

LEASE AGREEMENT

THIS AGREEMENT (hereinafter referred to as the "Agreement") is made by and between the COUNTY OF PASSAIC (hereinafter the "County"), a corporate body politic of the State of New Jersey, with its principal offices located at 401 Grand Street, Paterson, New Jersey, and the PASSAIC COUNTY HISTORICAL SOCIETY (hereinafter the "Society"), a duly incorporated historical society organized under the laws of the State of New Jersey, with its principal offices currently and temporarily located at 500 Union Avenue, Wanaque, New Jersey (collectively referred to throughout this Agreement as the "Parties");

WITNESSETH:

WHEREAS, the County is the owner of the property located at 3 Valley Road, Paterson, New Jersey Block 5301, Lot 1, upon which the structure more commonly known as Lambert Castle (hereinafter "Lambert Castle" or "Castle"), the Lambert Carriage House (hereinafter "Carriage House"), and the building formerly occupied by element of the Passaic County Sheriff's Officer (hereafter "Former Sheriff's Office Building") are located; and

WHEREAS, Lambert Castle and the Carriage House are located in the Garret Mountain Reservation, a park in the Passaic County Park System, and are listed on the Paterson, State and National Registers of Historic Places; and

WHEREAS, Lambert Castle is the subject of a 25-year lease dated November 30, 2014, between the County as Lessor and the Society as Lessee (hereinafter the "2014 Lease"), commencing on March 26, 2014 and expiring on March 25, 2039, said 2014 Lease being incorporated by reference, attached hereto and made part of; and

WHEREAS, the Society has occupied and has served the public by operating a library and museum out of Lambert Castle since 1934, and throughout its occupancy, has sponsored educational and fundraising events within the Castle and on Castle grounds; and

WHEREAS, the County made a major historic restoration and renovation of Lambert Castle completed in 1998 and a second major restoration and renovation of the Lambert Castle and a restoration and renovation of the Carriage House which are currently nearing completion, all at a combined cost of several million dollars; and

WHEREAS, the Society, consistent with the Lease, cooperated with the County during the periods of restorations and relocated to other County facilities and that, during such times, the Castle and Castle grounds were unavailable for educational and fundraising use; and

WHEREAS, the County seeks to reopen, maintain, curate, and operate a museum within Lambert Castle and has requested this Agreement and an amendment to the 2014 Lease in a manner consistent with this objective; and

WHEREAS, the Society seeks to continue a relationship with the Lambert Castle site and to continue to serve the public with educational and fundraising events that can enhance the public's interest in and knowledge of Passaic County history; and

WHEREAS, the County and the Society seek to mutually amend the 2014 Lease Agreement and enter into a new lease agreement designed to contribute to the public's interest in and knowledge of the rich history of Passaic County; and

WHEREAS, pursuant to N.J.S.A. 40A:12-14(c), the County may lease real property not needed for public use to a non-profit corporation or association for any public purpose, as defined in N.J.S.A. 40A:12-15; and

WHEREAS, pursuant to N.J.S.A. 40A:12-15(g), a permissible public purpose includes leasing real property for any civic or historic programs or activities by duly incorporated historical societies for up to fifty (50) years, which lease term may be extended for an additional twenty-five (25) years by resolution of the

Board of County Commissioners of the County of Passaic ("Board"); and

WHEREAS, a lease agreement entered into pursuant to N.J.S.A. 40A:12-14(c) shall be authorized by resolution of the Board and may be for nominal or other consideration; and

WHEREAS, the Board adopted Resolution No. _____, dated _____, authorizing the granting of the within Agreement to lease the Former Sheriff's Office Building for the Passaic County Historic Society Library & Archives and offices; and.

NOW THEREFORE, in consideration of the sum of one dollar (\$1.00), and the mutual promises contained herein, the County and the Society agree as follows:

