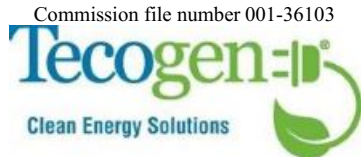

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**



TECOGEN INC. (OTCQX:TGEN)

(Exact name of Registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

04-3536131

(IRS Employer Identification No.)

45 First Avenue

Waltham, Massachusetts 02451

(Address of Principal Executive Offices and Zip Code)

(781) 466-6402

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Emerging Growth company ☐

Smaller reporting company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of March 31, 2023, 24,850,261 shares of common stock, \$.001 par value per share, of the registrant were issued and outstanding.

QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED MARCH 31, 2023
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References in this Form 10-Q to "we", "us", "our", the "Company" and "Tecogen" refers to Tecogen Inc. and its consolidated subsidiaries, unless otherwise noted.

PART I - FINANCIAL INFORMATION
Item 1 - Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,629,103	\$ 1,913,969
Accounts receivable, net	6,758,360	6,714,122
Employee retention credit	46,148	713,269
Unbilled revenue	1,788,902	1,805,330
Inventories, net	11,862,782	10,482,729
Prepaid and other current assets	265,019	401,189
Total current assets	22,350,314	22,030,608
Long-term assets:		
Property, plant and equipment, net	1,290,228	1,407,720
Right of use assets	1,084,033	1,245,549
Intangible assets, net	947,885	997,594
Goodwill	2,406,156	2,406,156
Other assets	164,815	165,230
TOTAL ASSETS	\$ 28,243,431	\$ 28,252,857
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	4,167,461	3,261,952
Accrued expenses	2,240,523	2,384,447
Deferred revenue, current	2,108,082	1,115,627
Lease obligations, current	646,805	687,589
Unfavorable contract liability, current	223,230	236,705
Total current liabilities	9,386,101	7,686,320
Long-term liabilities:		
Deferred revenue, net of current portion	231,969	371,823
Lease obligations, net of current portion	496,526	623,452
Unfavorable contract liability, net of current portion	535,706	583,512
Total liabilities	10,650,302	9,265,107
Commitments and contingencies		
Stockholders' equity:		
Tecogen Inc. stockholders' equity:		
Common stock, \$0.001 par value; 100,000,000 shares authorized; 24,850,261 issued and outstanding at March 31, 2023 and December 31, 2022	24,850	24,850
Additional paid-in capital	57,428,356	57,351,008
Accumulated deficit	(39,771,577)	(38,281,548)
Total Tecogen Inc. stockholders' equity	17,681,629	19,094,310
Non-controlling interest	(88,500)	(106,560)
Total stockholders' equity	17,593,129	18,987,750
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 28,243,431	\$ 28,252,857

The accompanying notes are an integral part of these consolidated financial statements.

TECOGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
Revenues		
Products	\$ 1,710,136	\$ 3,939,481
Services	3,136,173	2,917,280
Energy production	533,509	581,562
Total revenues	5,379,818	7,438,323
Cost of sales		
Products	1,212,568	2,644,756
Services	1,737,602	1,366,752
Energy production	337,739	336,027
Total cost of sales	3,287,909	4,347,535
Gross profit	2,091,909	3,090,788
Operating expenses		
General and administrative	2,792,483	2,473,903
Selling	520,070	501,091
Research and development	229,102	140,135
Gain on disposition of assets	—	(33,945)
Gain on termination of unfavorable contract liability	—	(71,375)
Total operating expenses	3,541,655	3,009,809
Income (loss) from operations	(1,449,746)	80,979
Other income (expense)		
Other income (expense), net	830	(14,150)
Interest expense	(415)	(828)
Unrealized gain on investment securities	—	37,497
Total other income (expense), net	415	22,519
Income (loss) before provision for state income taxes	(1,449,331)	103,498
Provision for state income taxes	22,638	3,930
Consolidated net income (loss)	(1,471,969)	99,568
Income attributable to the non-controlling interest	(18,060)	(10,159)
Net income (loss) attributable to Tecogen Inc.	\$ (1,490,029)	\$ 89,409
Net income (loss) per share - basic	\$ (0.06)	—
Net income (loss) per share - diluted	\$ (0.06)	—
Weighted average shares outstanding - basic	24,850,261	24,850,261
Weighted average shares outstanding - diluted	24,850,261	25,028,616

The accompanying notes are an integral part of these consolidated financial statements.

TECOGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Three Months Ended March 31, 2023 and 2022
(unaudited)

	Tecogen Inc. Stockholders					
	Common Stock Shares	Common Stock 0.001 Par Value	Additional Paid-In Capital	Accumulated Deficit	Non-controlling Interest	Total
Three Months ended March 31, 2023						
Balance at December 31, 2022	24,850,261	\$ 24,850	\$ 57,351,008	\$ (38,281,548)	\$ (106,560)	\$ 18,987,750
Stock based compensation expense	—	—	77,348	—	—	77,348
Net income (loss)	—	—	—	(1,490,029)	18,060	(1,471,969)
Balance at March 31, 2023	24,850,261	\$ 24,850	\$ 57,428,356	\$ (39,771,577)	\$ (88,500)	\$ 17,593,129
Three Months ended March 31, 2022						
Balance at December 31, 2021	24,850,261	\$ 24,850	\$ 57,016,859	\$ (35,833,621)	\$ (79,939)	\$ 21,128,149
Stock based compensation expense	—	—	95,707	—	—	95,707
Distributions to non-controlling interest	—	—	—	—	(15,640)	(15,640)
Net income	—	—	—	89,409	10,159	99,568
Balance at March 31, 2022	24,850,261	\$ 24,850	\$ 57,112,566	\$ (35,744,212)	\$ (85,420)	\$ 21,307,784

The accompanying notes are an integral part of these consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income (loss)	\$ (1,471,969)	\$ 99,568
<i>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>		
Depreciation and amortization, net	105,920	107,061
Stock-based compensation	77,348	95,707
Gain on disposition of assets	—	(33,945)
Unrealized gain on investment securities	—	(37,497)
Gain on termination of unfavorable contract liability	—	(71,375)
<i>Changes in operating assets and liabilities</i>		
(Increase) decrease in:		
Accounts receivable	(44,238)	850,674
Employee retention credit	667,121	—
Unbilled revenue	16,428	351,259
Inventory	(1,380,052)	8,252
Prepaid expenses and other current assets	136,170	2,014
Other assets	161,931	152,888
Increase (decrease) in:		
Accounts payable	905,509	894,418
Accrued expenses and other current liabilities	(143,923)	134,795
Deferred revenue	852,600	(504,229)
Other liabilities	(167,711)	(155,119)
Net cash provided by (used in) operating activities	(284,866)	1,894,471
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	—	(80,873)
Purchases of intangible assets	—	(16,220)
Proceeds from disposition of assets	—	64,669
Distributions to non-controlling interest	—	(15,640)
Net cash used in investing activities	—	(48,064)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	—	—
Net cash provided by financing activities	—	—
Change in cash and cash equivalents	(284,866)	1,846,407
Cash and cash equivalents, beginning of the period	1,913,969	3,614,463
Cash and cash equivalents, end of the period	\$ 1,629,103	\$ 5,460,870
Supplemental disclosures of cash flows information:		
Cash paid for interest	\$ —	\$ 413
Cash paid for taxes	\$ 22,638	\$ 3,930

The accompanying notes are an integral part of these consolidated financial statements.

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

Note 1. Description of Business and Basis of Presentation

Description of Business

Tecogen Inc. (together with its subsidiaries, “we,” “our,” or “us,” or “Tecogen”) designs, manufactures, markets, and maintains high efficiency, ultra-clean cogeneration products. These include natural gas engine driven combined heat and power (CHP) systems, chillers and heat pumps for multi-family residential, commercial, recreational and industrial use. We are known for products that provide customers with substantial energy savings, resiliency from utility power outages and for significantly reducing a customer’s carbon footprint. Our products are sold with our patented Ultera® emissions technology which nearly eliminates all criteria pollutants such as nitrogen oxide (“NOx”) and carbon monoxide (“CO”). We developed Ultera® for other applications including stationary engines and forklifts. We were incorporated in the State of Delaware on September 15, 2000.

We have wholly-owned subsidiaries American DG Energy, Inc. (“ADGE”) and Tecogen CHP Solutions, Inc., and we own a 51% interest in American DG New York, LLC (“ADGNY”), a joint venture. ADGE and ADGNY distribute, own, and operate clean, on-site energy systems that produce electricity, hot water, heat and cooling. ADGE owns the equipment that it installs at a customer’s facility and sells the energy produced by its systems to the customer on a long-term contractual basis. Our operations are comprised of three business segments:

- our Products segment, which designs, manufactures and sells industrial and commercial cogeneration systems;
- our Services segment, which provides operations and maintenance (“O&M”) services and turn-key installation for our products under long term service contracts, and
- our Energy Production segment, which sells energy in the form of electricity, heat, hot water and cooling to our customers under long-term energy sales agreements.

The majority of our customers are located in regions with the highest utility rates, typically California, the Midwest and the Northeast.

On July 20, 2022, we announced our intention to increase focus on opportunities relating to Controlled Environment Agriculture (CEA). Tecogen believes that CEA offers an exciting opportunity to apply the company’s expertise in clean cooling, power generation, and greenhouse gas reduction to address critical issues affecting food and energy security.

Our common stock is quoted on OTC Markets Group, Inc.'s OTCQX Best Market tier and trades under the symbol “TGEN.”

On May 18, 2017, the Company acquired 100% of the outstanding common stock of American DG Energy Inc., formerly a related entity, in a stock-for-stock merger.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

The condensed consolidated balance sheet at December 31, 2022 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in Tecogen's Annual Report on Form 10-K for the year ended December 31, 2022.

The accompanying unaudited condensed consolidated financial statements include our accounts and the accounts of entities in which we have a controlling financial interest. Those entities include our wholly-owned subsidiaries American DG Energy Inc., Tecogen CHP Solutions, Inc., and a joint venture, American DG New York, LLC, in which American DG Energy Inc. holds a 51% interest. Investments in partnerships and companies in which we do not have a controlling financial interest but where we have significant influence are accounted for under the equity method. Any intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The provisions for income taxes in the accompanying unaudited consolidated statements of operations differ from that which would be expected by applying the federal statutory tax rate primarily due to losses for which no benefit is recognized.

Employee Retention Credit

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law providing numerous tax provisions and other stimulus measures, including an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC.

As a result of our election to use an alternative quarter, we qualified for the ERC in the first, second and third quarters of 2021 because our gross receipts decreased by more than 20% from the first, second and third quarters of 2019. As a result of averaging 100 or fewer full-time employees in 2019, all wages paid to employees in the first, second and third quarters of 2021, excluding the wages applied to the Paycheck Protection Program Second Draw Loan, were eligible for the ERC.

During the three months ended June 30, 2021, we recorded an ERC benefit for the first and second quarters of 2021 of \$13,269 and, in the three months ended September 30, 2021 we recorded an ERC benefit for the third quarter of 2021 of \$562,752, respectively, in other income (expense), net in the our condensed consolidated statements of operations. On April 14, 2022, we received \$564,027 from the Internal Revenue Service representing the ERC claim for the third quarter of 2021 and \$1,275 of accrued interest. We received \$667,121 from the Internal Revenue Service on January 12, 2023 in payment of the ERC claimed from the first and second quarters of 2021 and \$15,775 of accrued interest, which is reported in other income (expense) in our condensed consolidated statements of operations for the three months ended March 31, 2023. A current receivable in the amount of \$46,148 is included in our condensed consolidated balance sheet as of March 31, 2023. We expect to receive the remaining balance in 2023.

Note 2. Revenue

Revenue is recognized when performance obligations under the terms of a contract with our customer are satisfied; generally this occurs with the transfer of control of our products, services and energy production. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services or energy to customers.

Shipping and handling fees billed to customers in a sales transaction are recorded in revenue and shipping and handling costs incurred are recorded in cost of sales. We have elected to exclude from revenue any value-added sales and other taxes which we collect concurrent with revenue-producing activities. These accounting policy elections are consistent with the manner in which we historically recorded shipping and handling fees and value-added taxes. Incremental costs incurred by us to obtain a contract with a customer are negligible, if any, and are expensed ratably in proportion to the related revenue recognized.

Disaggregated Revenue

In general, our business segmentation is aligned according to the nature and economic characteristics of our products and customer relationships and provides meaningful disaggregation of each business segment's results of operations.

The following table further disaggregates our revenue by major source by segment for the three months ended March 31, 2023 and 2022.

Three Months Ended March 31, 2023				
	Products	Services	Energy Production	Total
Products	\$ 1,710,136	\$ —	\$ —	\$ 1,710,136
Maintenance services	—	3,136,173	—	3,136,173
Energy production	—	—	533,509	533,509
Total revenue	<u>\$ 1,710,136</u>	<u>\$ 3,136,173</u>	<u>\$ 533,509</u>	<u>\$ 5,379,818</u>

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

Three Months Ended March 31, 2022				
	Products	Services	Energy Production	Total
Products	\$ 3,939,481	\$ —	\$ —	\$ 3,939,481
Installation services	—	20,109	—	20,109
Maintenance services	—	2,897,171	—	2,897,171
Energy production	—	—	581,562	581,562
Total revenue	\$ 3,939,481	\$ 2,917,280	\$ 581,562	\$ 7,438,323

Products Segment

Products. Our Product revenues include cogeneration systems that supply electricity and hot water, chillers that provide air-conditioning and hot water and engineered accessories, which consist of ancillary products and parts necessary to install a cogeneration unit including integration into the customers' existing electrical and mechanical systems. We refer to the package of engineered accessories and engineering and design services necessary for the customers' installation of a cogeneration unit as light installation services.

We transfer control and generally recognize a sale when we ship a product from our manufacturing facility at which point the customer takes ownership of the product. Payment terms on product sales are generally 30 days.

We recognize revenue in certain circumstances before delivery to the customer has occurred (commonly referred to as bill and hold transactions). We recognize revenue related to such transactions once, among other things, the customer has made a written fixed commitment to purchase the product(s) under normal billing and credit terms, the customer has requested the product(s) be held for future delivery as scheduled and designated by them, risk of ownership has been assumed by the customer, and the product(s) are tagged as sold and segregated for storage awaiting further direction from the customer. Due to the infrequent nature and duration of bill and hold arrangements, the value associated with custodial storage services is deemed immaterial in the context of the contract and in total, and accordingly, none of the transaction price is allocated to such service.

Depending on the product and terms of the arrangement, we may defer the recognition of a portion of the transaction price received because we have to satisfy a future obligation (e.g., product start-up service). Amounts allocated to product start-up services are recognized as revenue when the start-up service has been completed. We use an observable selling price to determine standalone selling prices where available and either a combination of an adjusted market assessment approach, an expected cost plus a margin approach, and/or a residual approach to determine the standalone selling prices for separate performance obligations as a basis for allocating contract consideration when an observable selling price is not available. Amounts received but not recognized pending completion of performance are recognized as contract liabilities and are recorded as deferred revenue along with deposits by customers.

Services Segment

Maintenance Services. Maintenance services are provided under either long-term maintenance contracts or time and material maintenance contracts. Revenue under time and material maintenance contracts is recognized when the maintenance service is completed. Revenue under long-term maintenance contracts is recognized either ratably over the term of the contract where the contract price is fixed or when the periodic maintenance activities are completed where the invoiced cost to the customer is based on run hours or kilowatts produced in a given period. We use an output method to measure progress towards completion of our performance obligation which results in the recognition of revenue on the basis of a direct measurement of the value to the customer of the services transferred to date relative to the remaining services promised under the contract. We use the practical expedient at ASC 606-10-55-18 of recognizing revenue in an amount equal to the amount we have the right to invoice the customer under the contract. Payment terms for maintenance services are generally 30 days.

Installation Services. We provide both complete turnkey installation services which typically include all necessary engineering and design, labor, subcontract labor to install a cogeneration unit including integration into the customers' existing electrical and mechanical systems. Under complete turnkey installation service contracts revenue is recognized over time using the percentage-of-completion method determined on a cost to cost basis. Our performance obligation under such contracts are satisfied progressively over time as enhancements are made to customer owned and controlled properties. We measure progress towards satisfaction of the performance obligation based on an input method based on cost which we believe is the most faithful depiction of the transfer of products and services to the customer under these contracts. When the financial metrics of a contract indicate a loss, our policy is to record the entire expected loss as soon as it is known. Contract costs and profit recognized to date under the percentage-of-completion method in excess of billings are recognized as contract assets and are recorded as unbilled revenue. Billings in excess of contract costs and profit are recognized as contract liabilities and are recorded as deferred revenue. Generally billings under complete turnkey installation contracts are made when contractually

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

determined milestones of progress have been achieved, with payment terms generally being 30 days. Our installation services revenue decreased significantly in three months March 31, 2023 and is likely to continue to remain low due to our strategy to focus on higher margin segments of our business.

