



1/15/13
1/10
4653
1/012003

State of New Jersey

DEPARTMENT OF TREASURY
DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION
P O BOX 034
TRENTON NJ 08625-0034

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

ANDREW P. SIDAMON-ERISTOFF
State Treasurer

STEVEN SUTKIN
Director

January 15, 2013

Mr. Jordan Lott, Vice President
SanMar Corporation
22833 Southeast Black Nugget Road
Suite 140
Issaquah, Washington 98029

Re: Lease No. 4653
141 West Manor Way
Robbinsville, New Jersey

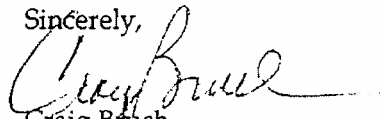
Dear Mr. Lott:

With this notice, the State hereby exercises its option to renew Lease No. 4653 dated November 16, 2012 pursuant to Section 5 of the Interim Rental Agreement. This renewal period will commence on March 1, 2013 and end on March 31, 2013. The monthly rent for this renewal period is confirmed as being \$50,000.00.

The consideration, acts, promises, agreements and provisions executed and performed by each party to the above-mentioned lease and supplements thereto, as originally provided therein, shall remain in full force and effect, except as herein modified.

Please call me at (609) 292-2143 with any questions.

Sincerely,


Craig Bruch
Leased Property Negotiations

c: Melissa Nelson

11/16/12
100
1053
110120003

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

INTERIM RENTAL AGREEMENT

DATE OF EXECUTION November 16th, 2012

Rental No. 4653

THIS INTERIM RENTAL AGREEMENT is made and entered into on the above Date of Execution by and between SanMar Corporation (hereinafter referred to as the "SanMar"), and the Director, Division of Property Management and Construction, (hereinafter referred to as "DPMC") on behalf of the State of New Jersey (hereinafter referred to as the "State").

WHEREAS, in November of 2012, Hurricane Sandy devastated much of New Jersey; and

WHEREAS, the devastation created a need to bring in emergency supplies to the State; and

WHEREAS, the State has no place to store such supplies or from which to distribute such supplies from and as a result DPMC has identified SanMar's property to provide such space; and

WHEREAS, SanMar is a tenant and J & J New Jersey, LLC (the "Master Landlord"), is the landlord under a certain lease dated May 1, 2011, (the "Master Lease"), of warehouse space in the building known as 141 West Manor Way, Robbinsville, New Jersey (a copy of the Master Lease is attached hereto as Exhibit A); and

WHEREAS, SanMar is willing to enter into this agreement with the State so that the State may occupy the space identified; and

WHEREAS, pursuant to N.J.A.C. 17:11-2.4(b)7, the Commander of the Office of Emergency Management has declared there is an emergent need for procuring the Warehouse Premises and the Treasurer's office has approved the same, permitting DPMC to enter into this Interim Rental Agreement; and

WHEREAS, due to the emergent need for this space, the competitive bidding process and oversight procedures established by N.J.S.A. 52:18A-191.1 et seq. and N.J.A.C. 17:11-1.1 et seq. have not been conducted with respect to this Interim Rental Agreement; and

WHEREAS, in order for DPMC to have authority to enter into a lease, all of the requirements set forth in N.J.S.A. 52:18A-191.1 et seq. and N.J.A.C. 17:11-1.1 et seq. must be met and the State Leasing & Space Utilization Committee must approve the lease terms and conditions; and

WHEREAS, this Interim Rental Agreement is not to be construed as a lease (or sublease) of any kind; and

WHEREAS, the parties acknowledge that this Interim Rental Agreement shall terminate upon the effective date of a fully executed sublease; and

WHEREAS, the parties hereto have reached a verbal agreement upon the provisions, covenants, terms, and conditions necessary to memorialize said Interim Rental Agreement in writing.

NOW THEREFORE, the parties hereto, for and in consideration of \$1.00, the exchange and receipt of which is hereby acknowledged, hereby covenant and agree as follows:

1. Warehouse Premises

1.1. SanMar demises to the State and the State hires and takes from SanMar an amount of space not to exceed 150,000 square feet of space (the "Warehouse Premises") located at 141 West Manor Way, Robbinsville, New Jersey, Suite 300 and legally described as Block 41, Lot 20 in the Township of Robbinsville, County of Mercer, New Jersey (the "Building"). The Warehouse Premises consist of 150,000 rentable square feet of space. The Warehouse Premises are to be used initially for State purposes by the Office of Emergency Management and will be operated by its invitee the New Jersey Conference of Seventh-Day Adventists, Inc., a non-profit corporation.

