, New Jersey 07072

**(c) NAME AND ADDRESS OF TENANT**

MADROCK Corporation d/b/a School of Rock  
David Santamaria \_\_\_\_\_  
196 S. Park Ave  
Hazlet Township, NJ. 07734 \_\_\_\_\_

Franchisor (For Service of Notices of Default):

School Of Rock Corporate Office \_\_\_\_\_

**(d) DESCRIPTION OF PREMISES:**

That certain retail and office space consisting of 3,682 square feet located on the 1<sup>st</sup> and 2<sup>nd</sup> floor of the premises commonly known as 301 Hoboken Road, Carlstadt, New Jersey.

**(e) TERM OF LEASE**

Subject to Section 3 and Section 41, the term shall be sixty (60) months (less five days) commencing on February 6, 2023 and ending on January 31, 2028 (the “Original Term”).

Tenant shall begin paying estimated CAM charges as of February 6, 2023. The estimated CAM charges for February 2023 shall be pro-rated accordingly. Tenant shall begin paying base rent charges on November 6, 2023. All payments, with the exception of the February 2023 CAM charges and the November 2023 Base Rent, shall be due on the first day of each month. Adjustments in the base rent schedule and option schedule shall occur as of February 1 of each year.

**(f) TENANT’S SHARE:**

50% each for taxes and CAM

**(g) PERMITTED USE:**

Music School and Performance Center (See also section 9)

**(h) SECURITY DEPOSIT:**

\$ 27,615.00

**(i) BROKER:**

Coldwell Banker Liberty. Total broker fee shall be \$15,109.08 (5% of Tenant's total base rent for initial 5-year lease term). This amount shall be paid by the Landlord upon the clearing of the Tenant's security deposit pursuant to section 34. No additional broker fee or commission shall be due in the event the Tenant exercises its option to extend the lease pursuant to section 41 and the Option Rider.

**(j) RIDERS TO LEASE:**

Base Rent Rider and Option Rider

**(k) INSURANCE:**

Fire, liability, rent loss coverage for benefit of Landlord at Tenant's sole cost and expense. See section entitled "Insurance" herein.

2. **Description of Premises.** Landlord hereby leases to Tenant and Tenant hereby hires from Landlord, the Premises described in Section 1(d) (the "Premises"). The Tenant has inspected the Premises being leased hereunder and is fully familiar with the scope and size thereof and agrees to pay the full Base Rent and additional rent set forth herein in consideration for the use and occupancy of said space regardless of the actual number of square feet contained therein.

3. **Term.** (a) The term of the Lease (the "Term") shall commence on the date set forth in Section 1e (the "Commencement Date") and terminate on a date set sixty (60) months (the "Expiration Date"), except as hereinafter provided. At the request of either party, Landlord and Tenant shall execute an instrument setting forth the Commencement Date and Expiration Date.

(b) If Tenant occupies the Premises prior to the Commencement Date, the Term of this Lease shall then commence, but the Expiration Date shall not be advanced. Tenant's early occupancy of the Premises shall be subject to all of the provisions

of this Lease and Tenant shall, except as otherwise provided herein, pay the “Base Rent” and “additional rent” (as said terms are hereinafter defined) and all other specified in this Lease, from the Tenant’s occupancy date.

4. **Rent.** (a) Tenant shall pay to Landlord at the address set forth in Section 1(b), or to such other person or at such other place as Landlord may from time to time designate, without previous demand therefore and without counterclaim, deduction or set-off, the rent (“Base Rent”) set forth on the rent Rider annexed hereto, such Base Rent to be payable in monthly installments as set forth on the Rent Rider in advance on the first date of each month during the term of the Lease. If the Commencement Date shall be other than the first day of a calendar month, Tenant shall pay Landlord on the Commencement Date the proportionate amount of Base Rent for the balance of such month. The first monthly installment of Base Rent, together with the first Tenant’s Share of “real property impositions” (as said term is hereinafter defined), being due and payable upon execution hereof.

(b) All obligations with respect to the Premises payable by Tenant other than the Base Rent are additional rent under this Lease. Additional rent shall be payable without previous demand therefore and without counterclaim, deduction or set-off. In the event of Tenant’s failure to make timely payment of any item of additional rent, Landlord shall have available to it all rights and remedies provided by this Lease or by law as for non-payment of Base Rent. The term “rent” means the Base Rent and additional rent.

5. **Real Property Taxes and Common Area Contributions.** (a) Tenant shall pay Tenant’s Share as set forth in Section 1(f) of all real property impositions and common area maintenance contributions (hereinafter referred to as “CAM”) (currently estimated at \$3.98 per square foot annually) during the Term. The term “Real Property Impositions” means (i) any tax, assessment or other governmental charge of any kind (general or special) which at any time during the Term may be assessed, levied, imposed upon or become due and payable with respect to land, building and other improvements comprising the Premises (ii) any tax on the Landlord’s right to receive, or the receipt of rent or

income from the Premises, or against Landlord's business of leasing the Premises; (iii) any tax or charge for fire protection, refuse collection, streets, sidewalk or road maintenance or other services provided to the Premises by any governmental agency; and (iv) any tax replacing or supplementing in whole or in part any tax previously included within the definition of real property impositions under this Lease. CAM costs shall mean all maintenance, repair and replacement costs incurred by the Landlord for the common areas, the building and the parking lot and parking areas excepting those maintenance and repair costs assumed by the Landlord as defined in paragraph 11 herein. During the first and last years of the Term, the Real Property Impositions and CAM costs payable by Tenant shall be prorated for the fraction of the tax fiscal year included in the Term.

(b) Real property impositions do not include Landlord's federal or state income, franchise, inheritance or estate taxes.

(c) Landlord shall provide Tenant with a copy of the annual tax bill and CAM costs together with the calculation of Tenant's share thereof.