Energy Production Segment

Energy Production. Revenue from energy contracts is recognized when electricity, heat, hot and/or chilled water is produced by our owned on-site cogeneration systems. Each month we bill the customer and recognize revenue for the various forms of energy delivered, based on meter readings which capture the quantity of the various forms of energy delivered in a given month, under a contractually defined formula which takes into account the current month's cost of energy from the local power utility.

As the various forms of energy delivered by us under energy production contracts are simultaneously delivered and consumed by the customer, our performance obligation under these contracts is considered to be satisfied over time. We use an output method to measure progress towards completion of our performance obligation which results in the recognition of revenue on the basis of a direct measurement of the value to the customer of the services transferred to date relative to the remaining services promised under the contract. We use the practical expedient at ASC 606-10-55-18 of recognizing revenue in an amount equal to that amount to which we have the right to invoice the customer under the contract. Payment terms on invoices under these contracts are generally 30 days.

Contract Balances

The timing of revenue recognition, billings and cash collections result in billed accounts receivable, unbilled revenue (contract assets) and deferred revenue, consisting of customer deposits and billings in excess of revenue recognized (contract liabilities) on the condensed consolidated balance sheets.

We did not recognize any revenue during the three months ended March 31, 2023 that was included in unbilled revenue at the end of the period. Approximately \$6,428 was billed in this period that had been recognized as revenue in previous periods.

Revenue recognized during the three ended months March 31, 2023 that was included in deferred revenue at the beginning of the period was approximately \$36,640.

Remaining Performance Obligations

Remaining performance obligations related to ASC 606 represent the aggregate transaction price allocated to performance obligations with an original contract term of greater than one year, excluding certain maintenance contracts and all energy production contracts where a direct measurement of the value to the customer is used as a method of measuring progress towards completion of our performance obligation. Exclusion of these remaining performance obligations is due in part to the inability to quantify values based on unknown future levels of delivery and in some cases rates used to invoice customers. Remaining performance obligations therefore consist of unsatisfied or partially satisfied performance obligations related to fixed price maintenance contracts and installation contracts.

As of March 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$2.3 million. We expect to recognize revenue of approximately 98.5% of the remaining performance obligations over the next 24 months, 90.1% recognized in the first 12 months and 8.4% recognized over the subsequent 12 months, and the remainder recognized thereafter.

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

Note 3. Income (Loss) Per Common Share

Basic and diluted income (loss) per share for the three months ended March 31, 2023 and 2022, respectively, were as follows:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Numerator:		
Net income (loss) available to stockholders	\$ (1,490,029)	\$ 89,409
Denominator:		
Weighted average shares outstanding - Basic	24,850,261	24,850,261
Effect of dilutive securities:		
Stock options	—	178,355
Weighted average shares outstanding - Diluted	24,850,261	25,028,616
Basic income (loss) per share	\$ (0.06)	\$ —
Diluted income (loss) per share	\$ (0.06)	\$ —
Anti-dilutive shares underlying stock options outstanding	1,744,351	928,271

Note 4. Inventories, net

Inventories at March 31, 2023 and December 31, 2022 consisted of the following:

	March 31, 2023	December 31, 2022
Raw materials, net	\$ 9,354,413	\$ 9,001,491
Work-in-process	1,133,323	498,139
Finished goods	1,375,046	983,099
Total inventories, net	\$ 11,862,782	\$ 10,482,729

Note 5. Property, Plant and Equipment, net

Property, plant and equipment at March 31, 2023 and December 31, 2022 consisted of the following:

	Estimated Useful Life (in Years)	March 31, 2023	December 31, 2022
Energy systems	1 - 15 years	\$ 2,810,232	\$ 2,810,232
Machinery and equipment	5 - 7 years	1,624,885	1,624,885
Furniture and fixtures	5 years	196,007	196,007
Computer software	3 - 5 years	192,865	192,865
Leasehold improvements	*	466,789	466,789
		5,290,778	5,290,778
Less - accumulated depreciation and amortization		(4,000,550)	(3,883,058)
		\$ 1,290,228	\$ 1,407,720

* Lesser of estimated useful life of asset or lease term

Depreciation and amortization expense on property and equipment for the three months ended March 31, 2023 and 2022 was \$17,492 and \$126,792, respectively.

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

Note 6. Intangible Assets and Liabilities Other Than Goodwill

As of March 31, 2023 and December 31, 2022 we had the following amounts related to intangible assets and liabilities other than goodwill:

	March 31, 2023			December 31, 2022		
	Cost	Accumulated Amortization	Total	Cost	Accumulated Amortization	Total
Intangible assets						
Product certifications	\$ 777,465	\$ (597,499)	\$ 179,966	\$ 777,465	\$ (584,863)	\$ 192,602
Patents	888,910	(427,515)	461,395	888,910	(405,140)	483,770
Developed technology	240,000	(160,000)	80,000	240,000	(156,000)	84,000
Trademarks	26,896	—	26,896	26,896	—	26,896
In Process R&D	263,936	(75,410)	188,526	263,936	(65,984)	197,952
Favorable contract asset	384,465	(373,363)	11,102	384,465	(372,091)	12,374
	<u>\$ 2,581,672</u>	<u>\$ (1,633,787)</u>	<u>\$ 947,885</u>	<u>\$ 2,581,672</u>	<u>\$ (1,584,078)</u>	<u>\$ 997,594</u>
Intangible liability						
Unfavorable contract liability	<u>\$ 2,618,168</u>	<u>\$ (1,859,232)</u>	<u>\$ 758,936</u>	<u>\$ 2,618,168</u>	<u>\$ (1,797,951)</u>	<u>\$ 820,217</u>

The aggregate amortization expense related to intangible assets and liabilities exclusive of contract related intangibles for the three months ended March 31, 2023 and 2022 was \$49,361 and \$50,795. The net credit to cost of sales related to the amortization of the contract related intangible asset and liability for the three months ended March 31, 2023 and 2022 was \$60,933 and \$70,526, respectively

Favorable/Unfavorable Contract Assets and Liabilities

The favorable contract asset and unfavorable contract liability in the foregoing table represent the estimated fair value of American DG Energy's customer contracts (both positive for favorable contracts and negative for unfavorable contracts) which were acquired by us in May 2017.

Amortization of intangibles including contract related amounts is calculated using the straight-line method over the remaining useful life or contract term. Aggregate future amortization over the next five years and thereafter as of March 31, 2023 is estimated to be as follows:

	Non-contract Related Intangibles	Contract Related Intangibles	Total
Year 1	\$ 198,951	\$ (223,230)	\$ (24,279)
Year 2	181,065	(146,940)	34,125
Year 3	177,295	(97,376)	79,919
Year 4	172,495	(62,692)	109,803
Year 5	136,158	(55,026)	81,132
Thereafter	55,025	(173,672)	(118,647)
Total	<u>\$ 920,989</u>	<u>(758,936)</u>	<u>\$ 162,053</u>

Note 7. Sale of Energy Producing Assets and Goodwill Impairment

During the first quarter of 2019 we recognized two individual sales of energy producing assets, for a total of eight power purchase agreements, including the associated energy production contracts for total consideration of \$7 million.

In connection with these assets sales, we entered into agreements with the purchaser to maintain and operate the assets over the remaining periods of the associated energy production contracts (through August 2033 and January 2034, respectively) in exchange for monthly maintenance and operating fees. These agreements contain provisions whereby we have guaranteed to the purchaser a minimum level or threshold of cash flows from the associated energy production contracts. Actual results are

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Notes to Condensed Consolidated Financial Statements

compared to the minimum threshold bi-annually and we are contractually obligated to reimburse any shortfall to the purchaser. To the extent actual cash flow results exceed the minimum threshold, we are entitled to fifty percent of such excess under the agreements. Based upon an analysis of these energy producing assets expected future performance, as of March 31, 2023, we do not expect to make any material payments under the guarantee.

At March 31, 2023, we were due \$22,229 under the energy production contracts, representing outstanding accounts receivable balances that were due from the purchaser's customers which were past due at December 31, 2022 and have since been collected. We expect to receive these funds in the third quarter of 2023 when the bi-annual reconciliation for the period ended June 30, 2023 is prepared.

The foregoing agreements also contain provisions whereby we have agreed to make whole the purchaser in the event the counterparty to the energy production contract(s) defaults on or otherwise terminates before the stated expiration of the energy production contract. Should we be required to make whole the purchaser under such provisions, we would be entitled to seek recovery from the counterparty to the energy production contract(s) under a similar provision contained in those contracts in respect of early termination.

We are also responsible under the agreements for site decommissioning costs, if any, in excess of certain threshold amounts by site. Decommissioning of site assets is performed when, if and as requested by the counterparty to the energy production contract upon termination of the energy production contract.

Note 8. Leases

Our leases principally consist of operating leases related to our corporate office, field offices, and our research, manufacturing and storage facilities.

At inception, we determine if an arrangement contains a lease and whether that lease meets the classification criteria of a finance or operating lease. Some of our lease agreements contain lease components (e.g. minimum rent payments) and non-lease components (e.g. maintenance, labor charges, etc.). We account for each component separately based on the estimated standalone price of each component.

Operating leases are included in Right-of-use assets, Lease obligations, current and Lease obligations, long term on the condensed consolidated balance sheets. These assets and liabilities are recognized at the commencement date based on the present value of remaining lease payments over the lease term and using an incremental borrowing rate consistent with the lease terms or implicit rates, when readily determinable. For those leases where it is reasonably certain at the commencement date that we will exercise the option to extend the lease, then the lease term will include the lease extension term. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the balance sheet.

Lease expense for operating leases, which principally consist of fixed payments for base rent, is recognized on a straight-line basis over the lease term. Lease expense for the three months ended March 31, 2023 and 2022 was \$189,715 and and \$196,979, respectively.

Supplemental information related to leases for the three months ended March 31, 2023 was as follows:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 184,072	\$ 181,661
Right-of-use assets obtained in exchange for operating lease liabilities	\$ —	\$ —
Weighted-average remaining lease term - operating leases	3.60 years	3.80 years
Weighted-average discount rate - operating leases	6 %	6 %

Supplemental information related to operating leases as of March 31, 2023 and December 31, 2022 was as follows:

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Notes to Condensed Consolidated Financial Statements

	March 31, 2023	December 31, 2022
Operating leases		
Right-of-use assets	\$ 1,084,033	\$ 1,245,549
Operating lease liability, current	\$ 646,805	\$ 687,589
Operating lease liability, long-term	496,526	623,452
Total operating lease liability	\$ 1,143,331	\$ 1,311,041

Future minimum lease commitments under non-cancellable operating leases as of March 31, 2023 were as follows:

	Operating Leases
Year 1	\$ 691,899
Year 2	146,956
Year 3	120,763
Year 4	94,023
Year 5	53,092
Thereafter	157,648
Total lease payments	1,264,381
Less: imputed interest	121,050
Total	\$ 1,143,331

The lease on our headquarters located in Waltham, Massachusetts which consists of approximately 43,000 square feet of manufacturing, storage and office space, expires on March 31, 2024. Currently, our monthly base rent is \$44,254. On March 31, 2023, we entered into two lease agreements for two adjoining buildings, located in Billerica, Massachusetts, containing approximately 26,412 square feet of manufacturing, storage and offices space to serve as our headquarters and manufacturing facilities. Under the terms of the leases, which have initial lease terms of five (5) years with two successive options to renew for additional terms of five (5) years, both leases commence on January 1, 2024 and require payment of the base rent, plus real estate taxes and common maintenance expenses. Our costs for initial improvements required to the leased premises is estimated to range between \$1,000,000 and \$1,250,000. The estimated straight-line rent expense for the initial term of the lease is approximately \$4,800. In accordance with ASC 842-20-30-1, we will record the lease liability and right-of-use asset using the discount rate for the lease upon the lease commencement date.

Note 9. Stock-Based Compensation

Stock-Based Compensation

We adopted a 2006 Stock Option and Incentive Plan, or the Plan, under which the Board of Directors may grant incentive or non-qualified stock options and stock grants to key employees, directors, advisors and consultants. The Plan was amended at various dates by the Board of Directors to increase the reserved shares of common stock issuable under the Amended Plan to 3,838,750 as of March 31, 2023, and in June 2017 stockholders approved an amendment to extend the termination date of the Plan to January 1, 2026.

Stock options vest based upon the terms within the individual option grants, with an acceleration of the unvested portion of such options upon a change in control event, as defined in the Amended Plan. The options are not transferable except by will or domestic relations order. The option price per share under the Amended Plan cannot be less than the fair market value of the underlying shares on the date of the grant. The number of shares remaining available for future issuance under the Amended Plan as of March 31, 2023 was 150,893.

During the three months ended March 31, 2023, we did not grant any options to purchase shares of common stock under the Amended Plan.

We adopted the 2022 Stock Incentive Plan (the "2022 Plan"), under which the Board of Directors may grant incentive or non-qualified stock options and stock grants to key employees, directors, advisors and consultants. We have reserved

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3,800,000 shares of our common stock for issuance pursuant to awards under the 2022 Plan. The adoption of the 2022 Plan was approved by our shareholders on June 9, 2022.

Under the 2022 Plan, stock options vest based upon the terms within the individual option grants, with an acceleration of the unvested portion of such options upon a change in control event, as defined in the 2022 Plan. The options are not transferable except by will or domestic relations order. The option price per share under the 2022 Plan cannot be less than the fair market value of the underlying shares on the date of the grant. The number of shares remaining available for future issuance under the Plan as of March 31, 2023 was 3,600,000.

During the three months ended March 31, 2023, we did not grant any options to purchase shares of common stock under the 2022 Plan.

Stock option activity for the three months ended March 31, 2023 was as follows:

Common Stock Options	Number of Options	Exercise Price Per Share	Weighted Average Exercise Price	Weighted Average Remaining Life	Aggregate Intrinsic Value
Outstanding, December 31, 2022	3,204,297	\$0.71-\$10.33	\$ 1.61	7.30 years	\$ 882,074
Granted	—				
Exercised	—				
Canceled and forfeited	(4,500)	\$1.10-\$1.13	\$ 1.11		
Outstanding, March 31 2023	3,199,797	\$0.71-\$10.33	\$ 1.61	7.05 years	\$ 741,404
Exercisable, March 31, 2023	1,768,222		\$ 2.08		\$ 375,744
Vested and expected to vest, March 31, 2023	2,985,061		\$ 1.65		\$ 686,555

Consolidated stock-based compensation expense for the three months ended March 31, 2023 and 2022 was \$77,348 and \$95,707, respectively. No tax benefit was recognized related to the stock-based compensation recorded during the period.

At March 31, 2023 the total compensation cost related to unvested stock option awards not yet recognized is \$21,659 and this amount will be recognized over a weighted average period of 1.46 years.

Note 10. Fair Value Measurements

The fair value topic of the FASB Accounting Standards Codification defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available, and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities. We currently do not have any Level 1 financial assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1. Level 2 inputs include quoted prices for identical assets or liabilities in non-active markets, quoted prices for similar assets or liabilities in active markets and inputs other than quoted prices that are observable for substantially the full term of the asset or liability. We have Level 2 financial assets and liabilities as provided below.

Level 3 - Unobservable inputs reflecting management's own assumptions about the input used in pricing the asset or liability. We do not currently have any Level 3 financial assets or liabilities.

The following tables presents the asset reported in "other assets" in the consolidated balance sheet measured at its fair value on a recurring basis as of March 31, 2023 and 2022 by level within the fair value hierarchy.

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March 31, 2023					
Description	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Unrealized Gains
Recurring fair value measurements					
Marketable equity securities					
EuroSite Power Inc.	\$ 93,744	\$ —	\$ 93,744	\$ —	\$ —
Total recurring fair value measurements	\$ 93,744	\$ —	\$ 93,744	\$ —	\$ —

March 31, 2022					
Description	Total	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Unrealized Gains
Recurring fair value measurements					
Marketable equity securities					
EuroSite Power Inc.	\$ 112,492	\$ —	\$ 112,492	\$ —	\$ 37,497
Total recurring fair value measurements	\$ 112,492	\$ —	\$ 112,492	\$ —	\$ 37,497

We utilize a Level 2 category fair value measurement to value its investment in EuroSite Power, Inc. as a marketable equity security at period end. That measurement is equal to the quoted market closing price at period end. Since this security is not actively traded we classify it as Level 2.