1. **Leased Premises.** For purposes of this Agreement, the term "Leased Premises" shall refer to the Former Sheriff's Office Building which is to be leased by the County to the Society for the Society's use as offices, its Library, storage, and meeting rooms as described in a floorplan which is attached hereto as **Exhibit A** and made a part hereof.
2. **Term.** Pursuant to N.J.S.A. 40A:12-15, this Agreement shall have a term of fifty (50) years commencing on January 1, 2024 and expiring December 31, 2073 unless such term is shortened or extended by written agreement of the parties and approved by resolution of the Board, or upon a material breach of one or both of the parties in accordance with the provisions of this Agreement.
3. **Premises to be managed, operated, and controlled by the County.** Lambert Castle, carriage house, tower, ancillary structures, and its grounds shall be managed, operated, and controlled by the County through its Department of Cultural & Historic Affairs in a manner consistent with this Agreement.
4. **Public Purpose Fulfilled by Society:** In compliance with N.J.S.A. 40A:12-15(g), the Society shall establish, control, and operate a local history library within the designated space described in **Exhibit A** for the benefit of the public and to contribute to the public's interest in and knowledge of the rich history of Passaic County.
5. **Additional Undertakings by the Society.**
 - a. The Society shall establish, control, and operate a local history library within the assigned spaces of the Leased Premises for the benefit of the public for the purpose of contributing to the public's interest in and knowledge of the rich history of Passaic County.
 - b. The Society shall place on loan to the County artifacts consisting primarily of furniture, art, and decorative elements for use and display within Lambert Castle or Carraige House. These artifacts, objects, works of art, furniture and decorative elements shall be designated on loan by a Collections Loan Agreement, which shall be attached as **Exhibit B** and made a part of this Agreement. Upon the agreement of the parties, items may be added to or deleted from the list of those on loan. The Society shall have the right to terminate the loan of individual items if it is necessary for the Society to deaccession the item through sale or otherwise.
 - c. Nothing in this Agreement shall prevent the Society from loaning historic artifacts, objects, or archival material to the County for display in Lambert Castle or Carraige House that are not in the nature of furniture, fine art, and decorative elements. Such loans shall be made under terms relating to the length of loan, security, insurance, and such other terms as to which the parties shall agree. The loan of artifacts and items by the Society shall be appropriately acknowledged per the Collections Loan Agreement.
 - d. Pursuant to N.J.S.A. 40A:12-14(c), the Society shall submit an annual report to the County, through its Department of Cultural & Historic Affairs, listing the following: (1) the use to which the leasehold was put during each year; (2) the activities conducted in furtherance of the public purpose for which the leasehold was granted; (3) the approximate value or cost, if any, of such activities, in furtherance of such purpose; and (4) an affirmation of the Society's continued tax-exempt status pursuant to both State and federal law.
6. **Additional Undertakings by the County.** The parties further agree as follows:
 - a. The County shall reopen, maintain, curate, and operate a museum within Lambert Castle in a manner consistent with this Agreement.
 - b. The County shall give an annual stipend of twenty-five thousand dollars (\$25,000.00) to the Society to assist the Society with its Library and other educational work. The Society will provide a report with expense details on how the funds were used to benefit the Society

fulfilling its mission. Reports will be due by January 31st of the year following the year that is the subject of such report and submitted to the Department of Cultural & Historic Affairs.

- c. The County will assist the Society with one major fundraising event to be held on the grounds of Lambert Castle, but not within.
 - d. In the event that the Society curates a "traveling exhibit" concerning Passaic County history, the County will assist in obtaining approvals for such exhibits in County facilities such as the Passaic County Administration Building, Passaic County Technical-Vocational Schools, Preakness Healthcare Center, Passaic County Superior Courthouse, and Passaic County Community College. It is understood by the parties that such approvals may require the approval of other independent boards and administrative offices and that the County will use its best efforts and influence to facilitate the approval processes.
 - e. The County shall at its expense relocate the Society's Library and other furniture to the Leased Premises and provide appropriate storage and compact library book shelving on tracks in accordance with the floor plan as illustrated in Exhibit A at the Leased Premises.
7. **Use of Lambert Castle.** The primary use of Lambert Castle shall be to house a museum dedicated to the rich culture and history of Passaic County which shall be managed, operated, and controlled by the County through its Department of Cultural & Historic Affairs. The Castle may be used by the Society in accordance with the permitting procedures of the Passaic County Park System. All permits will be handled through the Department of Cultural & Historic Affairs. Such permits shall not be unreasonably withheld.
8. **Use of the Leased Premises.** The Leased Premises shall be used by the Society for its offices, meeting rooms, storage, Library, and archives. Keys to the Leased Premises shall be given by the County to the Society so that the Society shall have free access to its offices and resources. The County and Society shall coordinate protocols for the site security. Routing cleaning, maintenance, and the capital needs of the Leased Premises shall be done by the County. The society, at its expense, shall provide signage at the Leased Premises. The content and design of the signage shall be approved by the County which shall not be unreasonably withheld.
9. **Access to Lambert Castle.** The parties agree as follows with respect to the Society's access to Lambert Castle:
- a. Notwithstanding anything contained herein to the contrary, in order to use any portion of Lambert Castle for special, regular, or board meetings, or any other events hosted by the Society, or in collaboration with third parties, the Society shall first obtain a permit from the Department of Cultural & Historic Affairs, which shall not be unreasonably withheld. The Society shall notify the Department of such scheduled meetings and the Parties shall coordinate with respect to the logistics of such regular board meetings. All permit fees which may normally be levied by the County shall be waived for meetings and events of the Society.
10. **Capital Projects at the Lease Premises.** In the event the County is undertaking capital improvement(s) at the Leased Premises, requiring the Society to vacate and relocate from the leased premises therein, the Society shall cooperate with the County in such relocation according to an agreement of the Parties to be made at that time.
11. **Insurance.** The following reflects insurance coverage by both parties to be as follows:
- a. The Society shall obtain and maintain a policy or policies of comprehensive general liability insurance for the duration of the Lease Agreement, with the premiums thereon fully paid on or before due date, issued by and binding upon an insurance company having an A. M. Best Company rating of A or better, and approved and operating by authority of the state of New Jersey, such insurance to afford minimum protection of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit coverage of bodily injury, property damage or