6. **Estimated Tax and CAM Payments.** Tenant shall pay Tenant's Share as set forth in Section 1(f) of Real Property Impositions and CAM costs to Landlord in monthly installments on an estimated basis as determined by Landlord (currently \$1,042 per month). Landlord may adjust such estimate at any time to time based upon Landlord's experience and anticipation of costs. After the end of each calendar year during the Term, Landlord shall deliver to Tenant a statement setting forth the actual Real Property Impositions and CAM costs for such calendar year. Tenant shall pay the difference to Landlord within thirty (30) days after Landlord's request, therefore. Any amount paid by Tenant which exceeds the amount due shall be credited against the next succeeding estimated payments due hereunder, unless the Term has then expired, in which event the excess amount shall be refunded to Tenant.

7. **Insurance.** (A) Tenant shall provide, at its own expense, and keep in force during the Term:

(1) General liability insurance, including contractual liability coverage, insuring against and saving harmless Landlord, any Landlord's mortgage and Tenant, from all liability arising from any injury to or death of any person, or in any one incident or occurrence, in the amount of at least Two Million (\$2,000,000.00) Dollars, Five Hundred Thousand (\$500,000.00) Dollars with respect to damage to property. The foregoing limits of insurance may be increased from time to time in accordance with the liability insurance limits from time to time customary for similar properties in the general area.

(2) Fire and casualty insurance with broad from extended coverage, including but not limited to, coverage for vandalism and malicious mischief, in the amount equal to 100% the full replacement cost, from time to time, of Tenant's trade fixtures, equipment, inventory and other contents of the demised premises.

(3) Business interruption insurance in an amount at least sufficient to pay Tenant's obligations as to payment of rent and additional rent under this Lease.

(4) Worker's Compensation insurance in accordance with the laws of the state in which the Premises are located.

(B) All such policies shall be issued by insurance companies or recognized responsibility, duly licensed and authorized to transact business in the State of New Jersey. Tenant agrees to deliver to Landlord, prior to the commencement of the Term, and thereafter not later than ten (10) days after request by Landlord, a copy of each such insurance policy or, if requested by Landlord, a certificate of insurance as to any such policy of insurance, together with proof of the payment of the initial renewal premiums, therefore. Such insurance shall be non-cancelable without ten (10) days' prior written notice to Landlord and Landlord's mortgage.

© Tenant hereby releases Landlord from any and all liability in the event of damage to or destruction of the Premises or the contents thereof, except if caused by the negligence or willful misconduct of Landlord or its agents, servants or employees, to the extent not covered by Tenant's insurance. All insurance policies carried by Tenant covering the Premises, or the contents thereof, or in any manner relating thereto, shall expressly provide that the foregoing release shall not affect or reduce the coverage or the insurer's obligations thereunder and shall also expressly waive any right of subrogation likewise waive any right of subrogation on the part of the insurer against tenant.

8. **Utilities.** Tenant shall pay directly to the appropriate supplier, the cost of all light, power, electricity, gas and other utilities and services supplied to the Premises, except water, which shall be part of Tenant's CAM charge. Landlord shall not be liable to Tenant, and Tenant's obligations under the Lease shall not be abated, in the event of any interruption or inadequacy of any utility or service supplied to the Premises, unless caused by the negligence or willful misconduct of landlord or its agents, servants or employees.

Tenant shall pay the Landlord, as additional rent, 50% of the utility bill for the entire 2<sup>nd</sup> floor office, provided Tenant has access to the thermostat for that office.

9. **Use of Premises.** (a) the Premises may only be used for the use set forth in Section 1(g).

(b) Tenant shall not use or permit the Premises to be used for (i) any unlawful purpose; (ii) in violation of any certificate of occupancy covering the Premises; (iii) any use which may constitute a public or private nuisance or make voidable any insurance in force relating to the Premises; or (iv) any purpose which creates or produces noxious odors, smoke, fumes, or emissions.

(c) Tenant shall not cause or permit any overloading of the floors of the Premises. Tenant shall not install any equipment or other items upon or through the roof, or cause

openings to be made in the roof, without Landlord's prior written consent, which consent shall not be withheld.

- (d) No storage of any goods, equipment or materials shall be permitted outside the Premises.

Landlord hereby acknowledges that Tenant shall be using the premises to operate a music school and that sound may emanate from the premises and that such sound shall not be deemed a nuisance or an unreasonable interference with co-tenants or neighbors so long as Tenant operates the Premises in full compliance with all applicable laws, codes and ordinances, including laws, codes and ordinances applicable to sound and vibrations and otherwise consistent with other School of Rock facilities currently operated by Tenant or Tenant's affiliates in the continental United States. Any noise or vibration complaints from co-tenants or neighbors shall not be deemed a breach or default on the lease by Tenants, so long as the Tenant operates the Premises in full compliance with all applicable laws, codes and ordinances, including those applicable to sound and vibration and otherwise consistent with a majority of other "School of Rock" (or such other trade names used by the Tenant) facilities currently operated by Tenant or Tenant's Affiliates in the continental United States. Tenant agrees to apply, at its own cost, extra soundproofing to the walls adjacent to the other tenants. As well as half the cost of separating the units on the 2<sup>nd</sup> Floor.

10. **Existing Conditions; Landlord's Work.** Landlord shall deliver the leased premises in clean condition, It has been agreed upon that the landlord will provide a 20 foot construction dumpster for tenant to use for construction waste. Landlord will not be doing any construction work on the premises. with a minimum of 200 amps of power, 1 ADA compliant bathroom and a functioning HVAC unit in good working condition. Landlord has not made any representation to Tenant as to the suitability of the Premises for Tenant's intended use.

Landlord shall not be required to remove the existing safe and storage boxes that are currently stored in the space until ten (10) days after the Tenant presents proof of all necessary permits to Landlord. If Landlord is presented with permits and Tenant requests that Landlord begin removing its belongings, the contingency contained in section 12 shall be considered satisfied.