The following table summarizes changes in Level 2 assets which are comprised of marketable equity securities for the three months ended March 31, 2023 and 2022:

Fair value at December 31, 2022	\$ 93,744
Unrealized gains	—
Fair value at March 31, 2023	\$ 93,744

Fair value at December 31, 2021	\$ 74,995
Unrealized gains	37,497
Fair value at March 31, 2022	\$ 112,492

Note 11. Segments

As of March 31, 2023, we were organized into three operating segments through which senior management evaluates our business. These segments, as described in more detail in Note 1, are organized around the products and services provided to customers and represent our reportable segments. The following table presents information by reportable segment for the three months ended March 31, 2023 and 2022:

TECOGEN INC.
Notes to Condensed Consolidated Financial Statements

	Products	Services	Energy Production	Corporate, other and elimination (1)	Total
Three Months Ended March 31, 2023					
Revenue - external customers	\$ 1,710,136	\$ 3,136,173	\$ 533,509	\$ —	\$ 5,379,818
Intersegment revenue	—	88,214	—	(88,214)	—
Total revenue	<u>\$ 1,710,136</u>	<u>\$ 3,224,387</u>	<u>\$ 533,509</u>	<u>\$ (88,214)</u>	<u>\$ 5,379,818</u>
Gross profit	<u>\$ 497,567</u>	<u>\$ 1,398,572</u>	<u>\$ 195,770</u>	<u>\$ —</u>	<u>\$ 2,091,909</u>
Identifiable assets	<u>\$ 12,023,164</u>	<u>\$ 9,750,153</u>	<u>\$ 3,433,439</u>	<u>\$ 3,036,675</u>	<u>\$ 28,243,431</u>

**Three Months Ended March 31,
2022**

Revenue - external customers	\$ 3,939,481	\$ 2,917,280	\$ 581,562	\$ —	\$ 7,438,323
Intersegment revenue	—	95,253	—	(95,253)	—
Total revenue	<u>\$ 3,939,481</u>	<u>\$ 3,012,533</u>	<u>\$ 581,562</u>	<u>\$ (95,253)</u>	<u>\$ 7,438,323</u>
Gross profit	<u>\$ 1,294,726</u>	<u>\$ 1,550,527</u>	<u>\$ 245,535</u>	<u>\$ —</u>	<u>\$ 3,090,788</u>
Identifiable assets	<u>\$ 10,204,104</u>	<u>\$ 9,827,069</u>	<u>\$ 3,978,145</u>	<u>\$ 8,754,653</u>	<u>\$ 32,763,971</u>

(1) Corporate, intersegment revenue, other and elimination includes various corporate assets.

Note 12. Subsequent Events

We have evaluated events through the date of this filing, and, except as described below, have determined that no material subsequent events occurred that would require recognition in the consolidated financial statements or disclosure in the notes thereto.

On March 15, 2023, we entered into an Agreement with Aegis Energy Services, LLC (“Aegis”) regarding the assignment and assumption of certain maintenance agreements, the purchase and sale of certain assets, and related matters (the “Agreement”) pursuant to which we agreed to assume Aegis’ rights and obligations arising on or after April 1, 2023 under Maintenance Agreements for 202 cogeneration systems, and acquire certain vehicles and inventory used in connection with the performance of maintenance services. On April 1, 2023, we closed on the agreement with Aegis and acquired certain Aegis vehicles for \$ 170,000, and hired eight (8) former Aegis employees who will continue to provide maintenance services relating to the cogeneration systems. As agreed, Aegis will provide transitional services relating to the assumed Maintenance Agreements. between the closing and June 30, 2023, we will acquire from Aegis inventory used to provide maintenance services in exchange for a credit of \$300,000 to be used for purchases by Aegis of our cogeneration equipment on or before June 30, 2023. Following the closing, for a period of up to seven years, we will pay Aegis a portion of the revenue collected for maintenance services provided pursuant to the assumed Maintenance Agreements. We also have the right to assume Aegis’ remaining Maintenance Agreements for cogeneration systems on the same terms and conditions but effective December 31, 2023 to the extent that Aegis is permitted to assign such agreements to us in accordance with the terms of such agreements. Management is in the process of evaluating the accounting impact of the Aegis agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations and other parts of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-Q regarding the potential future impact of the COVID-19 pandemic on our business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Such forward-looking statements include, among other things, statements regarding the impact of the coronavirus pandemic on demand for our products and services, the availability of incentives, rebates, and tax benefits relating to our products, changes in the regulatory environment relating to our products, competing technological developments, and the availability of financing to fund our operations and growth. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 Form 10-K"), as supplemented, and Part II, Item 1A of this Form 10-Q, in each case under the heading "Risk Factors." The following discussion should be read in conjunction with the 2021 Form 10-K filed with the Securities and Exchange Commission ("SEC") and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q. Each of the terms "Tecogen," "we," "our," and "us" as used herein refer collectively to Tecogen Inc. and our wholly owned subsidiaries, unless otherwise stated. While we may elect to update forward-looking statements in the future, we specifically disclaim any obligation to do so, even if our estimates change, and you should not rely on those forward-looking statements as representing our views as of any date subsequent to the date of the filing of this Form 10-Q.

Recent Developments

Assumption of Aegis Energy Services Maintenance Agreements

On March 15, 2023, we entered into an Agreement with Aegis Energy Services, LLC ("Aegis") regarding the assignment and assumption of certain maintenance agreements, the purchase and sale of certain assets, and related matters (the "Agreement") pursuant to which we agreed to assume Aegis' rights and obligations arising on or after April 1, 2023 under Maintenance Agreements for 202 cogeneration systems, and acquire certain vehicles and inventory used in connection with the performance of maintenance services. On April 1, 2023, we closed on the agreement with Aegis and acquired certain Aegis vehicles for \$170,000, and hired eight (8) former Aegis employees who will continue to provide maintenance services relating to the cogeneration systems. As agreed, Aegis will provide transitional services relating to the assumed Maintenance Agreements between the closing and June 30, 2023, and we will acquire from Aegis inventory used to provide maintenance services in exchange for a credit of \$300,000 to be used for purchases by Aegis of our cogeneration equipment on or before June 30, 2023. Following the closing, for a period of up to seven years, we will pay Aegis a portion of the revenue collected for maintenance services provided pursuant to the assumed Maintenance Agreements. We also have the right to assume Aegis' remaining Maintenance Agreements for cogeneration systems on the same terms and conditions but effective December 31, 2023 to the extent that Aegis is permitted to assign such agreements to us in accordance with the terms of such agreements.

Tecochill Hybrid-Drive Air-Cooled Chiller Development

TECOGEN INC.

During the third quarter of 2021 we began development of the Tecochill Hybrid-Drive Air-Cooled Chiller. We recognized that there were many applications where the customer wanted an easy to install roof top chiller. Using the inverter design from our InVerde e+ cogeneration module, the system can simultaneously take two inputs, one from the grid or a renewable energy source and one from our natural gas engine. This allows a customer to seek the optimum blend of operational cost savings and greenhouse gas benefits while providing added resiliency from two power sources. We introduced the Tecochill Hybrid-Drive Air-Cooled Chiller at the AHR Expo in February 2023 and expect to see incremental revenue in the fourth quarter of 2023. A patent application based on this concept has been filed with the US Patent and Trademark Office.

Controlled Environment Agriculture: NetZero Greens

On July 20, 2022, we announced our intention to increase our focus on opportunities relating to Controlled Environment Agriculture (CEA). Tecogen believes that CEA offers an exciting opportunity to apply the company's expertise in clean cooling, power generation, and greenhouse gas reduction to address critical issues affecting food and energy security. We believe that CEA offers an exciting opportunity to apply our expertise in clean cooling, power generation, and greenhouse gas reduction to address critical issues affecting food and energy security. We propose to address this challenge by developing a highly efficient energy solution for CEA grown produce using our cogeneration products in conjunction with solar energy generation, energy storage, and other technologies.

CEA facilities enable multiple crop cycles (15 to 20 cycles) in one year compared to one or two crop cycles in conventional farming. In addition, growing produce close to the point of sale reduces food spoilage during transportation. Food crops grown in greenhouses typically have lower yields per square foot than in CEA facilities, and the push to situate facilities close to consumers in cities requires minimizing land area and maximizing yield per square foot. Yields are increased in CEA facilities by supplementing or replacing natural light with grow lights in a climate-controlled environment - which requires significant energy use.

In recent years our cogeneration equipment has been used in numerous cannabis cultivation facilities because our systems significantly reduce operating costs, reduce the facility GHG footprint and offer resiliency to grid outages. Our experience providing clean energy solutions to cannabis cultivation facilities has given us significant insight into requirements relating to energy-intensive indoor agriculture applications that we expect to be transferable to CEA facilities for food production.

Employee Retention Credit

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law providing numerous tax provisions and other stimulus measures, including an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC.

As a result of our election to use an alternative quarter, we qualified for the ERC in the first, second and third quarters of 2021 because our gross receipts decreased by more than 20% from the first, second and third quarters of 2019. As a result of averaging 100 or fewer full-time employees in 2019, all wages paid to employees in the first, second and third quarters of 2021, excluding the wages applied to the Paycheck Protection Program Second Draw Loan, were eligible for the ERC.

During the three months ended June 30, 2021, we recorded an ERC benefit for the first and second quarters of 2021 of \$13,269 and, in the three months ended September 30, 2021 we recorded an ERC benefit for the third quarter of 2021 of \$562,752, respectively, in other income (expense), net in the our condensed consolidated statements of operations. On April 14, 2022, we received \$564,027 from the Internal Revenue Service representing the ERC claim for the third quarter of 2021 and \$1,275 of accrued interest. We received \$667,121 from the Internal Revenue Service on January 12, 2023 in payment of the ERC claimed from the first and second quarters of 2021 and \$15,775 of accrued interest, which is reported in other income (expense) in our condensed consolidated statements of operations for the three months ended March 31, 2023. A current receivable in the amount of \$46,148 is included in our condensed consolidated balance sheet as of March 31, 2023. We expect to receive the remaining balance in 2023.

COVID-19 Update

TECOGEN INC.

During the first quarter of fiscal 2020, a novel strain of coronavirus ("COVID-19") began spreading rapidly throughout the world, prompting governments and businesses to take unprecedented measures in response. Such measures included restrictions on travel and business operations, temporary closures of businesses, and quarantines and shelter-in-place orders. The COVID-19 pandemic has significantly impacted supply chains, curtailed global economic activity, and caused significant volatility and disruption in global markets. The COVID-19 pandemic and the measures taken by U.S. Federal, state and local governments in response have materially adversely affected and could in the future materially impact our business, results of operations, financial condition and stock price. The impact of the pandemic remains uncertain and will depend on the growth in the number of infections, fatalities, the duration of the pandemic, steps taken to combat the pandemic, and the development and availability of effective treatments. We have made every effort to keep our employees who operate our business safe and minimize unnecessary risk of exposure to the virus.

Impact of the Russian Invasion of Ukraine

Presently, we have no operations or customers in Russia or the Ukraine. The higher energy prices for natural gas as a result of the war may affect the performance of our Energy Production segment. However, we have also seen higher electricity prices as much of the electricity production in the United States is generated from fossil fuels. If the electricity prices continue to rise, the economic savings generated by our products are likely to increase. In addition to the direct result of changes in natural gas and electricity prices, the war in Ukraine may result in higher cybersecurity risks, increased or ongoing supply chain challenges, and volatility related to the trading prices of commodities.

Overview

Tecogen designs, manufactures and sells industrial and commercial cogeneration systems that produce combinations of electricity, hot water and air conditioning using automotive engines that have been adapted to run on natural gas. In some cases, our customers may choose to have us engineer and install the system for them rather than simply purchase the cogeneration and/or chiller units, which we refer to as "turnkey" projects. Cogeneration systems are efficient because, in addition to supplying mechanical energy to power electric generators or compressors – displacing utility supplied electricity – they provide an opportunity for the facility to incorporate the engine's waste heat into onsite processes, such as space and potable water heating. We produce standardized, modular, small-scale products, with a limited number of product configurations that are adaptable to multiple applications. We refer to these combined heat and power products as CHP (electricity plus heat) and Engine driven chillers (cooling plus heat).

Our products are sold directly to end-users by our in-house marketing team and by established sales agents and representatives. We have agreements in place with distributors and sales representatives. Our existing customers include hospitals and nursing homes, colleges and universities, health clubs and spas, hotels and motels, office and retail buildings, food and beverage processors, multi-unit residential buildings, laundries, ice rinks, swimming pools, factories, municipal buildings, military installations and indoor growing facilities. We have an installed base of more than 3,150 units. Our products have long useful lives with proper maintenance. Some of our units have been operating for over 35 years.

With the acquisition of American DG Energy Inc. ("ADGE") in May 2017, we added an additional source of revenue. Through ADGE, we install, own, operate and maintain complete distributed generation of electricity systems, or DG systems or energy systems, and other complementary systems at customer sites, and sell electricity, hot water, heat and cooling energy under long-term contracts at prices guaranteed to the customer to be below conventional utility rates. Each month we obtain readings from our energy meters to determine the amount of energy produced for each customer. We use a contractually defined formula to multiply these readings by the appropriate published price of energy (electricity, natural gas or oil) from each customer's local energy utility, to derive the value of our monthly energy sale, which includes a negotiated discount. Our revenues per customer on a monthly basis vary based on the amount of energy produced by our energy systems and the published price of energy (electricity, natural gas or oil) from our customer's local energy utility that month.

Our operations are comprised of three business segments. Our Products segment designs, manufactures and sells industrial and commercial cogeneration systems as described above. Our Services segment provides O&M services for our products under long term service contracts. Our Energy Production segment sells energy in the form of electricity, heat, hot water and cooling to our customers under long-term sales agreements.

TECOGEN INC.

Results of Operations

First Quarter of 2023 Compared to First Quarter of 2022

The following table sets forth for the periods indicated, the percentage of net sales represented by certain items reflected in our condensed consolidated statements of operations:

	Three Months Ended			
	March 31, 2023		March 31, 2022	
Revenues	100.0	%	100.0	%
Cost of sales	61.1	%	58.4	%
Gross profit	38.9	%	41.6	%
Operating expenses				
General and administrative	51.9	%	33.3	%
Selling	9.7	%	6.7	%
Research and development	4.3	%	1.9	%
Total operating expenses	65.8	%	40.5	%
Income (loss) from operations	(26.9)	%	1.1	%
Total other income (expense), net	—	%	0.3	%
Income (loss) before income taxes	(26.9)	%	1.4	%
Provision for state income taxes	0.4	%	0.1	%
Consolidated net income (loss)	(27.4)	%	1.3	%
Income attributable to the non-controlling interest	(0.3)	%	(0.1)	%
Net income (loss) attributable to Tecogen, Inc.	(27.7)	%	1.2	%

Revenues

The following table presents revenue for the periods indicated, by segment and the change from the prior year:

	Three Months Ended March 31,			
	2023	2022	Increase (Decrease) \$	Increase (Decrease) %
REVENUES:				
Products				
Cogeneration	\$ 543,693	\$ 2,174,004	\$ (1,630,311)	(75.0) %
Chiller	1,068,934	1,607,408	(538,474)	(33.5) %
Engineered accessories	97,509	158,069	(60,560)	(38.3) %
Total product revenues	1,710,136	3,939,481	(2,229,345)	(56.6) %
Services				
Maintenance services	3,136,173	2,897,171	239,002	8.2 %
Installation services	—	20,109	(20,109)	(100.0) %
Total service revenues	3,136,173	2,917,280	218,893	7.5 %
Products and services	4,846,309	6,856,761	(2,010,452)	(29.3) %
Energy production revenues	533,509	581,562	(48,053)	(8.3) %
Total revenues	\$ 5,379,818	\$ 7,438,323	\$ (2,058,505)	(27.7) %

Total revenues for the three months ended March 31, 2023 were \$5,379,818 compared to \$7,438,323 for the same period in 2022, a decrease of \$2,058,505 or 27.7% year over year.

TECOGEN INC.

Products

Product revenues in the three months ended March 31, 2023 were \$1,710,136 compared to \$3,939,481 for the same period in 2022, a decrease of \$2,229,345, or 56.6%. The decrease in revenue during the three months ended March 31, 2023 is due primarily to a decrease in cogeneration sales of \$1,630,311, a decrease in chiller sales of \$538,474, and, a decrease in sales of engineered accessories of \$60,560. Our product sales mix, as well as product revenue, can vary significantly from period to period as our products are high dollar, low volume sales.

Services

Service revenues in the three months ended March 31, 2023 were \$3,136,173, compared to \$2,917,280 for the same period in 2022, an increase of \$218,893, or 7.5%. The increase in revenue during the three months ended March 31, 2023 is due primarily to an increase of \$239,002, or 8.2%, in service contract revenues, offset partially by a decrease in installation revenues of \$20,109. While service contract revenue generally remains relatively constant, installation activity is likely to remain low due to our strategy of focusing on higher margin segments of our business.

Energy Production

Energy production revenues in the three months ended March 31, 2023 were \$533,509, compared to \$581,562 for the same period in 2022, a decrease of \$48,053, or 8.3%. The decrease in energy production revenue is a consequence of certain energy production sites that have permanently closed.

Cost of Sales

Cost of sales in the three months ended March 31, 2023 was \$3,287,909 compared to \$4,347,535 for the same period in 2022, a decrease of \$1,059,626, or 24.4%. The decrease in cost of sales is due to decreased product revenue volume, offset partially by the impact of inflation on material costs. During the three months ended March 31, 2023 our gross margin decreased to 38.9% compared to 41.6% for the same period in 2022, a 2.7% percentage point decrease due to higher material costs.

Products

Cost of sales for products in the three months ended March 31, 2023 was \$1,212,568 compared to \$2,644,756 for the same period in 2022, a decrease of \$1,432,188, or 54.2% due to decreased product revenue volume, offset partially by higher material costs. During the three months ended March 31, 2023, our products gross margin was 29.1% compared to 32.9% for the same period in 2022, a 3.8% percentage point decrease. The decrease in margin is primarily a function of increased material costs.