combination thereof and THREE MILLION DOLLARS (\$3,000,000) in the aggregate. The County requires a certificate of insurance upon execution of the Agreement. The Society shall name the County as an additional insured on the insurance policies required herein, and the provision(s) naming the County as an additional insured shall specifically state the insurer(s) is to notify the County of lapse in coverage, at least ten (10) days prior to termination. In the event any of the insurance policies required herein lapse, the Society shall immediately notify the County.

- b. The County shall obtain and maintain a policy or policies of comprehensive general liability insurance with respect to activities conducted at the Lambert Castle, with the premiums thereon fully paid on or before due date, issued by and binding upon an insurance company having an A. M. Best Company rating of A or better, and approved and operating by authority of the state of New Jersey, such insurance to afford minimum protection of not less than ONE MILLION DOLLARS (\$1 million) combined single limit coverage of bodily injury, property damage or combination thereof and THREE MILLION DOLLARS (\$3,000,000) in the aggregate. The Society shall be listed as an additional insured on the County's policy or policies of comprehensive general liability insurance and County shall provide the Society with current certificates of insurance of County's insurers to notify the Society that a policy is due to expire or lapse for any reason at least 10 days prior to the expiration or such termination.

12. **Indemnity.** To the fullest extent allowable by law, the Parties, its successors, and assigns shall hold harmless, indemnify, defend, and release the Parties and their members, directors, officers, employees, agents, and contractors, successors, and assigns from and against all suits, liabilities, penalties, costs, losses, damages, expenses or claims, including without limitation to, reasonable attorney's fees arising from or in any way connected with any injury to or the death of any person or any damage to any property resulting from any act, omission, condition, regardless of cause, unless due to the negligence of any of the indemnified parties, subject to the insurance conditions and limits set forth in Paragraph 11 herein. Additionally, the Society shall hold the County harmless for any theft or damage of artifacts or historic documents owned by the Society and stored or displayed at the Leased Premises, except to the extent that said theft or damage is caused by the negligence or deliberate acts of the County or its directions, officers, employees, agents, contractors, successors, and assigns.

13. **Improvements.** The Society shall not make any structural or non-structural alterations, additions, or improvements ("Improvements") to the Leased Premises.

14. **Inspection and routine maintenance of Premises.** The Parties agree to the following with respect to the inspection and routine maintenance of the Leased Premises:

- a. The County and the County's agents shall have the right to enter upon the Leased Premises for any reason, upon reasonable notice to the Society, to inspect the Leased Premises and all buildings and improvements thereon, provided the County shall not thereby unreasonably interfere with the Society's business on the Leased Premises.
- b. The County shall be responsible for the routine maintenance of the Leased Premises and for its capital needs as a County building. In doing so, the County shall not thereby unreasonably interfere with the Society's business on the Leased Premises.
- c. The County reserves the right of entry without liability to the Society for any damage or injury to property, person, or business. The County shall be permitted to have keys to the Leased Premises.

15. **Assignment and Sublease.** The Society shall not assign this Agreement or sublet or grant any license to use the Leased Premises.