**Maintenance and Repairs.** (a) Landlord shall in a timely fashion make all necessary repairs and replacements to or of: (i) the foundation and structure of the Premises (the structure to be deemed to mean, all structural items including but not limited to exterior walls, bearing walls, structural frames, and beams and supports); (ii) the roof, including roof coverings; (iii) the HVAC unit, and overall HVAC System, servicing the leased premises; and (iv) the utility lines outside but leading to and from the leased premises. Notwithstanding the foregoing, if the necessity for any of the foregoing repairs or replacements shall result from the act, fault or negligence of Tenant, or its agents, servants, employees, licensees or invitees, or of anyone claiming under Tenant, or shall result from the default by Tenant under the provisions of this Lease, Tenant shall, upon demand reimburse Landlord for the cost of such repairs or replacements, otherwise the Landlord shall bear the full expense of the repair/replacements outlined in Section 11(a),

- (b) Tenant shall, at its expense, keep the interior of the Premises in a clean and orderly condition, free of accumulation of dirt, rubbish, debris. All repairs and replacements performed by Tenant shall be performed in a good and workmanlike manner and in conformity with all statutes, ordinances, rules, regulations and requirements of public authorities and insurance inspection and rating bureaus. Tenant shall obtain all necessary permits and approvals required in connection therewith.
- (c) Tenant shall be responsible for normal maintenance and repair of the interior of the leased premises. Tenant will, at its sole cost and expense, be responsible for installing and maintaining Tenant's fixtures.
- (d) Landlord shall be responsible for maintenance of the parking lot, sidewalk, and all common areas. However, snow removal and landscaping will be included in the CAM charges and Tenant is responsible for payment of its proportionate share.

12. **Alterations and Improvements.** Tenant shall not make any alterations, additions or improvements to the Premises (the “Alterations”) without Landlord’s prior written consent, which consent shall not be unreasonably denied, delayed, or qualified. Tenant shall submit to Landlord detailed plans and specifications for Alterations requiring Landlord’s consent. Tenant shall also provide to Landlord for its reasonable approval the identity of the contractor Tenant proposes to employ to construct the Alterations. All Alterations shall be accomplished in accordance with the following conditions:

- (a) Tenant shall procure all governmental permits and authorizations for the Alterations and obtain and provide to Landlord an official certificate of occupancy and/or compliance upon completion of the Alterations, if appropriate.
- (b) Tenant shall arrange for extension of the general liability insurance provided for in Section 8(a) to apply to the construction of the Alterations. Further, Tenant shall procure and maintain Builders Risk Casualty Insurance in the amount of the full replacement cost of the Alterations and statutory Workers Compensation Insurance covering persons employed in connection with the work. All such insurance shall conform to the requirements of Section 8(a).
- (c) Tenant shall construct the Alterations in a good and workmanlike manner utilizing materials of first-class quality and in compliance with all laws and governmental regulations.
- (d) At the end of the Lease Term, provided Tenant is not in default, the Tenant may remove all of its trade fixtures, provided Tenant repairs any damage done as a result of such removal.
- (e) Alterations shall be the property of Landlord and shall remain on the Premises upon termination of the Lease.

Tenant will have the right to terminate this lease up to 90 days after the commencement of the lease, if Tenant, after using commercially reasonable efforts, and through no fault of its own, is unable to obtain all necessary approvals from the municipality of Carlstadt to construct the interior of the leased premises in accordance with its approved plans. In the event Tenant so terminates, Tenant shall receive a refund of its security deposit. In the event Tenant terminates under this section, however, Tenant will not be entitled to a refund of any money spent for improvements, or CAM charges.

Tenant will pay the cost to apply extra soundproofing to the walls of the Premises which are adjacent to the other tenants, as well as half the cost of separating the units on the 2<sup>nd</sup> Floor.

13. **Covenants Against Liens.** Tenant shall not have any right to subject Landlord's interest in the Premises to any mechanic's lien or any other lien whatsoever. If any mechanic's lien or other lien, charge, or order for payment of money shall be filed as a result of the act or omission of Tenant, Tenant shall cause such lien, charge or order to be discharged or appropriately bonded within twenty (20) days after notice from Landlord thereof, and Tenant shall indemnify and save Landlord harmless from all liabilities and costs resulting therefrom.

14. **Signs.** Subject to municipal rules, regulations and ordinances, Tenant shall be permitted, at its own cost, to install its typical sign on the storefront elevation and on both sides of the monument/pylon sign as per Tenant's sign specifications. The size of the storefront sign shall be consistent with the sizes of similarly positioned tenants in the Center. Tenant shall pay for its sign panel. With town approval, Tenant may install, at its own cost, a roof sign facing the highway.

Upon lease execution, Tenant shall be permitted to place a temporary banner or sign on the storefront announcing the proposed opening of a School of Rock.

15. **Compliance with Law.** Tenant shall take all necessary action to conform and to comply with all laws, orders and regulations or any governmental authority or Landlord's or Tenant's insurers, or any Landlord's

mortgagee, now or hereafter applicable to the Premises or Tenant's use or occupancy. Tenant shall obtain all permits, including a certificate of occupancy, necessary for Tenant's occupancy or use of the Premises.

**16. Landlord's Access.** Landlord and its representatives may enter the Premises at all reasonable times (or at any time in the event of an emergency) upon reasonable prior notice to Tenant for the purpose of inspecting the meters located on the 1<sup>st</sup> floor Premises. Additionally, Landlord and its representatives may enter the Premises upon prior reasonable notice to Tenant for the purpose of making any repairs, replacements, or improvements to the Premises, or to show the Premises to prospective tenants or other parties, or for any other purpose Landlord deems necessary. During the final six (6) months of the Term, Landlord may place customary "For Lease" signs on the Premises. Landlord's access shall not impair Tenant's business or its quiet enjoyment.

**17. Assignment and Subletting.** Except as noted below, Tenant shall not assign or encumber Tenant's interest in this Lease, or sublet any portion of the Premises, or grant concessions or licenses with respect to the Premises, without Landlord's prior written consent; said Landlord's consent shall not be unreasonably withheld. The cumulative change of majority interest of the ownership interest of tenant shall be deemed to be an assignment of this Lease requiring Landlord's consent.