Services

Cost of sales for services in the three months ended March 31, 2023 was \$1,737,602 compared to \$1,366,752 for the same period in 2022, an increase of \$370,850, or 27.1%. During the three months ended March 31, 2023, our services gross margin decreased to 44.6% compared to 53.1% in the same period in 2022, a 8.5% percentage point decrease. The decrease in margin is primarily due to increased material and labor costs.

Energy Production

Cost of sales for energy production in the three months ended March 31, 2023 was \$337,739 compared to \$336,027 for the same period in 2022, an increase of \$1,712, or 0.5%. During the three months ended March 31, 2023 our energy production gross margin decreased to 36.7% compared to 42.2% for the same period in 2022, a 5.5% percentage point decrease. The decrease in the energy production gross margin is due to decreased runtime at our energy production sites in the three months ended March 31, 2023 compared to the same period in 2022.

Operating Expenses

Operating expenses increased \$531,846, or 17.7%, to \$3,541,655 in the three months ended March 31, 2023 compared to \$3,009,809 in the same period in 2022.

TECOGEN INC.

	Three Months Ended		Increase (Decrease) \$	Increase (Decrease) %
	March 31, 2023	March 31, 2022		
Operating Expenses				
General and administrative	\$ 2,792,483	\$ 2,473,903	\$ 318,580	12.9 %
Selling	520,070	501,091	18,979	3.8 %
Research and development	229,102	140,135	88,967	63.5 %
Gain on disposition of assets	—	(33,945)	33,945	(100.0) %
Gain on termination of unfavorable contract liability	—	(71,375)	71,375	(100.0) %
Total	<u>\$ 3,541,655</u>	<u>\$ 3,009,809</u>	<u>\$ 531,846</u>	<u>17.7 %</u>

General and administrative expenses consist of executive staff, accounting and legal expenses, office space, general insurance and other administrative expenses. General and administrative expenses for the three months ended March 31, 2023 were \$2,792,483 compared to \$2,473,903 for the same period in 2022, an increase of \$318,580 or 12.9%.

Selling expenses consist of sales staff, commissions, marketing, travel and other selling related expenses. Selling expenses for the three months ended March 31, 2023 were \$520,070 compared to \$501,091 for the same period in 2022, an increase of \$18,979 or 3.8%.

Research and development expenses consist of engineering and technical staff, materials, outside consulting and other related expenses. Research and development expenses for the three months ended March 31, 2023 were \$229,102 compared to \$140,135 for the same period in 2022, an increase of \$88,967 or 63.5%.

The gain on asset dispositions for three months ended March 31, 2022 of \$33,945 represents the excess of insurance proceeds received over the net book value of assets for auto and property claims filed during the period.

A gain of \$71,375 was recognized in three months ended March 31, 2022 due to a reduction in the Unfavorable Contract Liability associated with the closing of certain energy production sites.

Income (loss) from Operations

Our loss from operations for the three months ended March 31, 2023 was \$1,449,746 compared to income from operations of \$80,979 for the same period in 2022, a decrease of \$1,530,725. This decrease is due primarily to the lower revenue for our Products Segment, decreased margins and a \$531,846 increase in operating expenses.

Other Income (Expense), net

Other income, net for the three months ended March 31, 2023 was \$415 compared to other income, net of \$22,519 for the same period in 2022, a decrease of \$22,104, due primarily to the unrealized gain on investment securities of \$37,497, recognized in the three months ended March 31, 2022.

Provision for State Income Taxes

The provision for state income taxes for the three months ended March 31, 2023 and 2022 was \$22,638 and \$3,930, respectively and represents estimated income tax payments, net of refunds, to various states.

Non-controlling Interest

Income attributable to the non-controlling interest was \$18,060 for the three months ended March 31, 2023 which represents the non-controlling interest portion of American DG Energy's 51% owned subsidiary, American DG New York, LLC. For the same period in 2022, income attributable to the non-controlling interest was \$10,159.

Net Income (loss) Attributable to Tecogen Inc.

The net income attributable to Tecogen for the three months ended March 31, 2023 was a net loss of \$1,490,029 compared to a net income of \$89,409 for the same period in 2022, a decrease of \$1,579,438, or 1,766.5%. This decrease is due primarily to the lower revenue for our Products Segment, decreased margins and a \$531,846 increase in operating expenses.

TECOGEN INC.

Liquidity and Capital Resources

The following table presents a summary of our net cash flows from operating, investing and financing activities:

Cash Provided by (Used in)	Three Months Ended		Increase (Decrease)
	March 31, 2023	March 31, 2022	
Operating activities	\$ (284,866)	\$ 1,894,471	\$ (2,179,337)
Investing activities	—	(48,064)	48,064
Financing activities	—	—	—
Cash Provided by (Used in)	\$ (284,866)	\$ 1,846,407	\$ (2,131,273)

Consolidated working capital at March 31, 2023 was \$12,964,213 compared to \$14,344,288 at December 31, 2022, a decrease of \$1,380,075. Included in working capital were cash and cash equivalents of \$1,629,103 at March 31, 2023, compared to \$1,913,969 at December 31, 2022, a decrease of \$284,866, or 14.9%.

Cash Flows from Operating Activities

Cash used by operating activities for the three months ended March 31, 2023 was \$284,866 compared to \$1,894,471 of cash provided by operating activities for the same period in 2022, a decrease of \$2,179,337, or 115.0%. Our accounts receivable and unbilled revenue balances were \$6,758,360 and \$1,788,902, respectively, at March 31, 2023 compared to \$6,714,122 and \$1,805,330 at December 31, 2022, using \$44,238 of cash and providing \$16,428 of cash, respectively. During the three months ended March 31, 2023 we collected the majority of the outstanding Employee Retention Credit receivables, providing \$667,121 of cash from operations.

Accounts payable increased to \$4,167,461 as of March 31, 2023 from \$3,261,952 at December 31, 2022, providing \$905,509 in cash flow from operations. The increase in accounts payable was due to increased material purchases. Deferred revenue increased as of March 31, 2023 compared to December 31, 2022, due to increased customer deposits, providing \$852,600 of cash from operations. We expect accounts payable and deferred revenue to fluctuate with routine changes in operations.

Cash Flows from Investing Activities

During the three months ended March 31, 2023 there were no cash flows from investing activities. For the three months ended March 31, 2022 cash used in investing activities was \$48,064. During the three months ended March 31, 2022 we used \$80,873 of cash to purchase property, plant and equipment, \$16,220 to acquired intangible assets and, distributed \$15,640 to the non-controlling interest holders of American DG New York LLC, partially offset by the receipt of \$64,669 in proceeds from the disposition of assets, including insurance proceeds.

Cash Flows from Financing Activities

During the three months ended March 31, 2023 and 2022 there we no cash flows from financing activities.

Backlog

As of March 31, 2023, our backlog of product and installation projects, excluding service contracts, was \$7.1 million, consisting of \$5.2 million of purchase orders received by us and \$1.9 million of projects in which the customer's internal approval process is complete, financial resources have been allocated and the customer has made a firm verbal commitment that the order is in the process of execution. As of March 31, 2022, our backlog of product and installation projects, excluding service contracts, was \$9.4 million consisting of \$6.4 million of purchase orders received by us and \$2.9 million of projects in which the customer's internal approval process is complete. Backlog at the beginning of any period is not necessarily indicative of future performance. Our presentation of backlog may differ from other companies in our industry.

Employee Retention Credit

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was signed into law providing numerous tax provisions and other stimulus measures, including an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021 extended and expanded the availability of the ERC.

TECOGEN INC.

As a result of our election to use an alternative quarter, we qualified for the ERC in the first, second and third quarters of 2021 because our gross receipts decreased by more than 20% from the first, second and third quarters of 2019. As a result of averaging 100 or fewer full-time employees in 2019, all wages paid to employees in the first, second and third quarters of 2021, excluding the wages applied to the Paycheck Protection Program Second Draw Loan, were eligible for the ERC.

A current receivable in the amount of \$46,148 is included in our condensed consolidated balance sheet as of March 31, 2023. We expect to receive the remaining balance in 2023.

Liquidity

At March 31, 2023, we had cash and cash equivalents of \$1,629,103, a decrease of \$284,866 or 14.9% from the cash and cash equivalents balance at December 31, 2021. During the three months ended March 31, 2023, our revenues continued to be negatively impacted due to COVID-19, resulting in customer order delays or deferrals; service delays due to customer facility closures, in some cases for extended periods, and a reduction in our energy production revenues due to customer facility closures, in some cases for extended periods, a reduction in our energy production revenues due to business closures and increased remote work and learning environments. The extent to which the coronavirus will continue to impact our business, our financial results, and our cash flows will depend on future developments which are highly uncertain and cannot be predicted.

Based on our current operating plan, we believe existing resources, including cash and cash flows from operations, will be sufficient to meet our working capital requirements for the next twelve months. The funds made available to us through the Paycheck Protection Program and Employee Retention Credit have provided liquidity for our business, and there can be no assurance that additional financing on such favorable terms will be available to us in the future. We will need to generate sufficient cash from operations to finance the company during the periods beyond twelve months in the future. If sufficient funds from operating activities are not available to finance our business, we may need to raise additional capital through debt financing or an equity offering to meet our operating and capital needs.

Significant Accounting Policies and Critical Estimates

Our significant accounting policies are discussed in the Notes to our Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2022. The accounting policies and estimates that can have a significant impact upon our operating results, financial position and footnote disclosures are described in the above notes and in the Annual Report.

Significant New Accounting Standards or Updates Not Yet Effective

The Company's critical accounting policies have remained consistent as discussed in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 23, 2023.

See Note 1, *Description of Business and Basis of Presentation*, to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Seasonality

The majority of our chilling systems sold will be operational for the summer. Demand for our service team is higher in the warmer months when cooling is required. Chiller units are generally shut down in the winter and started up again in the spring. The chiller "busy season" for the service team generally runs from May through the end of September. Our cogeneration sales are not generally affected by seasonality.

Off-Balance Sheet Arrangements

Currently, we do not have any material off-balance sheet arrangements, including any outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency contracts. We do not engage in trading activities involving non-exchange traded contracts.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.*Management's Evaluation of Disclosure Controls and Procedures:*

As of the end of the period covered by this Report, our Chief Executive Officer and Chief Financial Officer ("Certifying Officers") conducted evaluations of our disclosure controls and procedures. As defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Securities Exchange Act"), the term "disclosure controls and procedures" means controls and procedures of an issuer that are designed to ensure the information required to be disclosed by the issuer in the reports that it files or submits under the Section 13(a) or 15(d) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under Section 13(a) or 15(d) of the Securities Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officers, to allow timely decisions regarding required disclosure.

Our disclosure controls and procedures are designed to provide reasonable assurance that the control system's objectives will be met. Our management, including our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report, have concluded that our disclosure controls and procedures were not effective due to a material weakness with respect to a small number of individuals dealing with general controls over information technology. Management will continue to evaluate the above weaknesses and we are taking steps to remediate the weaknesses as resources become available.

Changes in Internal Control over Financial Reporting:

There were no changes in our internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION**Item 1. Legal Proceedings**

On November 23, 2022, we were served with a suit filed against us on August 24, 2022 in the Ontario Superior Court of Justice for damages in the amount of CDN \$1,000,000, alleging that a Tecogen cogenerator installed by us at the plaintiffs facility caught fire, causing damage to the cogenerator and the plaintiff's facility. For the year ended December 31, 2022, we reserved \$150,000 for anticipated costs which may not be covered by insurance. We are not a party to any other material pending legal proceeding.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed under "Item 1A - Risk Factors" in our Annual Report on Form 10-K for our fiscal year ended December 31, 2022 ("2022 Form 10-K"). The risks discussed in our 2021 Form 10-K could materially affect our business, financial condition and future results. The risks described in our 2022 Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition or operating results.

Item 2. Unregistered Sales of equity Securities and Use of Proceeds

None.

Item 3. Defaults in Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

TECOGEN INC.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
10.1*	Lease, dated March 31, 2023, between Alibrandi Realty Associates, LLC and Tecogen Inc., Building 1
10.2*	Lease, dated March 31, 2023, between Alibrandi Realty Associates, LLC and Tecogen Inc., Building 3
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
100.CAL**	XBRL Taxonomy Extension Calculation Linkbase
100.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith

** Furnished herewith

+ Compensatory plan or arrangement

TECOGEN INC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned.

TECOGEN INC.
(Registrant)

Dated: May 10, 2023

By: /s/ Abinand Ranges
Abinand Ranges
Chief Executive and Financial Officer
(Principal Executive and Financial Officer)

LEASE BETWEEN
ALIBRANDI REALTY ASSOCIATES, LLC
AND
TECOGEN INC

FOR SPACE AT

76 TREBLE COVE ROAD, BUILDING 1, NORTH BILLERICA, MA

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ARTICLE I
REFERENCE DATA

1.1 SUBJECTS REFERRED TO:

Each reference in this Lease to any of the following subjects shall incorporate the data stated for that subject in this Section 1.1.

LANDLORD:	Alibrandi Realty Associates, LLC
LANDLORD'S ADDRESS:	70 Treble Cove Road North Billerica, Massachusetts
LANDLORD'S REPRESENTATIVE:	Nancy Alibrandi
TENANT:	Tecogen Inc.
TENANT'S ADDRESS:	45 First Ave, Waltham, MA 02451
TENANT'S REPRESENTATIVE:	Joseph E. Gehret
BUILDING/UNIT:	Building 1 76 Treble Cove Road Billerica, MA consisting of 14,412 RSF
TENANT'S PROPORTIONATE SHARE:	Twenty-Five and One Half Percent (25.5%)
TENANT'S DESIGN COMPLETION DATE:	April 1, 2023
LEASE COMMENCEMENT DATE:	January 1, 2024
EXPENSE REIMBURSEMENT:	In order to hold the Premises for Tenant until the Lease Commencement Date, Tenant agrees to pay Landlord \$3,760 on December 1, 2023
TERM EXPIRATION DATE:	December 31, 2028

TERM: Sixty (60) Months from the Lease Commencement Date

and if elected,
Two successive options to renew for additional terms of Five (5) years

BASE RENT:

1/1/24 - 12/31/24	\$11.75 RSF	\$169,341 Annually	\$14,111.75 Monthly
1/1/25 - 12/31/25	\$12.00 RSF	\$172,944 Annually	\$14,412.00 Monthly
1/1/26 - 12/31/26	\$12.25 RSF	\$176,547 Annually	\$14,712.25 Monthly
1/1/27 - 12/31/27	\$12.50 RSF	\$180,150 Annually	\$15,012.50 Monthly
1/1/28 - 12/31/28	\$12.75 RSF	\$183,753 Annually	\$15,312.75 Monthly

BASE RENT FOR
RENEWAL TERMS:

As set forth on Exhibit G

ESTIMATED OPERATING EXPENSES: \$0.90 RSF*

ESTIMATED REAL ESTATE TAXES: \$2.23 RSF*

ANNUAL HVAC PREVENTATIVE MAINTENANCE: \$1,978*

* Amounts subject to change based on actual costs assessed

SECURITY DEPOSIT: \$20,700.00

REAL ESTATE BROKER(S): Collier International
New England
&
Cresa Partners Boston,
Inc

UTILITIES: Tenant is responsible for paying its own utilities in addition to Annual Rent, to the extent separately metered and in accordance with the provisions set forth in Exhibit C attached hereto.

PERMITTED USES: Commercial office use, storage and light manufacturing and other ancillary uses in compliance with zoning for the Premises, and the terms, covenants and conditions contained herein.

SPECIAL PROVISIONS: See Exhibit F attached hereto and made part hereof (if applicable)

1.2 EXHIBITS

The Exhibits listed below in this Section are incorporated in this Lease by reference and are to be construed as part of this Lease:

- EXHIBIT A Leasehold Improvements
- EXHIBIT B Complete Plans
- EXHIBIT C Building Services
- EXHIBIT D Rules and Regulations
- EXHIBIT E Estoppel Certificate
- EXHIBIT F Additional Provisions – Restoration of Premises
- EXHIBIT G Option to Extend

ARTICLE II

PREMISES AND TERM

2.1 PREMISES

Subject to and with the benefit of the provisions of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord, Tenant's Space in the Building, excluding exterior faces of exterior walls, the common facilities area and building service fixtures and equipment serving exclusively or in common with other parts of the Building. Tenant's Space, with such exclusions, is hereinafter referred to as the "Premises."

Tenant shall have, as appurtenant to the Premises, the right to use in common with others entitled thereto, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which it is given notice: (a) the common facilities included in the Building or on the parcel of land on which the Building is located (the "Lot") and the total of three individual parcels of land which together form the Park (the "Park") to the extent from time to time designated by Landlord; and (b) the building service fixtures and equipment serving the Premises. Tenant and its employees and invitees shall have the right to use up to Thirty-Four (34) parking spaces on a "non-exclusive, first-come, first-served basis" to be used by all tenants in the Building, for which there shall not be an additional charge to Tenant.