16. **Material Breach.** The Parties agree as follows regarding material breaches of this Agreement:

- a. If the Society fails to comply with any of the material provisions of this Agreement, or materially fails to comply with any duties imposed on the Society by ordinance, statute or regulations set forth in the New Jersey Administrative Code, the County shall notify the Society at which time the Society has THIRTY (30) business days to cure the noncompliance after which the County, at its sole option, may terminate this Agreement or to seek legal process to compel performance.
 - b. If the County fails to comply with any of the material provisions of this Agreement, or materially fails to comply with any duties imposed on the County by ordinance, statute or regulations set forth in the New Jersey Administrative Code, the Society shall notify the County at which time the County has THIRTY (30) days to cure the noncompliance after which the Society, at its sole option, may terminate this Agreement, or to seek legal process to compel performance.
 - c. In the event of a complete termination of this Agreement by the Society, the 2014 Lease of the Lambert Castle to the Society shall be reinstated and shall run for a period equal to the time between the Society's vacating the Lambert Castle and pursuant to the 2014 Lease's cooperation clause and the original termination date of the 2014 Lease, March 25, 2039.
17. **Damage or Destruction.** If any part of the Leased Premises is rendered temporarily untenantable by fire or other casualty, the County shall promptly repair any damage to the Leased Premises. If the Leased Premises are destroyed, the County shall have the option, at its sole discretion, to terminate this Agreement as of the date of fire or casualty by written notice to the other party promptly after the date of fire or casualty.
18. **Hazardous Materials.** The Society shall not keep on the leased premises any item of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or explosion at the Leased Premises or that might be considered hazardous or extra hazardous by any responsible insurance company.
19. **Utilities.** The County shall be responsible for arranging for and paying for all utility services required at the Leased Premises.
20. **Notice.** All notices, reports, statements, requests, or authorizations required to be given hereunder shall be personally delivered or sent by first class mail to the parties at the following addresses, unless a party has been notified of a change of address:

If to the County: County of Passaic
401 Grand Street, Room 205 Paterson,
New Jersey 07505

If to the Society: Passaic County Historical Society
3 Valley Road
Paterson, New Jersey 07503

21. **Waiver.** No waiver of any default of the County or the Society here under shall be implied from any omission to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver, and that only for the time and to the extent therein stated. One or more waivers by the County or the Society shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.
22. **Severability.** Each provision hereof shall be separate and independent. If any term or provision of this Agreement or the application thereof to any person shall be to any extent invalid or unenforceable, the remainder of the Agreement or the provision shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforced to the fullest extent provided by law.
23. **Entire Agreement.** This Agreement contains all of the terms and conditions agreed upon by the parties and supersedes all of their negotiations, representations, and understandings of the Parties, oral or

otherwise, regardless of subject matter.

24. **Governing Law.** This Agreement shall be governed, construed, and interpreted by, through and under the laws of the State of New Jersey, without regard to its conflicts of laws provisions.
25. **Partial Invalidity.** If any provision of this Agreement or the application of any such provision is held invalid by a court or other dispute resolution forum of competent jurisdiction, then the remainder of this Agreement, and the application of such provision other than to the extent that it is held invalid, will not be invalidated or affected thereby.
26. **Amendments and Modifications.** This Agreement may be amended only by an instrument in writing signed by the Parties and effective as of the date stipulated therein. Moreover, for the amendment to be valid and binding upon the County, such amendment must be accompanied by a resolution of the Board of County Commissioners authorizing such amendment in its exact form.
27. **Surrender of Premises.** Upon expiration of the term of this Agreement, the Society shall surrender its office space in as good a state of condition as it was as of the date of this Agreement, reasonable wear and tear thereof and damages by the elements excepted.
28. **Headings.** The headings in this Agreement are included for reference only and are not intended to define and/or limit the scope of any provision of this Agreement.
29. **Force Majeure.** If performance of either Party under this Agreement becomes impossible due to Force Majeure, such Party's performance will be excused until such time as the Force Majeure event has ended and all facilities and operations have been repaired and/or restored.
30. **Authority.** By the signatures below, the Parties execute this Lease and confirm that they are mutually bound by and fully authorized and empowered to enter into and bind their respective organizations by all provisions contained herein.

IN WITNESS of the foregoing provisions, the Parties have executed and delivered this Agreement as of the date set forth above:

Attest:

COUNTY OF PASSAIC

LOUIS E. IMHOF
Clerk to the Board

JOHN W. BARTLETT
Director, Board of County Commissioners

DATED:

DATED:

AS TO FORM AND LEGALITY

PASSAIC COUNTY ADMINISTRATOR

NADEGE D. ALLWATERS, ESQ.
Passaic County Counsel

MATTHEW P. JORDAN, ESQ.
Passaic County Administrator

Attest:

PASSAIC COUNTY HISTORICAL SOCIETY

Sharon Brigg
Secretary

Marie Mahler
Marie Mahler
President

DATED:

DATED: 10-3-2024