Tenant shall have the right, at any time during the Lease Term, without Landlord's prior written consent, to assign or sublet the Premises (a) to Tenant's parent, division, affiliate, or wholly-owned subsidiary of Tenant, (hereinafter referred to as "Affiliate"), (b) School of Rock Franchising, LLC or its affiliates (the "Franchisor"), (c) in the event of a merger or consolidation of Tenant with another corporation, or (d) in the event of a sale or transfer of any of the capital stock or all or substantially all of Tenant's assets, provided Tenant and Tenant's principals remain liable under the lease. The events set forth in (a) through (d) of this section of the letter of intent shall be referred to as "Permitted Assignments." Additionally, Tenant may offer interests of Tenant to the public and list the same on a nationally recognized stock exchange. Tenant shall provide Landlord with a copy of any and all Permitted Assignments. Further,

Tenant's shareholders may without Landlord's prior consent, transfer their ownership interests of Tenant to members of such person or person's immediate family or to any one or more entities owned or controlled by such person or persons or their immediate family or to trusts of which such person or person's immediate family or their offspring are the primary beneficiaries.

Tenant is a franchisee of the Franchisor. If Tenant shall be in default under any of the provisions of its lease and Landlord has the right to terminate the same; or if such Tenant is in default under any of the provisions of its Franchise Agreement with the Franchisor, and the Franchisor has the right to terminate said Franchise Agreement; or if the lease or Franchise Agreement is terminated for any reason; or if Tenant desires to assign its lease to the Franchisor, Landlord and Tenant agree that the Franchisor shall have the right, subject to applicable law, but not the obligation, to assume the obligations of the Tenant under said lease upon the same terms and conditions, in which event, and upon the exercise of such right, the Franchisor shall take immediate possession of the subject premises as if it was the tenant named in said lease. Landlord shall notify the Franchisor of any default of Tenant at the same time notice is given to Tenant, and the Franchisor may, but is under no obligation to, cure such default.

18. **Casualty.** (a) If at any time during the term hereof the Premises shall be damaged or destroyed in whole or in part by fire or other casualty or by the elements, except as hereinafter provided, Landlord, at Landlord's expense, shall promptly and with due diligence repair, rebuild and restore the Premises as nearly as practicable to the condition thereof existing immediately prior to such damage or destruction. If the Premises shall be so damaged or destroyed that Tenant cannot carry on its normal business operations in the entire Premises, then Base Rent and additional rent shall abate in proportion to the area of the Premises not usable for Tenant's normal business operations from the date of such damage or destruction until the Premises are restored. In the event Tenant's premises are not fully restored within 90 days, Tenant shall have the right to terminate this lease.

(b) Landlord or Tenant shall have the option to terminate this Lease if all or a substantial portion (i.e. 50% or more) of the building in which the Premises are located is damaged or destroyed by fire or other casualty or by the elements

during the Term, or if Landlord does not receive sufficient insurance proceeds to restore the Premises. Landlord shall not be deemed to have received insurance proceeds for the restoration of the Premises until and unless such insurance proceeds are actually delivered to Landlord. This option may be exercised by notice to Tenant within one hundred twenty (120) days following occurrence of such damage or destruction.

19. **Condemnation.** If all of the building wherein the Premises are located shall be taken under the power of eminent domain or sold under threat thereof ("Condemnation"), this Lease shall terminate on the date on which title to the Premises shall vest in the condemning authority. If 25% or more of the building wherein the Premises is located shall be so taken, Landlord or Tenant may terminate this Lease on the date on which title to such portion of the Premises vests in the condemning authority. If this Lease shall remain in effect, Landlord shall restore the improvements not taken as nearly practicable to their condition prior to the Condemnation, and all Rents shall be reduced proportionately in accordance with the reduction in the square foot area of the Premises following the Condemnation. Landlord shall be entitled to receive the entire award in any Condemnation proceeding relating to the Premises, except that Tenant may assert a claim in a separate proceeding to an award for its moving expenses and for fixtures and personal property installed by Tenant at its expense. It is understood that Tenant shall have no claim against Landlord and waives any rights it may have in any condemnation proceeding with respect to the loss of its leasehold interest in this Lease and the Premises or for the value of the expired Term of this Lease or any options granted under this Lease. Landlord shall not be required to restore improvements or alterations to the Premises made by Tenant. Landlord shall promptly notify Tenant of any condemnation proceeding intended or filed affecting the Premises.

20. **Surrender of Premises.** Upon termination of the Lease, Tenant shall surrender the Premises to Landlord broom clean, and in good order and condition, except for ordinary wear and tear, and damage by casualty, which Tenant was not obligated to remedy under Section 18. Tenant shall remove its machinery and equipment and repair any damage to the Premises caused by such removal. Tenant shall not remove any power wiring or power panels,

lighting or lighting fixtures, wall coverings, blinds or other window coverings, carpets or other floor coverings, heaters or air conditioners, except if installed by Tenant and required by Landlord to be removed from the Premises. All personal property of Tenant remaining on the Premises after Tenant's removal shall be deemed abandoned and at Landlord's election may either be retained by Landlord or may be removed from the Premises at Tenant's expense.

21. **Holdover.** In the event Tenant remains in possession of the Premises after the expiration of the term of this Lease (the "Holdover Period"), in addition to any damages to which Landlord may be entitled or other remedies Landlord may have by law, Tenant shall pay to Landlord a rental for the Holdover Period at the rate of (i) twice the Base Rent payable during the last lease year of the Term, plus (ii) all items of additional rent and other charges with respect to the Premises payable by Tenant during the last lease year of the Term. Nothing herein contained shall be deemed to give Tenant any right to remain in possession of the Premises after the expiration of the Term of this Lease. The sum due to Landlord hereunder shall be payable by Tenant upon demand.