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use (a) to install, repair, replace, use, maintain and relocate for service to the Premises and to other parts of the Building or either, building service fixtures and equipment wherever located in the Building, and (b) to alter or relocate any other common facility provided that substitutions are substantially equivalent or better, and provided that any such changes do not diminish Tenant's ability to use or access the Premises or the Building or increase any cost to Tenant.

2.2 TERM

To have and to hold for a period (the "Term") commencing on Lease Commencement Date and continuing until the Term Expiration Date, unless sooner terminated as provided in Section 3.2 or 7.1 or in Article 9. The Term may be extended at Tenant's option as set forth in Exhibit G.

ARTICLE III

CONSTRUCTION

3.1 INITIAL CONSTRUCTION

Tenant shall, on or before Tenant's Design Completion Date, provide to Landlord for approval "Complete Plans" which shall consist of:

Complete sets of construction drawings and specifications prepared at Tenant's expense by an architect and engineer approved by Landlord and Landlord's engineer, including but not limited to:

- A. Equipment Layout Plans
- B. Dimensioned Partition Plans
- C. Electrical and Data Outlet Plans
- D. Reflected Ceiling Plan (if required as part of leasehold improvements)
- E. Door, Frame and Hardware Schedule (if required as part of leasehold improvements)
- F. Room Finish Schedule including wall finish and colors, carpet, base and floor tile colors and types, as applicable
- G. Electrical and Mechanical (Plumbing, Fire Sprinkler and HVAC) Engineered Plans
- H. All necessary construction details and specifications necessary to properly complete the work.

Landlord shall approve or provide specific comments regarding Tenant's proposed Complete Plans within thirty (30) days after submission of such plans to Landlord by Tenant. If the Complete Plans are not delivered to Landlord within thirty (30) days after Tenant's Design Completion Date, Landlord may terminate this Lease, and if Landlord does not approve or provide specific comments on the Complete Plans within thirty (30) days after Tenant submits such plans to Landlord, Tenant may terminate this Lease. Landlord and Tenant shall initial the Complete Plans when the same have been approved by Landlord.

All of Tenant's construction, installation of furnishings, and later changes or additions shall be coordinated with any work being performed by Landlord in such manner as to maintain harmonious labor relations and not to damage the Building or Lot or interfere with Building operations. Except for installation of furnishings and trade fixtures and the

installation of telephone outlets which must be performed by the local telephone company at Tenant's direction and expense, all work described in the Complete Plans (the "Leasehold Improvements") shall be performed by a licensed general contractor.

Landlord will not approve any construction, alterations, or additions requiring unusual expense to readapt the Premises to normal office use on lease termination or increasing the cost of construction, insurance, or taxes on the Building or of Landlord's services called for by Section 5.1 unless Tenant first gives assurances acceptable to Landlord that such readaptation will be made prior to such termination without expense to Landlord and makes provisions acceptable to Landlord for payment of such increased cost. All changes and additions shall be part of the Building, except such items as by writing at the time of approval the parties agree either shall be removed by Tenant on termination of this Lease, or shall be removed or left at Tenant's election.

3.2 PREPARATION OF PREMISES FOR OCCUPANCY

If Landlord is obligated to perform construction work pursuant to Exhibit A, Landlord agrees to use reasonable efforts to have completed Landlord's work within thirty (30) days following the Lease Commencement, which shall, however, be extended for a period equal to that of any delays due to restrictive governmental regulations, unusual scarcity of or inability to obtain labor or materials, labor difficulties, casualty or other causes beyond Landlord's reasonable control including Events of Force Majeure, as defined in Section 10.12 herein. The Premises shall be deemed ready for occupancy on the earlier of: (a) the date on which the Tenant occupies all or any part of the Premises (including the period and for the purposes described in the following paragraph); or (b) the Tenant may occupy on the date on which the Leasehold Improvements, as specified in Exhibit A and in the Complete Plans as specified in Exhibit B, are substantially complete and ready for occupancy as certified by the architect of record, and receipt of certificate of occupancy, with the exception of minor items which can be fully completed without material interference with Tenant and other items which because of the season or weather or the nature of the item are not practicable to do at the time, provided that none of said items is necessary to make the Premises tenantable for the Permitted Uses; provided, however, that if Landlord is unable to complete construction due to delay in Tenant's compliance with the provisions of Section 3.1 of this Lease, then the Premises shall be deemed ready for occupancy no later than the Scheduled Term Commencement Date.

In the event of Tenant's failure to comply with the provision of Section 3.1 of this Lease to submit information or to deliver construction drawings and specifications which meet Landlord's reasonable approval, Landlord may, at Landlord's option, exercisable by notice to Tenant, terminate this Lease on the date specified in said notice to Tenant, and upon such termination Landlord shall have all the rights provided in event of Tenant's default in Article IX of this Lease.

3.3 GENERAL PROVISIONS APPLICABLE TO CONSTRUCTION

All construction work required or permitted by this Lease, whether by Landlord or by Tenant, shall be done in a good and workmanlike manner and in compliance with all applicable laws and all lawful ordinances, regulations and orders of governmental authority and the requirements of all insurers of the Building. Either party may inspect the work of the other at reasonable times and shall promptly give written notice of observed defects. Landlord's obligations under Section 3.1 shall be deemed to have been performed when Tenant commences to occupy any portion of the Premises for the Permitted Uses except for items which are incomplete or do not conform with the requirements of Section 3.1 and as to which Tenant shall, in either case, have given written notice to Landlord prior to such commencement. If Tenant shall not have commenced to occupy the Premises for the Permitted Uses within 30 days after they are deemed ready for occupancy as provided in Section 3.2, a certificate of completion by a licensed architect or registered engineer shall be conclusive evidence that Landlord has performed all such obligations except for items stated in such certificate to be incomplete or not in conformity with such requirements.

3.4 REPRESENTATIVES

Each party authorizes the other to rely in connection with their respective rights and obligations under this Article III upon approval and other actions on the party's behalf by Landlord's Representative in the case of Landlord or Tenant's Representative in the case of Tenant or by any person designated in substitution or addition by notice to the party relying.

ARTICLE IV

RENT

4.1 BASE RENT

During the Term of this Lease Tenant agrees to pay rent to Landlord, without any offset or reduction whatever (except as made in accordance with the express provisions of this Lease), Base Rent equal to 1/12th of the Annual Rent in equal installments in advance on the first day of each calendar month included in the Term; and for any portion of a calendar month at the beginning or end of the Term, at the rate payable for such portion in advance.

The Base Rent during the Term of this Lease is set forth in Section 1.1 hereof. The Base Rent for any extended Term is set forth on Exhibit G attached hereto.

4.2 ADDITIONAL RENT - OPERATING EXPENSES AND REAL ESTATE TAXES

Tenant shall pay to Landlord, as Additional Rent, the sum of the Operating Expenses and Real Estate Taxes, as defined below, for the Premises during any calendar year falling entirely or partly within the Lease Term, multiplied by Tenant's Proportionate Share. If a calendar year to which this Section 4.2 applies falls only partly within the Lease Term, then Tenant's liability for Operating Expenses and Real Estate Taxes, as defined below, in that calendar year shall be prorated accordingly.

Landlord shall notify Tenant at the beginning of each calendar year of Landlord's estimate of the amount of Real Estate Taxes that Landlord likely will incur for the Building during the coming calendar year, and Landlord shall advise Tenant of the amount of its Estimated Payments (as defined below) for the coming calendar year. In the event of excessive snow removal costs incurred, Landlord may impose a Snow Removal Assessment on Operating Expenses for which Landlord shall provide documentation invoices paid and payment of assessment shall be on a pro rata basis.

Tenant shall pay to Landlord, as Additional Rent, an amount equal to 1/12th of Tenant's Proportionate Share of the Estimated Operating Expenses and Real Estate Taxes (collectively, the "*Estimated Payments*"). Tenant shall make its Estimated Payments on or before the first day of each calendar month. Tenant shall pay the amount of the Estimated Payments based upon Landlord's reasonable determination of the Estimated Operating Expenses and Real Estate Taxes for the applicable calendar year, as such may be adjusted by Landlord from time to time to reflect actual costs for such items. Landlord shall not adjust the amount of estimated payments more than three times per year, excluding any adjustments made effective January 1 of any calendar year.

The term "*Operating Expenses*" means all costs and expenses incurred by Landlord in operating, maintaining, servicing, insuring and repairing the Building, and the surface parking lots and other exterior appurtenances, including but not limited to the following: assessments for public betterments or public improvements; expenses of any proceedings for abatement of taxes and assessments with respect to any Fiscal Year; premiums for insurance; compensation and all fringe benefits, workmen's compensation, insurance premiums and payroll taxes paid by Landlord to, for or with respect to all persons engaged in the operating, maintaining, or cleaning of the Building and Lot; steam, water, sewer, electric, gas, telephone, and other utility charges not billed directly to tenants by Landlord or the utility; costs of building and cleaning supplies and equipment (including rental); cost of maintenance, cleaning and repairs; cost of snow plowing or removal, or both, and care of landscaping; payments to independent contractors under service contracts for cleaning, operating, managing, maintaining and repairing the Building and Lot (which payments may be to affiliates of Landlord provided the same are at reasonable rates consistent with the type of occupancy and the services rendered); the cost of providing reasonable amenities to the Building; and all other reasonable and necessary expenses paid

in connection with the operation, cleaning, maintenance, and repair of the Building and Lot, or either, and properly chargeable against income, it being agreed that if Landlord installs a new or replacement capital item for the purpose of reducing Landlord's Operating Costs, the annual costs thereof as reasonably amortized by Landlord over the useful life of the item so installed in accordance with generally accepted accounting principles shall be included in Landlord's Operating Costs.

The term "*Real Estate Taxes*" as used above shall mean all taxes of every kind and nature assessed by any governmental authority on the Lot, the Building and improvements, or both, which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Lot, the Building and improvements, or both, subject to the following: there shall be excluded from such taxes all income taxes, excess profits taxes, excise taxes, franchise taxes, estate succession, inheritance and transfer taxes, provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of the whole or any part of the ad valorem tax on real property, there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Lot, Building and improvements, or both, or a federal, state, county, municipal, or other local income, franchise, excise, or similar tax, assessment, levy or charge (distinct from any now in effect) measured by or based, in whole or in part, upon any such gross rent, then any and all of such taxes, assessments, levies or charges to the extent so measured or based, shall be deemed to be included within the term "Real Estate Taxes." If the Lot shall not be separately assessed for Tax purposes, Landlord shall allocate the real estate taxes attributable to the Lot on a per square foot basis.

Notwithstanding any other provision of this Section 4.2, if the Term expires or is terminated as of a date other than the last day of a calendar year at the end of the Term, Tenant's last payment to Landlord under this Section 4.2 shall be made on the basis of Landlord's reasonable estimate of the amount owing from Tenant for the period during the Term of this Lease.

Notwithstanding Tenant's making of Estimated Payments to Landlord, in the event the actual Operating Expenses and Real Estate Taxes, as determined by Landlord, exceed the Estimated Operating Expenses and Real Estate Taxes paid by Tenant for such year, then Tenant shall be obligated to reimburse Landlord within 30 days following a receipt by Tenant of a statement from Landlord to that effect, for the difference between the Estimated Payments made by Tenant during such year and the sum of the actual Operating Expenses and actual Real Estate taxes for such year, multiplied by Tenant's Proportionate Share. If the cost of snow removal during any season exceeds the average cost of snow removal during the preceding years, such excess will be treated as Additional Rent. Landlord will invoice Tenant for Tenant's Proportionate Share of such excess snow removal cost and Tenant shall pay such amount within thirty (30) days of its receipt of the invoice.

4.3 PAYMENTS

All payments of Base Rent and Additional Rent shall be made to Landlord, or to such other person as Landlord may from time to time designate. If any installment of Base Rent or Additional Rent is paid more than seven (7) days after the due date thereof, a late charge of \$100 shall be charged to Tenant, and shall be immediately due and payable as further Additional Rent. Tenant hereby agrees to pay Base Rent and Additional Rent to Landlord without offset or deduction via electronic transfer of funds.

ARTICLE V

LANDLORD'S COVENANTS

5.1 LANDLORD'S COVENANTS DURING THE TERM

Landlord covenants during the Term:

- 5.1.1 Building Services - To furnish, through Landlord's employees or independent contractors, the services listed in Exhibit C.
- 5.1.2 Additional Building Services - To furnish, through Landlord's employees or independent contractors, reasonable additional Building operation services upon reasonable advance request of Tenant at equitable rates from time to time established by Landlord to be paid by Tenant.
- 5.1.3 Repairs - Except as otherwise provided in Article VII, to make such repairs to the roof, exterior walls, floor slabs, and exterior common facilities of the Building as may be necessary to keep them in serviceable condition.
- 5.1.4 Quiet Enjoyment - That Landlord has the right to make this Lease and that Tenant, on paying the rent and performing its obligations hereunder, shall peacefully and quietly have, hold and enjoy the Premises throughout the Term without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord, subject however, to all the terms and provisions hereof.
- 5.1.5 Landlord's Insurance - During the Term, Landlord shall secure and carry a policy of insurance covering the Building and the Lot for direct risk of physical loss, on an occurrence basis, in an amount equal to the actual replacement cost of the Building (including the Premises but excluding Tenant's Leasehold Improvements and Tenant's Property), including the value of all additions, alterations,



replacements and repairs thereto made by Landlord, as well as machinery, equipment and their systems forming a part thereof, or in such greater amount as shall be required to prevent Landlord or Tenant or other tenants of the Building from becoming co-insurers within the terms of the applicable policies. The phrase "actual replacement cost" shall mean the actual replacement cost (excluding cost of excavations, foundations, and footings) without diminution of such cost for depreciation.

5.2 INTERRUPTIONS

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from power losses or shortages or from the necessity of Landlord's entering the Premises for any of the purposes in this Lease authorized, or for repairing the Premises or any portion of the Building or improvements. In case Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any service or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control, Landlord shall not be liable to Tenant therefor, nor, except as expressly otherwise provided in Article VII, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

Landlord reserves the right to stop any service or utility system when necessary, by reason of accident or emergency or until necessary repairs have been completed. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

Except as set forth herein and in Article VII, the foregoing rights shall be Tenant's sole remedy at law or in equity for the interruptions described in this Section 5.2.

5.3 ENVIRONMENTAL CONDITIONS

Landlord represents and warrants that to the best of its knowledge after due inquiry, the Premises, the Building and the Lot are presently free of asbestos, toxic waste, underground storage tanks, and Hazardous Materials, as defined in Section 6.1.19 hereof, in amounts exceeding legally established maximum thresholds. Landlord shall indemnify and hold harmless Tenant, its directors, officers, partners, and any of its employees against all costs incurred (including without limitation amounts paid pursuant to penalties, fines and/or orders) arising out of any claim made by Federal, State or local agencies or departments or private litigants or third parties with respect to violations or alleged violations of Hazardous Waste Laws as defined in Section 6.1.19 hereof or any other environmental or health laws, rules, regulations, orders, or common law, provided that such violations or alleged violations are not caused solely by Tenant, or its agents, invitees or

employees.

Landlord shall provide Tenant with all reports and information known to Landlord relating to any Hazardous Materials used or stored on the Premises, the Building, or the Lot and any violation of any Hazardous Waste Laws, as defined in Section 6.1.19 below.

ARTICLE VI

TENANT'S COVENANTS

6.1 TENANT'S COVENANTS DURING THE TERM

Tenant covenants during the Term, and such further time as Tenant occupies any part of the Premises:

- 6.1.1 Tenant's Payments - To pay when due (a) all Annual Rent and Additional Rent, (b) all taxes which may be imposed on Tenant's personal property in the Premises (including, without limitation, Tenant's furniture, fixtures and equipment) regardless of by whomever assessed, (c) all charges by public utilities for telephone and other utility services (including service inspections therefor) rendered to the Premises not otherwise required hereunder to be furnished by Landlord without charge and not consumed in connection with any services required to be furnished by Landlord without charge, and (d) as Additional Rent, all charges of Landlord for services rendered pursuant to Section 5.1.2 hereof.
- 6.1.2 Repairs and Yielding Up - Except as otherwise provided in Article VII, and Section 5.1.3, to keep the Premises in good order, repair and condition, reasonable wear only excepted, maintain and make such repairs to those systems, fixtures and equipment exclusively servicing the Premises and upon request by Landlord, to provide documentation of such maintenance and repairs within five (5) business days, and at the expiration or termination of this Lease peaceably to yield up the Premises and all changes and additions therein in such order, repair and condition, first removing all goods and effects of Tenant and any items which are removable pursuant to Section 3.1, and any changes and additions, the removal of which is required by agreement or specified therein to be removed at Landlord's election of which Landlord elects Tenant to remove, and repairing all damage caused by such removal, including patching and filling holes, and restoring the Premises and leaving them clean and neat; any property not so removed shall be deemed abandoned and may be removed and disposed of by Landlord, in such manner as Landlord shall determine, and Tenant shall pay Landlord the entire cost and expense incurred by it in effecting such

removal and disposition and in making any incidental repairs and replacements to the Premises for use and occupancy during the period after the expiration of the Term; it being agreed that the acceptance of reasonable use and wear shall not apply so as to permit Tenant to keep the Premises in anything less than suitable, tenant-like and usable condition, considering the nature of the Premises and the use reasonably made thereof, or in less than good and tenant-like repair.