2. Notices

Any notices, demand, and communications shall be sent by certified and regular mail, or by overnight and regular mail as provided below:

If intended for SanMar, the address is:

22833 Southeast Black Nugget Road, Suite 140, Issaquah, Washington, 98029.
Attention: Jordan Lott, Vice President, Tel: (206) 727-3200.

With a required copy to:

22833 Southeast Black Nugget Road, Suite 140, Issaquah, Washington, 98029.
Attention: Melissa Nelson, Esquire, General Counsel, Tel: 206.770.5630.

If intended for the State, the address is Director, Division of Property Management and Construction; 33 West State Street, 9th Floor; PO Box 034, Trenton, NJ 08625-0034
Telephone: (609)292-2143; Facsimile (609)984-8495.

3. Legal Service of Process

Pursuant to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., legal service of process to be made upon the State shall be made to the Attorney General of the State of New Jersey.

4. Attached Schedules and Exhibit

The following Schedules and Exhibit are incorporated into and shall be deemed a part of this Interim Rental Agreement:

- a. Schedule "A" Floor Plan showing the Warehouse Premises
- b. Schedule "B" Intentionally Deleted
- c. Schedule "C" Intentionally Deleted
- d. Schedule "D" SanMar's Disclosure Statement
- e. Schedule "E" SanMar's Payee Identification Form
- f. Schedule "F" SanMar's Affirmative Action Affidavit (AA302)
- g. Schedule "G" Intentionally Deleted
- h. Schedule "H" Intentionally Deleted
- i. Schedule "I" SanMar's Contractor Certification & Disclosure of Political Contributions
- j. Exhibit "J" Master Lease

5. Term

5.1. Subject to delivery of the Consent (defined below), the State shall have and hold the Warehouse Premises pursuant to the terms of this Interim Rental Agreement beginning on **December 1, 2012** or such earlier date as may be permitted under this Agreement in accordance with Section 6.2 (the "Commencement Date") and shall terminate on the earlier of such time as: (1) the State Leasing & Space Utilization Committee ("SLSUC") approves or disapproves the terms and conditions of NPL No. 4653; or (2) midnight on the night of February 28, 2013, unless earlier terminated as provided herein. If NPL No. 4653 is approved by SLSUC and at the time of such approval it is anticipated that the State will be in occupancy of the Warehouse Premises no more than a total of 180 days then the parties may elect to allow the State to continue to occupy the Warehouse Premises pursuant to the terms of the Interim Rental Agreement.

5.2. The parties hereby agree that all provisions, covenants, terms, and conditions of this Interim Rental Agreement shall commence upon the date the State takes occupancy of the Warehouse Premises.

5.3.

This Interim Rental Agreement may be renewed at the option of the State for three (3) terms of (1) month each on the same terms and conditions as the initial term of this Interim Rental Agreement, in the manner provided by the laws of the State of New Jersey governing the disbursement of public funds. The State hereby agrees to give notice of its intent in writing to the Lessor no later than seven (7) days before the expiration of the initial term or any renewal term. The parties hereby agree that all other provisions, covenants, terms, and conditions of this Interim Rental Agreement shall remain in full force and effect during any renewal term, unless otherwise modified in writing and signed by the parties.

6. Rent

6.1. The State shall pay SanMar a monthly amount of **\$50,000.00** on the first day of each and every month in the manner provided by the laws of the State of New Jersey governing the disbursement of public funds. Said rent is based on **\$4.00** per square foot for **150,000** square feet of space. Pursuant to N.J.S.A. 52:18A-78.22, the State's obligation to pay rent is conditioned upon annual appropriations by the State Legislature. Included in the \$4.00 per square foot rental rate is the State's base rent and its share of operating expenses, utilities and taxes. Except as otherwise set forth herein this is a "gross Lease".

6.2. In the event the State takes occupancy of the Warehouse Premises prior to **December 1, 2012**, rent shall be paid on the per diem rate based on the number of days in the subject calendar year in accordance with the annual rent as established in Section 6, commencing on the date the State takes occupancy of the Warehouse Premises and ending on the last day of that same month. For example, if the State takes occupancy on November 13, it will pay rent for the month of November on a per diem basis and then starting on December 1 it will pay on a monthly basis.

7. Condition Precedent to Execution of Sublease

Subject to the last sentence of Section 1.1, upon approval of the terms and conditions of the NPL No. 4653 by SLSUC, the State and SanMar shall execute a Sublease. This Interim Rental Agreement will terminate upon the effective date of the Sublease.

8. Cancellation Option

The State shall have the option to cancel this Interim Rental Agreement by providing thirty days notice. When such notice is given by the State, this Interim Rental Agreement will terminate with no further obligations to the SanMar.