22. **Events of Default; Remedies.** (a) Tenant shall be in default upon the occurrence of one or more of the following events (an "Event of Default"): (i) Tenant fails to pay rent or any other sum of money required to be paid by Tenant hereunder on the due date thereof; (ii) Tenant fails to perform any of Tenant's non-monetary obligations under this Lease within thirty (30) days after written notice thereof from Landlord (provided that if more than thirty (30) days are required to complete such performance, Tenant shall not be in default if Tenant promptly commences to such performance and thereafter diligently pursues its completion); (iii) Tenant abandons the Premises for thirty (30) consecutive days or more; or (iv) Tenant makes an assignment for the benefit of creditors, or if a petition for adjudication of bankruptcy or for reorganization is filed by or against Tenant and is not dismissed within thirty (30) days, or if a receiver or trustee is appointed for a substantial part of Tenant's property and such appointment is not vacated within thirty (30) days.

Except in the case of non-payment of rent, Tenant shall have the right to written notice and the opportunity to cure within 30 days of written notice. For

default other than non-payment of rent, Tenant shall not be in default if such cure is commenced within such 30-day period and thereafter diligently pursued to completion.

- (b) On the occurrence of an Event of Default, and its continuance after 30 days of written Notice, without limiting any other right or remedy Landlord may have, with notice, Landlord may:
  - (i) Terminate this Lease and Tenant's right to possession of the Premises by any lawful means, in which event Tenant shall immediately surrender possession of the Premises to Landlord. At its option, Landlord may occupy the Premises or cause the Premises to be redecorated, altered, divided, or otherwise prepared for reletting, and shall relet the Premises, or any part hereof for a term or terms to expire prior to, at the same time or subsequent to the original Expiration Date, and receive the rent therefor, applying the sums received first to the payment of such reasonable expenses as Landlord may have incurred in connection with the recovery of possession, preparing for reletting and the reletting itself, including reasonable brokerage and attorney's fees, and then to the payment of damages in amounts equal to the rent differential due hereunder and to the cost and expense of performance of the other covenants of Tenant under this Lease. Tenant agrees to pay Landlord damages equal to the rent and other sums payable to Tenant under this lease reduced by the net proceeds of the reletting, if any, as ascertained from time to time. In reletting the premises, Landlord may grant reasonable rent concessions, and tenant shall not be entitled to any credit therefore. Tenant shall not be entitled to any surplus resulting from any reletting. If landlord elects to occupy the Premises of any part thereof, there shall be allowed against Tenant's obligation for rent during the period of Landlord's occupancy, the reasonable value of such occupancy, equal to the rent payable hereunder for such portion of the Premises. Such occupancy shall not be construed as a release if Tenant's liability hereunder.

- (ii) Permit Tenant to remain in possession of the Premises, in which event this Lease shall continue in effect. Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to receive the rent as it becomes due under this Lease.
- (iii) Pursue any other remedy not or hereafter available under the laws or jurisdiction in which the Premises is located.
  - (c) The remedies available to Landlord herein specified are not intended to be exclusive and prevent Landlord from exercising any other remedy or redress to which Landlord may be lawfully entitled. In addition to other remedies provided in this Lease, Landlord shall be entitled to restraint by injunction of any violation or threatened violation by Tenant of any of the provisions of this Lease. Landlord's exercise of any right or remedy shall not prevent Landlord from exercising any other right or remedy.
  - (d) To the extent permitted by law, Tenant, for itself any person claiming through or under Tenant, waives any equity or right of redemption provided by any law.
  - (e) Tenant shall pay reasonable attorneys' fees and other expenses incurred by Landlord, as additional rent, in reasonably enforcing any of the provisions of this Lease should Landlord prevail in such enforcement action.
  - (f) With respect to Paragraph 22 (b) (i) the Landlord shall make reasonable efforts to mitigate its damages, but if Landlord is unsuccessful, the Tenant shall remain liable for all unpaid Rent, insurance premiums to maintain the coverages required by this Lease and Tenant's Share of Real Estate Tax Contributions under this agreement to and including the stated termination date of this Lease.

23. **Service Fee; Interest.** (a) Tenant's failure to pay rent promptly to make other payments required under this Lease may cause Landlord to incur unanticipated costs, which are impractical to ascertain. Therefore, if Landlord does not receive any payment of Base Rent, additional rent or other sums due from Tenant to Landlord within ten (10) days after it becomes due, Tenant shall pay Landlord as additional rent a service fee (the "Service Fee") equal to five (5%) percent of the overdue amount. This service fee shall be in addition to reasonable legal fees and costs incurred by Landlord enforcing this Lease.

(b) In addition to the Service Fee, any amount owed by Tenant to Landlord which is not paid when due shall bear interest at the rate of eighteen (18%) percent per annum ("Default Interest") from the due day of such amount. The payment of Default interest on such amounts shall not extend the due date of any amount owed. If the interest rate specified in this Lease shall exceed the rate permitted by law, the Default interest shall be deemed to be the maximum legal interest rate permitted by law.

24. **Indemnification by Tenant.** (a) Tenant shall indemnify and hold harmless Landlord from and against all liability, claims or costs, including reasonable legal fees, arising from (i) Tenant's use of the Premises; (ii) any breach of this Lease by Tenant; (iii) any other act or omission of Tenant; or (iv) any injury to person or damage to property occurring on or about the Premises if caused by the negligence or willful misconduct of Tenant, its agent, servants or employees.

Landlord shall indemnify and hold Tenant harmless from and against any and all claims arising from or in connection with any accident, injury or damage caused by the gross negligence or willful conduct of the Landlord. Further, Landlord shall indemnify and hold Tenant harmless for Landlord's failure to perform under the lease.

25. **Landlord's Right to Cure Tenant's Default.** If Tenant fails to make any payment or perform any act on its part to be made or performed, then Landlord after notice to Tenant, without waiving or releasing Tenant from such

obligation, may make such payment or perform such act on Tenant's part, and the costs incurred by Landlord in connection with such payment or performance, together with Default interest thereon, shall be paid on demand by Tenant to Landlord as additional rent.