- 6.1.3 Occupancy and Use - To use and occupy the Premises only for the Permitted Uses; and not to injure or deface the Premises, Building or Lot; and not to permit in the Premises any auction sale, nuisance, or the emission from the Premises of any objectionable noise or odor; nor any use thereof which is improper, offensive, contrary to law or ordinance, or liable to invalidate or increase the premiums for any insurance on the Building or its contents or liable to render necessary any alteration or addition to the Building.
- 6.1.4 Rules and Regulations - To comply with the Rules and Regulations set forth in Exhibit D and all other reasonable Rules and Regulations hereafter made by Landlord, of which Tenant has been given notice, for the care and use of the Building and Lot and their facilities and approaches, it being understood that Landlord shall use reasonable efforts to uniformly enforce such Rules and Regulations, but shall not be liable to Tenant for the failure of other tenants of the Building to conform to such Rules and Regulations.
- 6.1.5 Safety Appliances - To keep the Premises equipped with all safety appliances required by law or ordinance or any other regulation of any public authority because of any use made by Tenant and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Uses.
- 6.1.6 Assignment and Subletting - Tenant shall have the right, subject to the requirement of obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, to assign this Lease, to make any sublease, or to permit occupancy of the Premises or any part thereof by anyone other than Tenant, voluntarily or by operation of law, it being understood that in no event shall Landlord consent to any such assignment, sublease or occupancy if the same is on terms more favorable to the successor occupant than to the then occupant, and Tenant shall, as Additional Rent, reimburse Landlord promptly for reasonable legal and other expenses incurred by Landlord in connection with any request by

Tenant for consent to assignment or subletting in amounts not to exceed One Thousand Dollars (\$1,000) with respect to any such assignment or sublease. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following the execution of an approved assignment or sublease, shall be joint and several with the assignee). No consent to any of the foregoing in a specific instance shall operate as waiver in any subsequent instance.

It is agreed and understood that it shall not be unreasonable for Landlord to withhold its consent to a request to assign this Lease or sublet all or any part of the Premises if: (i) Tenant is in default of any of the terms of this Lease beyond the applicable cure period as provided for under this Lease; (ii) any such sublessee or assignee shall not agree in writing to be bound by all the terms, covenants and conditions of this Lease; (iii) the terms of the proposed assignment or sublease do not prohibit further assignment of the Lease or subletting of all or portion of the Premises without the written consent of Landlord, subject to the terms and conditions hereof; or (iv) in Landlord's reasonable discretion, the use by the proposed subtenant or assignee would cause excessive demands on the parking areas of the Building or the Lot or would be injurious or detrimental to the character of the Building or the Lot or would be inconsistent with the provisions of any other Lease in the Building or the Lot, or would violate or in any way be inconsistent with any federal, state or local permits for the Building or the Lot. In any such event, a copy of such proposed sublease or assignment and such information as Landlord may reasonably request relative to facts which would bear upon the factors entering into the determination whether Landlord's approval is to be granted, shall be sent to Landlord prior to the effective date of such sublease or assignment and Tenant shall remain fully liable for full performance of all its obligations under this Lease. In the event of an approved assignment, Landlord may elect to terminate the Lease at a specified date as agreed upon between Landlord and Tenant. In no event, however, shall the foregoing constitute an exclusive list of reasons for which Landlord may withhold consent of any such proposed assignment or subletting by Tenant, provided, however, that Landlord shall not unreasonably withhold or delay its consent with respect to any reasons not herein specified.

It is understood that Landlord shall have a period of up to fifteen (15) business days after the submission of all of such information and the proposed sublease and assignment by Tenant to make its determination whether Landlord's approval is to be granted hereunder, but Landlord's failure to make such a determination



within fifteen (15) business days shall not constitute a constructive approval of any proposed sublease or assignment. If Landlord should fail to respond and render a determination in connection with any such request from Tenant for any proposed assignment or subletting of the Premises within the timeframe as stated herein, such non-determination shall be deemed to be a denial.

Upon any approved assignment or sublease hereunder, Tenant shall remit all rents collected from any subtenant in excess of the rents due hereunder to Landlord, after deducting therefrom Tenant's reasonable transaction costs, including but not limited to reasonable attorney fees, brokerage commissions, architectural and engineering costs and tenant improvements.

Anything contained in the foregoing provisions of this section to the contrary notwithstanding, neither Tenant nor any other person having interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person from the Premises leased, used, occupied or utilized, and any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession use, occupancy or utilization of any part of the Premises.

6.1.7 Indemnity - To defend, with counsel reasonably acceptable to Landlord, save harmless, and indemnify Landlord from any liability for injury, loss, accident or damage to any person or property and from any claims, actions, proceedings and expenses and costs in connection therewith (including, without limitation, reasonable counsel fees): (i) arising from the omission, fault, willful act, negligence or other misconduct of Tenant, Tenant's employees, agents, assignees, sublessees, or invitees, or from any use made or thing done or occurring on the Premises not due to the misconduct or negligence of Landlord, or Landlord's employees, contractors or agents, or (ii) resulting from the failure of Tenant to perform and discharge its covenants and obligations under this Lease.

6.1.8 Tenant's Liability Insurance - To maintain commercial general liability insurance in the Premises in amounts which shall, at the beginning of the Term, be at least equal to \$1,000,000 per occurrence and \$2,000,000 in the aggregate for both bodily injury and property damage, and, from time to time during the Term, shall

be for such higher limits, if any, as are customarily carried in the area in which the Premises are located on property similar to the Premises and used for similar purposes, provided however that such higher limits shall not exceed Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate, and to furnish Landlord with the certificates therefor annually naming Landlord as additional insured provided further that such insurance shall not be cancelled or terminated without thirty (30) days prior written notice to Landlord.

- 6.1.9 Tenant's Workmen's Compensation Insurance - To keep all Tenant's employees working in the Premises covered by workmen's compensation insurance in statutory amounts and to furnish Landlord with certificates therefor annually provided that such insurance shall not be cancelled or terminated without thirty (30) days prior written notice to Landlord.
- 6.1.10 Landlord's Right of Entry - Upon reasonable written notice to Tenant (which notice shall be waived in the event of an emergency), to permit Landlord and Landlord's agents entry to examine the Premises at reasonable times and, if Landlord shall so elect, to make repairs or replacements; to remove, at Tenant's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerials, flagpoles, or the like that Landlord has not consented to in writing; and to show the Premises to prospective tenants during the 12 months preceding expiration of the Term and to prospective purchasers and mortgagees at all reasonable times.
- 6.1.11 Loading – Except with Landlord's prior written consent, not to place a load upon the Premises which exceed the design specifications for the Building; Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other leased space in the Building shall be placed and maintained by Tenant in settings of cork, rubber, spring, or other types of vibration or noise eliminators sufficient to eliminate such vibration or noise.
- 6.1.12 Landlord's Costs - In case Landlord shall, without any fault on its part, be made party to any litigation commenced by or against Tenant or by or against any parties in possession of the Premises or any part thereof claiming under Tenant, to pay, as Additional Rent, all costs including, without implied limitation, reasonable counsel fees incurred by or imposed upon Landlord in connection with such litigation and, as Additional Rent, also to pay all such costs and fees incurred by Landlord in connection with the enforcement by Landlord of any obligations of Tenant under this Lease.

- 6.1.13 Tenant's Property - All the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Building or on the Lot shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water, or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord, unless caused by or arising out of the negligence or misconduct of Landlord or Landlord's employees, contractors or agents. Tenant shall maintain replacement cost insurance for Tenant's Property in the Premises.
- 6.1.14 Labor and Materialmen's Liens - To pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees or independent contractors; not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises; and immediately to discharge any such liens which may so attach within two (2) business days after receipt of written notice of such attachments.
- 6.1.15 Changes or Additions - Not to make any changes or additions to the Premises, including but not limited to any changes to the telephone, conduit and wiring or other systems or services to or within the Premises without Landlord's prior written consent, which consent will not be unreasonably withheld.
- 6.1.16 Holdover - To pay to Landlord one and one half times the total of the Base Rent, together with any Additional Rent then applicable, for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise and also to pay all damages sustained by Landlord on account thereof; provided that the provisions of this subsection shall not operate as a waiver by Landlord of any right of re-entry provided in this Lease. While such holding over continues, Tenant shall be considered a tenant-at-sufferance, and at the option of the Landlord exercised by a written notice given to Tenant while such holding over continues, such holding over shall constitute an extension of this Lease for a period of one (1) year at a rate of 150% of the total Fixed Rent and additional rent as set forth herein. Notwithstanding the forgoing, in no event shall the rent payable by Tenant as set forth herein while

such holding over continues, constitute a limit on any damages sustained by Landlord on account thereof.

6.1.17

Operations by Tenant - In regard to the use and occupancy of the Premises, Tenant will at its expense: (a) keep the inside and the outside of all glass in the doors and windows of the Premises clean; Landlord, at its option, may require all outside glass, including Tenant signage, be cleaned at the same time through Landlord's contractor in order to establish uniformity of all cleanliness, all costs to be borne by Tenant; (b) keep all exterior store surfaces of the Premises clean; (c) replace promptly at Tenant's expense any cracked or broken glass of the Premises with glass of like kind and quality; (d) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (e) keep any garbage, trash, rubbish or other refuse in vermin-proof containers within the interior of the Premises until removed; (f) have such garbage, trash, rubbish, and refuse removed on a regular basis not less than three (3) times per week; (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises or which may cause any damage to the Premises, and maintain all mechanical equipment on a regular basis to ensure proper operation.

In regard to the use and occupancy of the Premises, Tenant will not: (l) place or maintain any merchandise, trash, refuse, or other articles in the entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises; (m) use or permit the use of any advertising medium such as, without limitation, loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts which is in any manner audible or visible outside the Premises; (n) cause or permit objectionable odors to emanate or to be dispelled from the Premises; (o) solicit business in the common areas or distribute handbills or other advertising matter in the common areas; (p) receive or ship articles of any kind outside the designated loading areas designated on the Complete Plans attached hereto as Exhibit B for the Premises; (q) conduct or permit to be conducted any auction, fire, going out of business, bankruptcy, or other similar type sale in or in connection with the Premises; (r) commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant of the Building or Park, or use or permit the use of any portion of the Premises for any unlawful purpose or for activity of a type which is determined by the Landlord to be not appropriate for office centers conducted in accordance with good and generally accepted standards of



operations; (t) place a load upon any floor which exceeds the floor load which the floor was designed to carry; (u) operate its heating or air conditioning in such a manner as to draw off or drain heat or air conditioning from the common areas or from the premises of any other tenant or other occupant of the Building or Park; or (v) conduct business in the Premises under any name other than the Tenant's Trade Names, or its affiliates, provided the affiliates utilize the Premises in the same or similar manner and intent, without Landlord's prior written consent in Landlord's reasonable discretion.

- 6.1.18 Signs and Advertising - Tenant will not place or suffer to be placed or maintained on the exterior of the Premises, Building or Lot, or elsewhere in the Park, or on the roof of the Premises any sign, advertising matter or any other thing of any kind, and will not place or maintain any decoration, lettering, or advertising matter on the glass of any window or door of the Premises unless and to the extent set forth in this Section 6.1.18. Tenant will, at its sole cost and expense, maintain such sign, decoration, lettering, advertising matter, or other thing as may be permitted hereunder in good condition and repair at all times.

Tenant may install an identifying sign on the entrance door to the Premises in keeping with the Landlord's sign policy and building standards, and applicable municipal regulation and Landlord shall provide and install one (1) identification sign on the park entrance placard monument sign, the cost therefore to be paid by Tenant.

Tenant shall not, without the prior written consent of Landlord: (a) paint or place any signs on the Premises, or anywhere on the exterior of the building except in accordance with the foregoing provisions, or (b) place any curtains, blinds, shades, awnings, aerals or flagpoles, or the like, in the Premises or anywhere on or in the Building visible from outside the Premises. Landlord reserves the right to reasonably disapprove of the design or type of signs, curtains, blinds, shades and awnings Tenant proposes to install, provided that such approval shall not be unreasonably withheld. Tenant shall pay the expenses involved in the erection of any sign and obtaining of permits therefor. Tenant warrants that it shall obtain all necessary permits prior to erecting any such signs, and Tenant shall remove said signs upon the termination of this Lease.

- 6.1.19 Hazardous Materials - Tenant shall not cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances, or materials onto or in the vicinity of the

Premises. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Premises any such materials or substances except to use in the ordinary course of Tenant's business (e.g., cleaning supplies and other agents used, stored or disposed of in the operation and maintenance of business machines and equipment in normal office use), and then only after written notice is given to Landlord of the identity of such substances or materials and in all cases in compliance with applicable law (including, without limitation, Hazardous Waste Laws). Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., the Massachusetts Hazardous Waste Management Act, as amended, M.G.L. c.21C, the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, as amended, M.G.L. c.21E, any applicable local ordinance or bylaw, and the regulations adopted under these acts, as amended (collectively, the "Hazardous Waste Laws"). If any lender or governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord within twenty (20) days after receipt of demand as additional charges if and only if the following conditions are satisfied: (i) if such requirement applies to the Premises, and (ii) if an independent reputable third party engineer employed by Landlord or persons acting under Landlord conclusively determines that such release has been or is likely to have been caused by Tenant or persons acting under Tenant's control. If Tenant receives from any federal, state or local governmental agency any notice of violation or alleged violation of any Hazardous Waste Law, or if Tenant is obligated to give any notice under any Hazardous Waste Law, Tenant agrees to forward to Landlord a copy of any such notice within three (3) days of Tenant's receipt or transmittal thereof. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord from any release of hazardous materials on the Premises or elsewhere in the Building, Lot or Park occurring while Tenant is in possession if caused by Tenant or persons acting under Tenant's control. Landlord shall indemnify Tenant from any release of Hazardous Materials on the Premises or elsewhere in the

Building, Lot or Park occurring while Tenant is in possession if caused by Landlord or persons acting under Landlord's control. Landlord retains the right to inspect the Premises at all reasonable times, upon reasonable notice to Tenant, to ensure compliance with this paragraph. The within covenants shall survive the expiration or earlier termination of the lease Term.

- 6.1.20 Overhead Hoists – Landlord warrants that hoists are in good working condition and have been inspected prior to occupancy. Tenant shall have use of existing overhead cranes provided a licensed hoisting operator is on the Premises. Tenant shall be responsible for annual inspections and maintenance of one (1) two ton hoist and one (1) ten ton hoist; sufficient documentation of inspections to be provided to Landlord within 30 days following inspection. To the fullest extent permitted by law, the Tenant shall indemnify and hold harmless Landlord from and against any claims, damages, losses and expenses, for bodily injury, death, or injury to or destruction of tangible property including but not limited to attorney's fees, arising out of or resulting from use and operation of hoist by Tenant, its employees, contractors, guests and invitees.

ARTICLE VII

CASUALTY AND TAKING

7.1 CASUALTY AND TAKING

In case during the Term all or any substantial part of the Premises, the Building, or any one or more of them, are damaged materially by fire, or any other cause or by action of public or other authority in consequence thereof or are taken by eminent domain or Landlord receives compensable damage by reason of anything lawfully done in pursuance of public or other authority, this Lease shall terminate at Landlord's election by written notice to Tenant within thirty (30) days after the occurrence of the event giving rise to the election to terminate, which notice shall specify the effective date of termination which shall not be less than sixty (60) nor more than ninety (90) days after the date of notice of such termination. If in any such case the Premises are rendered unfit for use and occupation and the Lease is not so terminated, Landlord shall use due diligence to put the Premises, or, in case of taking, what may remain thereof (excluding any items installed or paid for by Tenant which Tenant may be required or permitted to remove) into proper condition for use and occupation to the extent permitted by the net award of insurance or damages, and a just proportion of the Annual Rent and Additional Rent according to the nature and extent of the injury shall be abated until the Premises or such remainder shall have been put by Landlord in such condition; and in case of a taking which permanently reduces the area of the Premises, a just proportion of the Annual Rent and Additional Rent shall be abated for

the remainder of the Term and an appropriate adjustment shall be made to the Estimated Operating Expenses and Real Estate Taxes.

7.2 RESERVATION OF AWARD

Landlord reserves to itself any and all rights to receive awards made for damages to the Premises, Building or Lot and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby releases and assigns to Landlord all Tenant's rights to such awards, and covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request, hereby irrevocably designating and appointing Landlord as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof. It is agreed and understood, however, that Landlord does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for (i) movable trade fixtures installed by Tenant or anybody claiming under Tenant, at its own expense, or (ii) relocation expenses recoverable by Tenant from such authority in a separate action, provided that recovery for same does not reduce the amount of the award otherwise payable to Landlord.