9. SanMar's Obligations

- To the best of its knowledge, information and belief, SanMar warrants that as of the date of execution of this Interim Rental Agreement, that it has a good and sufficient leasehold interest in the Building and that the Building is free and clear of all liens and encumbrances that would have priority over this Interim Rental Agreement except for any mortgages granted to secure repayment of loans of the Master Landlord used to acquire, develop, construct the Building.
- To the best of its knowledge, information and belief, except as set forth in the last sentence of this paragraph, SanMar hereby warrants that the any construction or alteration work it had completed in the Warehouse Premises conformed to the minimum requirements of all applicable Municipal, Federal, State, and local laws, regulations, rules, ordinances, codes, and policies including but not limited to the New Jersey Uniform Fire Code, N.J.A.C. 5:70 and 71, and N.J.A.C. 12:100 and 110, as amended and supplemented; OSHA Regulations (Standards – 29 CFR) Asbestos – 1910. 1001, and all regulations and guidelines implementing the Americans with Disabilities Act. The parties agree and acknowledge that SanMar has advised the State that its bathroom, toilets and related facilities had not been properly connected to the sanitary sewer lines and that the subject defect is presently being corrected by SanMar's contractor.
- To the extent it is required by State or Federal law, SanMar agrees to take reasonable steps to comply with all applicable Affirmative Action, Anti-Discrimination, Equal Opportunity for Individuals with Disabilities laws of the State of New Jersey.
- SanMar hereby warrants that the provisions of N.J.S.A. 52:34-15 and 52:34-19 have been complied and that no person/agency has been employed to solicit this Interim Rental Agreement, except: Adam Citron of Jones, Lang LaSalle, which represented SanMar as its real estate broker and agent in connection with this

matter and which, is a bona fide broker and has a license to conduct business in New Jersey and was employed by SanMar for the purpose of negotiating this Interim Rental Agreement as well as the Sublease.

- SanMar agrees to take reasonable steps to provide a complete disclosure statement in a form provided by the DPMC. SanMar warrants and represents that it shall provide a new disclosure statement upon the occurrence of any change in ownership or interest in the Warehouse Premises within thirty (30) days of said change in ownership or interest.
- SanMar agrees that upon the State paying it rent and observing and performing all terms, covenants and conditions of this Interim Rental Agreement, the State shall peaceably and quietly have, hold and enjoy the Demise Premises.

10. Services provided and paid for by SanMar

SanMar agrees that, subject to Section 11, all of the following services for the Warehouse Premises will be procured and paid for by SanMar or by the Master Landlord as provided in the Master Lease:

- All necessary snow plowing and removal services;
- Normal Monthly Pest control;
- Fuel for heating and hot water;
- Electricity, including HVAC; and
- Water and sewer (subject to the qualification set forth in Section 9 above).

11. Services Provided and paid for by the State

11.1. All of the following services for the Warehouse Premises will be procured and paid for by the State:

- Trash dumpsters and removal of trash from the Warehouse Premises and the dumpsters;
- Until such time as the bathrooms in the warehouse become operational the State's own portable bathroom facilities, which are to be pumped out on a regular basis as required; and
- Any required janitorial services.

To the extent provided by the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. the State shall be responsible for any damages arising from the negligence or willful misconduct of its agents, employees, invitees, guest, successors and assigns.

12. Parking

SanMar has agreed to provide the State (0) parking spaces. During the Interim Rental Term, the State will have the non-exclusive use of parking spaces for its employees, agents, and visitors at no additional cost to the State.

13. Warehouse Furniture

Intentionally deleted.

14. Liability and Insurance

SanMar and the State shall each be individually responsible for liabilities resulting from their own respective negligence or willful misconduct.

SanMar has provided the State with current certificates of insurance for all coverages and renewals thereof which must contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after thirty (30) days written notice to the insureds and the State.

15. Liability of State of New Jersey

The liability of the State and its employees shall be subject to all the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. ("Act"), the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. and the availability of appropriations.

The State does not carry public liability insurance but the liability of the State and the obligation of the State to be responsible for tort claims against the State or its employees are covered under the terms and provisions of the Act.

The Act also creates a special self-insurance fund and provides for payment of claims under the Act against the State or against its employees, for whom the State is obligated to indemnify against tort claims which arise out of the performance of their duties. Any claims against, among others, the State, its employees arising out of the use of the Warehouse Premises shall be made to the Attorney General, Division of Law, Claims Service Section, P.O. Box 260, Trenton, New Jersey 08625-0260.

16. Master Lease Documents.

SanMar represents that a true and complete copy of the Master Lease in effect as of the Date of Execution is attached hereto as Exhibit ~~4~~ and the State acknowledges that it has received a copy of same.