**26. Waiver of Liability.** Landlord shall not be liable for any injury or damage to the business, equipment, merchandise or other property of Tenant or any of Tenant's employees or invitees or any person on the Premises resulting from any cause, including, but not limited to: (i) fire, steam, electricity, water, gas or rain; (ii) leakage, obstruction or other defects of pipes, sprinklers, wires, plumbing, air conditioning, boilers or lighting fixtures; or (iii) condition of the Premises, except if caused by the negligence or willful misconduct of Landlord or Landlord's agents, servants, or employees, and then only to the extent not covered by Tenant's insurance.

**27. Force Majeure.** If Landlord is unable to perform any of its obligations due to events beyond its control, the time provided to Landlord for performing such obligations shall be extended by a period of time equal to the duration of such events, and Tenant shall not be entitled to any claim against Landlord by reason thereof. Events beyond Landlord's control include, but are not limited to, acts of God, war, civil commotion, labor disputes, strikes, casualty, weather conditions, labor or material shortages, or governmental regulations or restriction ("Force Majeure Conditions"). Tenant shall similarly be excused from performing its obligations under this Lease while Force Majeure Conditions exist, except Tenant shall not be excused from payment of rent or additional rent by any Force Majeure Condition unless said Force Majeure loss is regularly covered by Insurances which Landlord has procured.

**28. Notice of Landlord's Default.** Tenant shall give written notice of any failure by Landlord to perform any of its obligations under this Lease to Landlord or Landlord's mortgagee whose name and address is furnished to Tenant. Landlord shall be in default under this Lease if Landlord or Landlord's mortgagee fails to cure such non-performance within thirty (30) days after receipt of Tenant's notice. If more than thirty (30) days are required to cure such non-performance, Landlord shall not be in default if such cure is

commenced within such thirty (30) day period and thereafter diligently pursued to completion.

29. **Landlord's Liability Limited.** There shall be no personal liability of the Landlord or any partner, stockholder, officer, director or other principal of Landlord in connection with this Lease. Tenant agrees to look solely to the interest of Landlord in the Premises for the collection of any judgment or other judicial process requiring the payment of money by Landlord in the event of any default or breach by Landlord with the respect to this Lease or in any way relating to the Premises. No other assets of Landlord or any principal of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

30. **Estoppel Statement; Financial Statement.** Within twenty (20) days of Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord a written statement certifying: (i) the Commencement Date; (ii) the Expiration Date; (iii) that this Lease is in full force and effect and unmodified (or of modified, stating the modifications); (iv) the last date of payment of the Base Rent and other charges and the time period covered by each payment; (v) that Landlord is not in default under this Lease (or, if Landlord is claimed to be in default, stating the nature of default); and (vi) such other matters as may be reasonably required by Landlord or any Landlord's mortgagee. Tenant shall deliver such statement to Landlord within ten (10) days after Landlord's request. Any such statement may be given to and relied upon by any prospective purchaser or mortgagee.

31. **Quiet Enjoyment.** Landlord covenants that as long as Tenant pays the Base Rent and additional rent and performs its other obligations under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the term provided by this Lease, subject to the provisions of this Lease.

32. **Subordination; Attornment.** (a) This Lease is subject and subordinate to any mortgage, which may now or hereafter encumber the Premises, and any renewals, modifications, consolidations, replacements and extensions thereof. The Landlord shall make a good faith effort to provide a

Non-Disturbance Agreement in such form as may be satisfactory to the Mortgagee.

- (b) If Landlord's interest in the Premises is acquired by any Landlord's mortgagee, or purchaser at a foreclosure sale, Tenant shall attorn to the transferee or successors as landlord under this Lease. Such transferee or successor shall not be liable for any act or omission of any prior landlord or be subject to any offsets or defenses which Tenant might have against any prior landlord, or be bound by any Base Rent which Tenant might have paid for more than the correct month to any prior landlord, or be liable for any security deposit under this Lease unless actually transferred to such transferee or successor.
- (c) The foregoing provisions shall be self-operative and no further instrument or act on the part of Tenant shall be necessary to affect the same. Tenant shall nevertheless sign and deliver any document necessary or appropriate to evidence the subordination, attornment or agreement above provided.

Tenant shall subordinate and be subject to all mortgages covering the premises provided that the Landlord delivers to Tenant a written agreement (Non-Disturbance) from the mortgagee stating that the Tenant may remain in possession of the premises and that the lease shall remain in full force and effect, that the possession and use by the Tenant in accordance with the terms and provisions of the said lease shall not be disturbed by the mortgagor and that the Tenant shall not be made a defendant in any proceeding instituted by the mortgagee to terminate the within lease in the event of a termination by foreclosure proceedings by said mortgagee to enforce their respective rights, provided that the Tenant shall not be in default hereunder.

33. **Brokerage.** Each party represents to the other that it did not deal with any real estate broker in connection with this Lease, other than the real estate broker (if any) whose identity is set forth in Section 1(I). The commission of

such broker (if any) shall be paid by the party as set forth in Section 1(I). Each party shall indemnify and hold harmless from any claim for a commission or other fee made by any broker with whom the indemnifying party has dealt, other than the broker identified in Section 1(I).

**34. Security Deposit.** Upon execution of this Lease, Tenant shall deposit with Landlord the sum set forth in Section 1(h) as security for the performance by Tenant of its obligations under this Lease (the "Security Deposit"). Subject to any notice requirement contained elsewhere in this Lease, Landlord shall have the right to use the Security Deposit to cure any default of Tenant hereunder, including, but not limited to, payment of Base Rent, additional rent, service fees or other debts of Tenant due Landlord, or repair or restoration of the Premises. If Landlord uses any part of the Security Deposit, Tenant shall restore the Security Deposit to its pre-use balance. Landlord shall deliver the Security Deposit to the purchaser or other transferee of Landlord's interest in the Premises if the premises are sold or otherwise transferred, and Landlord shall be discharged from any further liability with respect to the Security Deposit.