ARTICLE VIII

RIGHTS OF MORTGAGEES

8.1 PRIORITY OF LEASE

Landlord shall have the option to subordinate this Lease to any mortgagee or deed of trust of the Lot or Building, or both ("the Mortgaged Premises"), provided that the holder thereof enters into an agreement with Tenant by the terms of which the holder will agree to recognize the rights of Tenant under this Lease and to accept Tenant as tenant of the Premises under the terms and conditions of this Lease in the event of acquisition of title by such holder through foreclosure proceedings or otherwise, and Tenant will agree to recognize the holder of such mortgage as Landlord in such event, which agreement shall be made to expressly bind and inure to the benefit of the successors and assigns of Tenant and of the holder and upon anyone purchasing the Mortgaged Premises at any foreclosure sale. Any such mortgage to which this Lease shall be subordinated may contain such terms, provisions, and conditions, as the holder deems usual or customary. Unless Landlord exercises such option, this Lease shall be superior to and shall not be subordinated to any mortgage or other voluntary lien or other encumbrance on the Mortgaged Premises.

8.2 LIMITATION ON MORTGAGEE'S LIABILITY

Upon entry and taking possession of the Mortgaged Premises for any purpose other than foreclosure, the holder of a mortgage shall have all rights of Landlord, and during the period of such possession, the duty to perform all Landlords' obligations hereunder. Except during such period of possession, no such holder shall be liable, either as mortgagee or as holder of a collateral assignment of this Lease, to perform, or be liable

in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall enter and take possession of the Mortgaged Premises for the purpose of foreclosing a mortgage. Upon entry for the purpose of foreclosing a mortgage, such holder shall be liable to perform all of the obligations of Landlord, subject to the provisions of Section 8.3 provided that a discontinuance of any foreclosure proceeding shall be deemed a conveyance under the provisions of Section 10.5 to the Owner of the equity of the Mortgaged Premises.

8.3 MORTGAGEE'S ELECTION

Notwithstanding any other provision to the contrary contained in this Lease, if prior to the substantial completion of Landlord's obligations under Article III, any holder of a first mortgage on the Mortgaged Premises enters and takes possession thereof for the purpose of foreclosing the mortgage, such holder may elect, by written notice given to Tenant and Landlord at any time within ninety (90) days after such entry and taking of possession, not to perform Landlord's obligations under Article III, and in such event such holder and all persons claiming under it shall be relieved of all obligations to perform, and all liability for failure to perform, said Landlord's obligations under Article III, and Tenant may terminate this Lease and all its obligations hereunder by written notice to Landlord and such holder given within ninety (90) days after the day on which such holder shall have given its notice as aforesaid.

8.4 NO PREPAYMENT OR MODIFICATION, ETC

No Annual Rent, Additional Rent, or any other charge shall be paid more than ten (10) days prior to the due dates thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such mortgagee, and Tenant shall be liable for the amount of such payments to such mortgagee. No assignment of this Lease and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to in writing by Landlord's mortgagees of record, if any.

8.5 NO RELEASE OR TERMINATION

Except as provided in section 8.7 below, no act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given written notice of Landlord's act or failure to act to Landlord's mortgagees of record, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights, and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a reasonable time thereafter, but nothing contained in this Section 8.5 shall be deemed to impose any

obligation on any such mortgagee to correct or cure any such condition. "Reasonable time" as used above means and includes a reasonable time to obtain possession of the Mortgaged Premises, if the mortgagee elects to do so, and a reasonable time to correct or cure the condition if such condition is determined to exist.

8.6 CONTINUING OFFER

The covenants and agreements contained in this Lease with respect to the rights, powers, and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Article VIII) constitute a continuing offer to any person, corporation or other entity, which by accepting or requiring an assignment of this Lease or by entry or foreclosure assumes the obligations herein set forth with respect to such mortgagee; such mortgagee is hereby constituted a party to this Lease as an obligee hereunder to the same extent as though its name was written hereon as such; and such mortgagee shall be entitled to enforce such provisions in its own name. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement which may reasonably be deemed necessary to implement the provisions of this Article VIII.

8.7 MORTGAGEE'S APPROVAL

Landlord's obligation to perform its covenants and agreements hereunder is subject to the condition precedent that this Lease be approved by the holder of any mortgage of which the Premises are a part and by the issuer of any commitment to make a mortgage loan which is in effect on the date hereof. Unless Landlord gives Tenant written notice within sixty (60) business days after the date hereof that such holder or issuer, or both, disapprove this Lease, then this condition shall be deemed to have been satisfied or waived and the provisions of this Section 8.7 shall be of no further force or effect.

8.8 SUBMITTAL OF FINANCIAL STATEMENT

At any time and from time to time during the term of this Lease that Tenant does not timely file quarterly and annual financial statements with the Securities and Exchange Commission, Tenant shall supply to Landlord and/or any Mortgagee a current financial statement or such other financial information as may be reasonably required by any such party within thirty (30) days after request therefor by Landlord and/or any Mortgagee.

ARTICLE IX

DEFAULT

9.1 EVENTS OF DEFAULT

It shall be an "Event of Default" under this Lease, if (i) Tenant fails to pay Annual Rent or Additional Rent for more than seven (7) days, or in any other case Tenant fails to perform its other non-monetary obligations hereunder for more than thirty (30) days, together with such additional time, if any, as is reasonably necessary to cure the default if



the default is of such a nature that it cannot reasonably be cured in thirty (30) days; or (iii) if Tenant makes any assignment for the benefit of creditors, or files a petition under any bankruptcy or insolvency law; or (iv) if such a petition is filed against Tenant and is not dismissed within sixty (60) days; or (v) if a receiver or similar officer becomes entitled to Tenant's leasehold hereunder and it is not returned to Tenant within ninety (90) days, or (vi) if such leasehold is taken on execution or other process of law in any action against Tenant then, and in any such cases, Landlord and the agents and servants of Landlord, may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter while such default continues and without further notice and with or without process of law enter into and upon the Premises or any part thereof or mail a notice of termination addressed to Tenant at the Premises and repossess the same and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or prior breach of covenant, and upon such entry or mailing as aforesaid, this Lease shall terminate, but Tenant shall remain liable as hereinafter provided. After the occurrence of an Event of Default as aforesaid, Tenant hereby waives all statutory rights (including, without limitation, rights of redemption, if any) to the extent such rights may be lawfully waived, and Landlord, without notice to Tenant, may store Tenant's effects and those of any person claiming through or under Tenant at the expense and risk of Tenant pending payment to Landlord of all sums due to Landlord from Tenant hereunder.

9.2 TENANT'S OBLIGATIONS AFTER TERMINATION

In the event this Lease is terminated under any of the provisions contained in Section 9.1 or shall be otherwise terminated for breach of any obligation of Tenant, Tenant covenants as follows:

- (a) to pay forthwith to Landlord, as compensation, a lump sum equal to the total rent reserved for the residue of the Term. In calculating the rent reserved, there shall be included, in addition to the Annual Rent and all Additional Rent, the value of all other consideration agreed to be paid or performed by Tenant for said residue, less the net proceeds of any rents obtained by Landlord in reletting the Premises as provided in (b)(ii) below: and
- (b) to the extent not received in (a) above or to the extent Landlord elects, in its sole discretion, to proceed under this subparagraph (b) rather than subparagraph (a), as an additional cumulative obligation, to pay punctually to Landlord all the sums and perform all the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant under this subclause (b) Tenant shall be credited with (i) any amount paid to Landlord as compensation as provided in subclause (a) of this Section 9.2 (if Landlord elects to proceed pursuant to subclause (a)); and (ii) the net proceeds of any rents obtained by Landlord by reletting the Premises, after deducting all of Landlord's reasonable expenses

in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, fees for legal services and expense of preparing the Premises for such reletting.

Landlord agrees to use commercially reasonable efforts to relet the Premises following termination, provided however that Landlord: (x) may relet the Premises or any part or parts thereof for a term or terms which may at Landlord's option, be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term and may grant such concessions and free rent as Landlord in its reasonable judgment considers advisable or necessary to relet the same and; and (y) may make such alterations, repairs and decorations in the Premises as Landlord in its reasonable judgment considers advisable or necessary to relet the same, and no action of Landlord in accordance with the foregoing subclauses (x) and/or (y), or Landlord's failure to relet or to collect the rent through reletting shall operate or be construed to release or reduce Tenant's liability as aforesaid; and (z) shall have no duty to relet the Premises to a prospective tenant who is also interested in leasing other space that Landlord (or its affiliate(s)) then has available.

So long as at least twelve (12) months of the Term remain unexpired at the time of such termination, in lieu of any other damages of indemnity and in lieu of full recovery by Landlord of all sums payable under all the foregoing provisions of this Section 9.2, Landlord may, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in Section 9.1, or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of the Annual Rent and Additional Rent accrued under Article IV in the twelve (12) months ended next prior to such termination plus the amount of Annual Rent and Additional Rent of any kind accrued and unpaid at the time of termination and less the amount of any recovery by Landlord under the foregoing provisions of this Section 9.2 up to the time of payment of such liquidated damages.

Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

ARTICLE X

MISCELLANEOUS

10.1 TITLES

The titles of the Articles are for convenience and are not to be considered in construing this Lease.

10.2 NOTICE OF LEASE

Upon request of either party, both parties shall execute and deliver, after the Term begins, a short form of this Lease in a form appropriate for recording or registration, and if this Lease is terminated before the Term expires, an instrument in such form acknowledging the date of termination.

10.3 NOTICE FROM ONE PARTY TO THE OTHER

No notice, approval, consent requested, or election required or permitted to be given or made pursuant to this Lease shall be effective unless the same is in writing. Communications shall be addressed, if to Landlord at Landlord's Address or at such other address as may have been specified by prior notice to Tenant and, if to Tenant, at Tenant's Address or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served if mailed by registered or certified mail, return receipt requested, delivered by hand, or by overnight express service by a carrier providing a receipt of delivery.

10.4 BIND AND INURE: LIMITATION OF LANDLORD'S LIABILITY

The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Landlord named herein and each successive owner of the Premises shall be liable only for the obligations accruing during the period of its ownership. No individual, trust, or entity, nor any partner (general or limited), associate, participant, principal (disclosed or undisclosed), agent, employee, trustee, or other fiduciary, beneficiary, officer, or other person or entity in, or of, any partnership, association, joint venture, corporation or other entity, trust, or estate, from time to time holding an interest in Landlord's interest in this Lease, shall be personally liable for any judgment, or for the payment of any monetary obligation to Tenant (it being agreed by Tenant that such exoneration from personal liability is and shall be absolute and complete with no exception whatsoever).

10.5 NO SURRENDER

The delivery of keys to any employees of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

10.6 NO WAIVER, ETC.

The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease, or, with respect to such failure of Landlord, any of the Rules and Regulations referred to in Section 6.1.4, whether heretofore, or hereafter adopted by Landlord, shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation,

from having all the force and effect of an original violation. The receipt by Landlord of Annual Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach by Landlord, unless such waiver is in writing, signed by Landlord. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

10.7 NO ACCORD AND SATISFACTION

No acceptance by Landlord of a lesser sum than the Annual Rent and Additional Rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed as accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

10.8 CUMULATIVE REMEDIES

The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease Landlord shall be entitled to seek the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or a decree compelling specific performance of any such covenants, conditions, or provisions.

10.9 PARTIAL INVALIDITY

If any term of this Lease, or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law.

10.10 LANDLORD'S RIGHT TO CURE

If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation, notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate of 4% per annum in excess of the then prime rate of interest being charged by a majority of the national banks in Boston), and all necessary incidental costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be Additional Rent under this

Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

10.11 ESTOPPEL CERTIFICATE

Tenant agrees on the Commencement Date, and from time to time thereafter, upon not less than thirty (30) days prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing in substantially the form attached hereto as Exhibit "E".

10.12 FORCE MAJEURE

With respect to any services to be furnished, or obligations to be performed by Landlord to Tenant, Landlord shall never be liable for failure to furnish or perform the same when prevented from doing so by strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, or failure of supply, or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services, or because of war, public health emergency or other emergency, or for any cause beyond Landlord's reasonable control, or for any cause due to any act or omission of Tenant, Tenant's invitees, customers, servants, agents, employees, licensees, or any person claiming by, through, or under Tenant (collectively "Events of Force Majeure").

10.13 BROKERAGE

Tenant represents and warrants that it has dealt with no brokers in connection with this transaction other than those listed in Section 1.1, and agrees to defend, indemnify, and save Landlord harmless from and against any and all claims for a commission arising out of this Lease made by anyone on behalf of Tenant other than those listed in Section 1.1.

10.14 CONFIDENTIALITY

This Lease document is a confidential document by and between Landlord and Tenant, and Tenant agrees that this Lease shall not be disclosed, copied, distributed or circulated to any person(s) other than to such parties and their respective mortgagees, prospective or actual successors or assigns, their legal counsel or their accountants, or as required by law, without prior written consent of Landlord and Tenant, which consent shall not be unreasonably withheld or delayed, provided, however, that Tenant shall be permitted to file a copy of this Lease as an exhibit to its filings with the Securities and Exchange Commission if Tenant is required by applicable law or regulations to do so.

10.15 INDEPENDENT COVENANTS

Each provision of this Lease constitutes an independent covenant, enforceable separately from each other covenant hereof. To the extent any provision hereof or any

application of any provision hereof may be declared unenforceable, such provision or application shall not affect any other provision hereof or other application of such provision. Tenant acknowledges and agrees that Tenant's obligation to pay Annual Rent, Operating Expenses and Real Estate Taxes, Additional Rent, and other charges is independent of any and all obligations of Landlord hereunder other than Tenant's rights to the use and possession of the Premises and appurtenant rights including any common areas and the parking spaces identified herein as contemplated by this Lease, and that Tenant's sole remedy for any alleged breach by Landlord of its obligations hereunder other than its right to the use and possession of the Premises and appurtenant rights as contemplated by this Lease shall be to commence a judicial proceeding against Landlord seeking specific performance and/or damages, and not to deduct or set off Annual Rent, Operating Expenses and Real Estate Taxes, Additional Rent, or other charges or to terminate this Lease.

10.16 ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties as to the Premises, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Lease shall not be modified in any way except by a writing signed by both parties.

10.17 ARBITRATION

This Lease shall be governed by and construed and enforced in accordance with the laws of Commonwealth of Massachusetts. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association, located in Boston, in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The foregoing, however, shall not preclude the parties from applying for any preliminary relief such as attachments, trustee process or restraining orders in a court of law.

ARTICLE XI

SECURITY DEPOSIT

Landlord acknowledges receipt from Tenant of the Security Deposit to be held by Landlord, as security without interest, for and during the Term, which deposit shall be returned to Tenant, at the termination of this Lease, provided there exists no continuing breach of any undertaking of Tenant, Landlord may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to cure any continuing Event of Default, including any uncured default in connection with any arrearages of Rent, costs incurred by Landlord to repair damages to the Premises caused by Tenant, its agents or employees upon termination of this Lease, other than reasonable wear and tear. Following any such application of the Security Deposit, Tenant shall, within ten (10) business days after receipt of written demand, restore the cash security to the then applicable full amount. Tenant shall not have the right to call upon Landlord to apply all

or any part of the Security Deposit to cure any default or fulfill any obligation of Tenant, but such use shall be solely in the discretion of Landlord. Upon any conveyance by Landlord of its interest under this Lease, the Security Deposit may be delivered by Landlord to Landlord's grantee or transferee. Upon any such delivery, Tenant hereby releases Landlord herein named of any and all liability with respect to the Security Deposit, its application and return, and Tenant agrees to look solely to such grantee or transferee with respect to the application or return of the Security Deposit. It is further understood that this provision shall also apply to subsequent grantees and transferees.


EXECUTED as a sealed instrument, in two (2) or more counterparts, on the day and year set forth below.

TENANT:

LANDLORD:

TECOGEN INC.

ALIBRANDI REALTY ASSOCIATES, LLC

By: 
Name: Abinand Ranges
Title: CEO
Date: March 31, 2023


By: 
Name: Nancy Alibrandi
Title: Managing Member
Date: March , 2023



EXHIBIT "A"

LEASEHOLD IMPROVEMENTS

Leasehold Improvements shall begin in January 2024 and Landlord and Tenant shall use commercially reasonable efforts to complete all Leasehold Improvements in a timely manner.

Improvements completed by Landlord at Landlord's sole cost and expense:

- Provide matching new carpeting throughout first floor office area.
- New paint in 1st floor office area, storage area and warehouse and manufacturing area.
- Grind epoxy in warehouse and manufacturing area and apply new concrete sealant.
- Provide additional LED lighting fixtures throughout rear high bay warehouse and manufacturing area.
- Paint walls in manufacturing area.
- Stripe parking lot area adjacent to Building 1 as mutually agreeable to both Landlord and Tenant.