17. No Incorporation of Master Lease and Terms.

None of the terms and conditions of the Master Lease shall be applicable nor incorporated herein.

18. Integration and Nonwaiver

This Interim Rental Agreement and attachments hereto embody the entire agreement and understanding between the parties and supersede all prior agreements and

understandings. All modifications hereto must be made in writing and signed by the parties.

19. Jurisdiction

Jurisdiction of any action hereunder shall lie in the court of competent jurisdiction in the State of New Jersey and shall be construed in accordance with the laws of the State of New Jersey applicable to contracts made and performed in the State of New Jersey without reference to conflict of laws principles.

20. Execution of this Agreement

This Interim Rental Agreement may be executed in several counterparts, each of which, when taken together, shall be deemed an original and constitute one and the same document. Facsimile, electronic and/or PDF signatures on these instruments shall be binding with the same force and effect as original signatures.

21. Condition of the Warehouse Premises

Subject to the provisions of last sentence of second paragraph of Section 9 hereof, the State acknowledges that it has inspected each of the Warehouse Premises and agrees to accept same in their "as is, where is" condition on the Commencement Date. Except as set forth herein, SanMar has not made and does not make any representations or warranties as to the physical condition of the Warehouse Premises. In making this Interim Rental Agreement, the State has relied solely on its own investigations, examinations and inspections of and in connection with the Warehouse Premises.

22. Consent

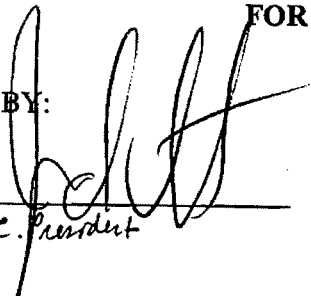
Notwithstanding anything to the contrary contained herein or in any other writing, this Interim Rental Agreement is subject to and conditioned upon the consent (the "Consent") hereto by the Master Landlord, which Consent shall be evidenced by a written document utilized by Master Landlord for such purpose. SanMar shall use good faith efforts to obtain the Consent, but SanMar shall have no responsibility or liability whatsoever if the Consent is refused or not obtained for any reason whatsoever or for no reason. SanMar shall pay Master Landlord's fees in connection with obtaining the Consent, provided, however, SanMar shall not be obligated to spend any other monies or commence any proceedings against Master Landlord in connection with obtaining the Consent. The State shall: (i) cooperate with SanMar with respect to obtaining the Consent; (ii) furnish documents with respect to the State as Master Landlord may reasonably request; and (iii) execute and deliver the Consent. Notwithstanding anything to the contrary contained in the Master Lease, if Master Landlord notifies SanMar that Master Landlord will not grant its consent within 30 days following the Date of Execution, or if the Consent is not received within 30 days following the Date of Execution, then SanMar and the State each shall have the right to terminate this Interim Rental Agreement by written notice to the other given no later than 45 days following the Date of Execution, upon which each party shall have no further obligations or liabilities to the other with respect to this Interim Rental Agreement.

The remainder of this page is left blank intentionally

IN WITNESS WHEREOF, the parties hereto, duly authorized, have executed this Interim Rental Agreement as of the date of the last signing party, which date shall be entered on the first page, (hereinafter referred to as the "Date of Execution of Interim Rental Agreement").

FOR SANMAR

ATTESTED BY:

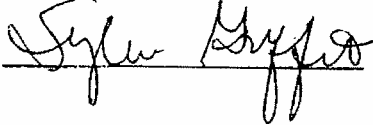


SanMar: Vice President
Title:

Date signed: 11/15/12

FOR THE STATE OF NEW JERSEY

ATTESTED BY:



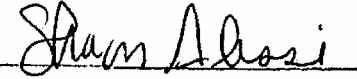
Date signed: 11/16/12



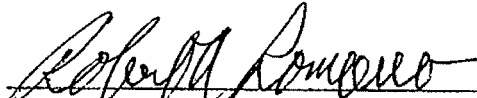
Steven Sutkin, Director
Division of Property Management and Construction

Date signed: 11/16/12

ATTESTED BY:



Date signed: 11/16/12



Robert A. Romano, Deputy State Treasurer

Date signed: 11/16/12

APPROVED AS TO FORM:
JEFFERY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY

By: 

Thomas A. Edenbaum
Deputy Attorney General

Date signed: Nov. 15, 2012

EXHIBIT A

Master Lease

Schedule A

Floor Plan showing the Warehouse Premises

Schedule B

Intentionally Deleted

Schedule C

Intentionally Deleted

Schedule E

SanMar's Payee Identification Form