The Security Deposit shall be paid on execution of the Lease.

The security deposit will not earn interest for the Tenant.

Upon payment of the security deposit specified in section 1(h) above, \$15,109.08 of the security deposit shall be released to the broker named in section 1(i) as payment of the Broker Fee. This amount shall not be refunded to the Tenant in the event Tenant terminates the lease pursuant to section 12. The balance of the security deposit in the amount of \$12,505.92 shall be held in escrow by Landlord's attorney for a period of up to ninety (90) days following the lease commencement date. If Tenant terminates this lease pursuant to section 12, the \$12,205.92 will be refunded to Tenant within fifteen (15) days. After the sooner of either of the following: 1) ninety (90) day period in section 12 expires, or 2) the Tenant receives all necessary permits, the \$12,205.92 shall be released from escrow and paid directly to the Landlord. .

At the end of the lease the entire security deposit listed in section 1(h) above shall be returned to the Tenant, subject to Landlord's right to reduce said amount pursuant to the terms of paragraph 1 of section 34.

35. **Notices.** All notices in connection with this Lease of the Premises shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or recognized national overnight courier service (e.g. Federal Express, United Parcel Service). Notices to Landlord shall be delivered to the address specified in Section 1(b). Notices to Tenant and Franchisor shall be delivered to the address specified in Section 1(c). All notices shall be effective upon delivery or attempted delivery in accordance with this provision. Either party may change its notice address upon written notice to the other party given in accordance with this provision.

36. **Waiver of Jury Trial.** THE PARTIES HERETO SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE LEASED PREMISES AND/OR ANY CLAIM FOR INJURY OR DAMAGE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARY MADE BY TENANT AND TENANT ACKNOWLEDGES THAT NEITHER LANDLORD NOR ANY PERSON ACTING ON LANDLORD'S BEHALF HAS MADE ANY REPRESENTATION OF FACT TO INDUCE TENANT TO SIGN THIS WAIVER. TENANT FURTHER ACKNOWLEDGES THAT HE HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE NEGOTIATION AND EXECUTION OF THIS LEASE OR TENANT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH SAID COUNSEL.

37. **Parking.** The Tenant will receive 3 parking spots at a location to be designated by the Landlord at its sole discretion. All of the remaining parking is available on a first-come first-served basis. However, Landlord reserves the

right to have all parking spaces and/or vehicles in the parking lot marked for identification.

38. **Miscellaneous.** (a) The failure of either party to insist on strict performance of any provision of this Lease, or to exercise any right contained herein, shall not be construed as a waiver of such provision or right in any other instance. All amendments to this Lease shall be in writing and signed by both parties.

- (b) The captions in this Lease are intended to assist the parties in reading this Lease and are not a part of the provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other.
- (c) The laws of the State of New Jersey shall govern this Lease.
- (d) If either party to this Lease is a corporation or partnership, each person signing this Lease on behalf of that party represents that he has full authority to do so and that this Lease binds the corporation or partnership, as the case may be.
- (e) This Lease is binding upon any party who legally acquires any rights or interest in this Lease from Landlord to Tenant; provided, however, Landlord shall have no obligation to Tenant's successor unless the interest of Tenant's successor in this Lease is acquired in accordance with Section 19.
- (f) This Lease shall not be recorded.
- (g) The submission of this Lease to Tenant shall not be deemed to be an offer and shall not bind either party until duly executed by Landlord and Tenant.

- (h) A determination by a court of competent jurisdiction that any provision of this Lease or any part thereof is illegal or unenforceable shall not invalidate the remainder of this Lease or such provision, which shall continue to be in effect.
- (i) The riders enumerated in Section 1(j) are attached hereto and made a part of this Lease as fully as if set forth herein at length. The terms used in the rider have the same meanings as set forth in the Lease. The provisions of a rider shall prevail over any provisions of the Lease, which are inconsistent or conflict with the provisions of the rider.

39. ADA COMPLIANCE: Only applicable to Section 10 requirements.

40. HAZARDOUS SUBSTANCES: Landlord represents, based upon its due diligence at the time of purchase that the leased premises and the shopping center of which it is a part are free and clear of any and all hazardous substances and are in full compliance with all local, state and federal environmental rules, ordinances and laws. Landlord agrees to defend, indemnify and hold Tenant harmless from any and all claims, demands, suits judgments, and liability relating to this representation.

41. OPTION TO RENEW: Provided the Tenant is not in default as to any of the terms of this lease, Tenant shall have the option to renew this lease for an additional term of five (5) years in accordance with the terms of the attached Option Rider. In order to exercise the option, the Tenant must notify the Landlord in writing at least 180 days prior to the expiration of the initial lease term.

42. PRE-SALES AREA: Tenant shall be allowed to set up a pre-sales area within the leased premises up to eight (8) weeks before opening.

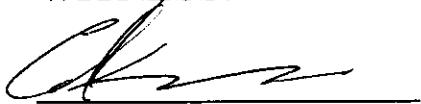
**43. TENANT'S EXCLUSIVE USE:** Landlord agrees that Tenant will have exclusive use for the following activities: various genres of music education, production, exhibition, performance and studio space. Also, providing and conducting music lessons, concerts, music and theatrical arts performances, music camp activities and any other activities consistent with Tenant's business of music education and performance. Tenant may also offer, on an incidental basis only, merchandise related to the foregoing; for example sheet music, instruments, related clothing and other such similar items.

A violation of Tenant's exclusive use shall occur in the event of either or both of the following: (1) Any other tenant or occupant in the center uses more than ten percent (10%) of its sales area for the operation of the Exclusive Use activities described above; or (2) Landlord leases space to another tenant in the Center that operates the exclusive use activities described above.

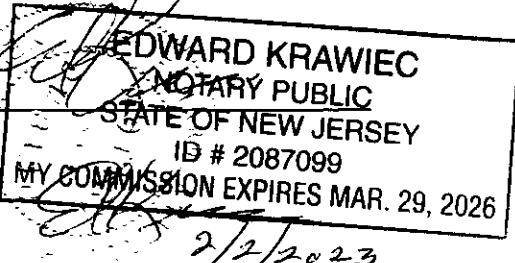
During any Exclusive Use Violation occurrence, Base Rent and additional rents shall abate, and Tenant shall pay, in lieu thereof, substitute rent equal to 50% of Tenant's Monthly Base Rent (hereinafter "Substitute Rent"). Such Substitute Rent shall commence upon Tenant's notification to Landlord of an Exclusive Use Violation and shall continue until the earlier of the date that (i) the Exclusive Use Violation no longer exists or (ii) Tenant terminates this Lease as permitted herein. In addition, in the event an Exclusive Use Violation continues for one hundred eighty (180) consecutive days or longer, Tenant may (in addition to any other rights it may have) terminate this Lease upon delivery of 90 days' prior written notice to Landlord, in which event Landlord and Tenant shall be relieved of any further obligations hereunder.

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed this 2 day of Feb, 2023.

WITNESS:

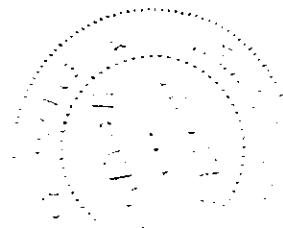


David Santamaria



Dominique Abita

## G U A R A N T Y

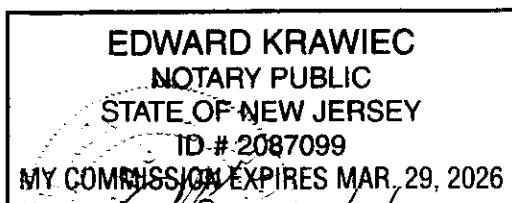


**FOR VALUE RECEIVED** and in consideration for, and as an inducement to 301 Hoboken LLC, as Landlord, for entering into the Lease dated the 2nd day of September, 2023 with MADROCK Corp. as Tenant, executed simultaneously herewith and to which this Guaranty is attached, the undersigned, David Santamaria and Dominique Abita, Social Security No.: 38-3288486 and DA, DS hereby guarantee to the Landlord, its successors and assigns, the full performance and observance of all the covenants, conditions and agreements therein provided to be performed and observed by the Tenant, its successors and assigns, and expressly agrees that the validity of this Guaranty and the obligations of the Guarantor hereunder shall in no way be terminated, affected or impaired by reason of the assertion by the Landlord against the Tenant of any of the rights or remedies reserved to the Landlord pursuant to the provisions of this Lease, all of which may be pursued or done without notice to Guarantor. The undersigned further covenants and agrees that this Guaranty amendment, modification, renewal or extension of the Lease made by the above-named Tenant only, to all of which the undersigned hereby consents in advance.

No assignment or transfer of the Lease shall operate to extinguish or diminish the liability of the undersigned under this Guaranty unless otherwise agreed to by Landlord or any successor landlord.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the date set forth in Section 1 (a).

ATTEST:



LANDLORD:



301 Hoboken LLC

By: David Gaerman, Member



By: David Sreter, Member

ATTEST:



TENANT:



MADROCK CORP.

By: David Santamaria - President

## **BASE RENT RIDER**

Date of Lease: February 6, 2023

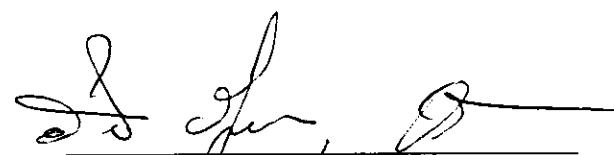
Landlord: 301 Hoboken LLC

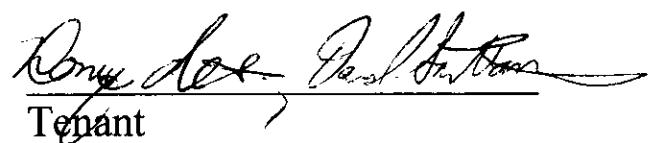
Tenant: MADROCK Corporation

The Base Rent payable by Tenant to Landlord for each Lease Year during the Term shall be as follows:

<u>Lease Months</u>	<u>Annual Base Rent</u>	<u>Monthly Rent</u>
1-9	\$0	\$0
10-12	\$16,569.00	\$5,523.00
13-24	\$68,264.28	\$5,688.69

25-36	\$70,326.12	\$5,860.51
37-48	\$72,424.94	\$6,035.41
49-60	\$74,597.32	\$6,216.44

  
\_\_\_\_\_  
Landlord

  
\_\_\_\_\_  
Tenant

## **OPTION RIDER**

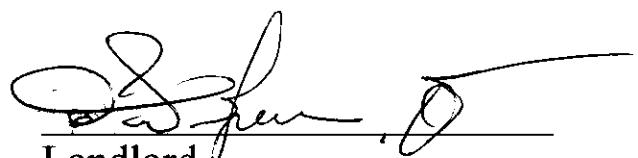
Date of Lease: February 6, 2023

Landlord: 301 Hoboken LLC

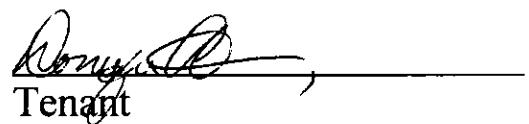
Tenant: MADROCK Corporation

The Base Rent payable by Tenant to Landlord for each Lease Year during the Term shall be as follows:

<u>Lease Months</u>	<u>Annual Base Rent</u>	<u>Monthly Rent</u>
61-72	\$76,843.34	\$6,403.61
73-84	\$79,163.00	\$6,596.92
85-96	\$81,556.30	\$6,796.36
97-108	\$83,986.42	\$6,998.87
109-120	\$86,490.18	\$7,207.52



Landlord



Tenant