Improvements completed by Tenant at Tenant's sole cost and expense:

Tenant may select and contract directly for design and construction for Tenant Improvements. Vendor selection would be subject to Landlord's approval, which will not be unreasonably conditioned, withheld, or delayed. Tenant Improvements will be subject to Landlord's prior written approval, which will not be unreasonably conditioned, withheld, or delayed. Landlord will provide review of plans and coordination of building services for no fee. Tenant shall provide project management services by a party reasonably acceptable to Landlord. Landlord may charge reasonable oversight fees or supervisory fees during the Tenant Improvement construction period if the Tenant Improvements require significant oversight or supervision by Landlord, provided that such fees shall not exceed two and one half percent (2.5%) of the overall hard construction costs for the Tenant Improvement costs requiring such supervision or oversight.

Tenant, at Tenant's sole cost and expense, shall install a scissor lift, or like kind device, proximate to the loading area for Building 1 in a mutually agreeable location. Prior to expiration of final Lease Term, Tenant, at its sole cost and expense, and upon Landlord's request, shall restore the Premises to its original condition, reasonable wear and tear excepted.

EXHIBIT "B"
COMPLETE PLANS

To be provided by April 1, 2023

EXHIBIT "C"

BUILDING SERVICES

(All of which Landlord shall be reimbursed for in accordance with Sections 4.2 and 4.3 of the Lease.)

I. HEATING, VENTILATING AND AIR CONDITIONING

1. Tenant shall have the right to use the existing HVAC system, which Landlord shall warrant is in good mechanical working order. Tenant is required to perform standard Preventative Maintenance functions on the HVAC equipment dedicated to the space servicing its Premises, no less than two (2) times per year. For the purposes of competitive pricing and quality of service, Landlord has entered into a contract for preventative maintenance for all HVAC units in the business park. As provided in Section 1.1, Tenant shall pay the pro rata portion of the Annual Preventative Maintenance contract specific to equipment in Tenant's leased Premises. Tenant responsibilities also include emergency repairs. Should Landlord's inspection reveal that any equipment has not been properly maintained, Landlord reserves the right to repair and maintain said equipment at Tenant's expense.

II. WATER

1. Landlord is responsible for providing water up to, but not including Tenant's water meter.

III. ELECTRICITY

1. Tenant shall pay for all electricity consumed in Tenant's space. The consumption shall be measured by a separate meter to be installed in Tenant's name, and Tenant shall pay for such consumption directly to the electrical utility company. To ensure that such capacity is not exceeded and to avert possible adverse effects upon the Building's electrical system, Tenant's proposed electrical design, and any further modifications by Tenant not identified in the electrical design plan that require voltage in excess of 120 volts shall be subject to Landlord's prior review and approval, which shall not be unreasonably withheld or delayed.

IV. TRASH REMOVAL

1. Tenant shall contract directly for its trash removal unless Landlord, at its sole option, installs a compactor/receptacle common to more than one tenant. Removal contracts, common to Tenants, shall be an Operating

Expense. (Expense allocation may be disproportionate, depending on usage.)

2. Abnormal waste removal such as packing crates, wood, skids, furniture, demolition materials, computer paper, etc., shall, in all instances, be Tenant's responsibility.

V. GLASS REPLACEMENT

1. Tenant is responsible for maintenance, and replacement if needed, of all glass in the Premises. Replacement glass must be in accordance with Landlord specifications.

VI. EXTERIOR AND COMMON AREA MAINTENANCE

1. Landlord shall maintain the Lot and Common Areas of the Building which include the following:
 - * Snow removal on drives, lots, and the exterior walkways.
 - * Sanding of drives, lots, and the exterior walkways.
 - * Maintenance and repair of Building structure and exterior (excluding glass) (see Item V. Glass Replacement).
 - * Maintenance and repair of parking lots.
 - * Maintenance and repair of detention or site drainage facilities.
 - * Maintenance and repair of fire or sprinkler mains, fire hydrant(s) and central fire alarm system.
 - * Maintenance and repair of common area electrical equipment, including parking lot lighting.
 - * Maintenance and repair of roof.
 - * Maintenance of all landscaping, including fertilization, mowing, and any replacement of flowers, shrubs or lawn.
 - * Maintenance and repair of lawn irrigation system.

The above services shall include all workmen's compensation, fringe benefits, insurance premiums and payroll taxes paid by the Landlord on behalf of services provided.

EXHIBIT "D"

RULES AND REGULATIONS

1. The entrance, lobbies, passages, corridors, elevators, stairways, driveways and parking lots shall not be obstructed by Tenant, Tenant's agents, servants, employees, licensees, and visitors, nor be used by them for any purpose other than for ingress and egress, to and from the premises. The moving in or out of all safes, freight, furniture, or bulky matter of any description must take place during the hours which Landlord may determine from time to time.
2. No curtains, blinds, shades, screens, or signs, other than those furnished by Landlord shall be attached to, hung in, or used in connection with any window or door of the premises, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed.
3. No additional locks or bolts of any kind shall be placed upon the exterior doors or windows by Tenant, nor, without the prior written consent of Landlord (which consent shall not be unreasonably withheld or delayed) shall any changes be made to existing locks (or the mechanism thereof) serving exterior doors.
4. Canvassing, soliciting, and peddling in the building or on the lot are prohibited, and Tenant shall cooperate to prevent the same.
5. The use of parking spaces, other than those specifically assigned to the Tenant, shall be prohibited. Vehicles shall be removed from the parking area and relocated during the process of snowplowing, sanding, sweeping, or other maintenance operations. Vehicles such as campers, storage trailers, mobile homes, recreational vehicle trailers shall not be left on the premises or occupied for any purposes while on the premises.
6. No signs, placards, balloons, lighting systems, or other forms of advertising, or promotional systems, shall be employed or installed on the premises, without expressed consent, in writing, by the Landlord.
7. The use of the Premises, the Building, or the Lot shall not be utilized for sporting events, outings, picnics, parties or gatherings, or any functions that interfere with the normal use and operations of the other tenants in the Building and on the Premises without Landlord's prior approval.
8. Tenant will closely monitor its trash removal procedures to make sure that employees place all trash inside the assigned or rented compactor/dumpster. Under no circumstances is any trash to be left on the ground and if dropped, Tenant will immediately clean up the spillage and place it inside the receptacle.

9. No animals, with the exception of "assistance animals" (e.g., seeing eye dogs), shall be brought into the Building by Tenant, Tenant's agents, servants, employees, invitees, subtenants and assigns.



EXHIBIT "E"

ESTOPPEL CERTIFICATE

THIS CERTIFICATE is made to _____,
with respect to a Lease between _____ as "Landlord", and the
undersigned, as "Tenant", covering a building located in _____, such lease
being dated _____, as amended by _____ (list all amendments)
[collectively the "Lease"]:

The undersigned has been advised that _____ (the
"Bank"), is about to enter into a transaction whereby the Bank is making a loan secured by
the aforesaid real estate and the Lease to the undersigned, and under which the Bank may
acquire an ownership interest in such real estate. In connection with this transaction, the
Landlord has agreed to provide a collateral assignment of its interests under the Lease to
the Bank. The undersigned acknowledges that the Bank is and will be relying upon the
truth, accuracy and completeness of this letter in proceeding with the transaction described
above.

The undersigned, for the benefit of the Bank, its successors and assigns, hereby
certifies, represents, warrants, agrees and acknowledges that:

1. The Lease is in full force and effect in accordance with its terms without
modification or amendment except as noted above and the undersigned is
the holder of the Tenant's interest under the Lease.
2. The undersigned is in possession of all of the Premises described in the
Lease under and pursuant to the Lease and is doing business thereon; and
the Premises are completed as required by the Lease.
3. The undersigned has no claims or offsets with respect to any of its
obligations as Tenant under the Lease, and neither the undersigned nor the
Landlord is claimed to be in default under the Lease.
4. The amount of Annual Base Rent is \$_____.
5. The undersigned's security deposit is \$20,700.00.
6. The undersigned has not paid any rental or installments thereof in advance
of the due date as set forth in the Lease.
7. The undersigned has no notice of prior assignment, hypothecation or pledge
of rents of the Lease or the Landlord's interest thereunder or of the Tenant's
interest thereunder.



8. The Term of the Lease commenced on _____ and is presently scheduled to expire on _____. If there are any rights of extension or renewal under the terms of the Lease, the same have not, as of the date of this letter, been exercised.
9. Until such time as the Bank shall become the Landlord, if the undersigned should assert a claim that the Landlord has failed to perform an obligation to the undersigned under the terms of the Lease or otherwise, notice thereof shall promptly be furnished to the Bank; and the undersigned agrees that the undersigned will not exercise any rights which the undersigned might otherwise have on account of any such failure until notice thereof has been given to the Bank, and the Bank has had the same opportunity to cure any such failure as the Landlord may have under the terms of the Lease.
10. Each of the statements set forth in Paragraphs 1 through 9 are true, accurate and complete except as follows (state specifically any exception):

DATED:

ATTEST:

TECOGEN INC.

By: _____

Name: _____

Title: _____



EXHIBIT "F"

ADDITIONAL PROVISIONS

RESTORATION OF PREMISES

Prior to expiration or earlier termination of Lease, Tenant shall restore the Premises at Tenant's sole expense to the same condition as existed at the Commencement Date unless accepted by Landlord in writing prior to restoration work, ordinary wear and tear excepted. If Tenant has required or installed Non-Standard Improvements, such improvements shall be removed as part of Tenant's restoration obligation unless accepted by Landlord in writing. Tenant shall also repair any damage caused by removal of Tenant's equipment or machinery.

Notwithstanding the foregoing, Tenant shall be required to comply with the following Tenant Improvements upon termination or expiration of the Lease as specified below:

- All HVAC not specific to Tenant's operation, tel/data and fire protection to remain as installed/modified. All electrical receptacles and lights to remain as installed/modified.
- All electrical wiring and conduit for motors installed by Tenant to be disconnected at the nearest interrupting device.
- Aesthetically pleasing patches on exterior facade for all wall penetrations require Landlord approval for acceptance of restoration.
- Roof patches, without compromising the roof warranty, shall be accepted.
- Compressed air lines shall remain.
- Any anchors installed in the concrete slabs shall be ground flush.



EXHIBIT "G"

OPTION TO EXTEND

Provided Tenant is not then in default beyond all applicable cure periods as provided for under this Lease at the time such right is exercised, Tenant shall have two (2) options to extend the Term of this Lease for a period of five (5) years, commencing at the expiration of the initial Term. Such option to extend is to be exercised by Tenant notifying Landlord in writing thereof, no earlier than fifteen (15) months before, and no later than nine (9) months prior to the end of the initial Term. Time is of the essence with respect to such exercise, and failure to exercise precisely by such date shall render this option null and void.

The exercise of such option shall automatically extend the Term of this Lease, except that: (i) there shall be no additional option to extend after the termination of this option; (ii) the Base Rent payable by Tenant during first extended term shall be as follows:

1/1/29 – 12/31/29	\$13.25 RSF	\$190,959 Annually	\$15,913.25 Monthly
1/1/30 – 12/31/20	\$13.50 RSF	\$194,562 Annually	\$16,213.50 Monthly
1/1/31 – 12/31/31	\$13.75 RSF	\$198,165 Annually	\$16,513.75 Monthly
1/1/32 – 12/31/32	\$14.00 RSF	\$201,768 Annually	\$16,814.00 Monthly
1/1/33 – 12/31/33	\$14.25 RSF	\$205,371 Annually	\$17,114.25 Monthly

(iii) the applicable Base Rent payable by Tenant during second extended Term shall be at the then Fair Market Rent as defined herein. "Fair Market Rent" shall mean the then fair market rental value for comparable first-class office space in comparable first-class office buildings located in the Town of Billerica, Massachusetts, determined in accordance with the following provisions.

The Fair Market Rent for the Premises shall be determined as follows:

(a) The Fair Market Rent shall be proposed by Landlord within forty-five (45) days of receipt of Tenant's notice that it intends to exercise its option to extend the Term (the "Landlord's Proposed Fair Market Rent"). The Landlord's Proposed Fair Market Rent shall be the Fair Market Rent unless Tenant notifies Landlord, within thirty (30) days of Tenant's receipt of Landlord's Proposed Fair Market Rent that Landlord's Proposed Fair Market Rent is not satisfactory to Tenant (such notice being referred to as "Tenant's Rejection Notice").

Fair Market Rent shall be determined by written agreement of Landlord and Tenant, in the following manner. Landlord and Tenant shall each identify a real estate broker to provide a written assessment regarding the Fair Market Rent for the Premises for the second renewal Term. If the lower assessment is more than eighty five percent (85%) of the higher assessment, the Fair Market Rent shall be the average of the assessments. If the lower assessment is not more than eighty five percent (85%) of the higher assessment the

brokers shall identify a third broker who will select one of the two brokers' assessments as the most appropriate assessment and such assessment will be deemed to be the Fair Market Rent for the Premises for the renewal term.

Notwithstanding the foregoing, in no event shall the Base Rent and additional rent payable by Tenant for the extended Term be less than the Base Rent plus any operating cost escalation payable by Tenant for the last year of the then initial Term.



LEASE BETWEEN
ALIBRANDI REALTY ASSOCIATES, LLC
AND
TECOGEN INC

FOR SPACE AT

76 TREBLE COVE ROAD, BUILDING 3, UNIT 3E, NORTH BILLERICA, MA

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ARTICLE I
REFERENCE DATA

1.1 SUBJECTS REFERRED TO:

Each reference in this Lease to any of the following subjects shall incorporate the data stated for that subject in this Section 1.1.

LANDLORD:	Alibrandi Realty Associates, LLC
LANDLORD'S ADDRESS:	70 Treble Cove Road North Billerica, Massachusetts
LANDLORD'S REPRESENTATIVE:	Nancy Alibrandi
TENANT:	Tecogen Inc.
TENANT'S ADDRESS:	45 First Ave, Waltham, MA 02451
TENANT'S REPRESENTATIVE:	Joseph E. Gehret
BUILDING/UNIT:	Building 3, Unit 3E 76 Treble Cove Road Billerica, MA consisting of 12,000 RSF
TENANT'S PROPORTIONATE SHARE:	Twenty-One and Three Tenths Percent (21.3%)
TENANT'S DESIGN COMPLETION DATE:	April 1, 2023
LEASE COMMENCEMENT DATE:	January 1, 2024
EXPENSE REIMBURSEMENT:	*In order to hold the Premises for Tenant until the Lease Commencement Date, Tenant agrees to pay Landlord \$18,826 on December 1, 2023.
TERM EXPIRATION DATE:	December 31, 2028



TERM:

Sixty (60) Months from the Lease
Commencement Date

and if elected,
Two successive options to renew for
additional terms of Five (5) years

BASE RENT:

1/1/2024 - 12/31/2024	\$11.75 RSF	\$141,000 Annually	\$11,750 Monthly
1/1/2025 - 12/31/2025	\$12.00 RSF	\$144,000 Annually	\$12,000 Monthly
1/1/2026 - 12/31/2026	\$12.25 RSF	\$147,000 Annually	\$12,250 Monthly
1/1/2027 - 12/31/2027	\$12.50 RSF	\$150,000 Annually	\$12,500 Monthly
1/1/2028 - 12/31/2028	\$12.75 RSF	\$153,000 Annually	\$12,750 Monthly

BASE RENT FOR
RENEWAL TERMS:

As set forth on Exhibit G

ESTIMATED OPERATING EXPENSES:

\$0.90 RSF*

ESTIMATED REAL ESTATE TAXES:

\$2.23 RSF*

ANNUAL HVAC PREVENTATIVE MAINTENANCE:

\$1,253*

* Amounts subject to change based on actual costs assessed

SECURITY DEPOSIT:

\$17,500.00

REAL ESTATE BROKER(S):

Collier International
New England
&
Cresa Partners Boston,
Inc

UTILITIES: Tenant is responsible for paying its own utilities in addition to Annual Rent, to the extent separately metered and in accordance with the provisions set forth in Exhibit C attached hereto.

PERMITTED USES: Commercial office use, storage and light manufacturing and other ancillary uses in compliance with zoning for the Premises, and the terms, covenants and conditions contained herein.

SPECIAL PROVISIONS: See Exhibit F attached hereto and made part hereof (if applicable)



1.2 EXHIBITS

The Exhibits listed below in this Section are incorporated in this Lease by reference and are to be construed as part of this Lease:

- EXHIBIT A Leasehold Improvements
- EXHIBIT B Complete Plans
- EXHIBIT C Building Services
- EXHIBIT D Rules and Regulations
- EXHIBIT E Estoppel Certificate
- EXHIBIT F Additional Provisions – Restoration of Premises
- EXHIBIT G Option to Extend

ARTICLE II

PREMISES AND TERM

2.1 PREMISES

Subject to and with the benefit of the provisions of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord, Tenant's Space in the Building, excluding exterior faces of exterior walls, the common facilities area and building service fixtures and equipment serving exclusively or in common with other parts of the Building. Tenant's Space, with such exclusions, is hereinafter referred to as the "Premises."

Tenant shall have, as appurtenant to the Premises, the right to use in common with others entitled thereto, subject to reasonable rules of general applicability to tenants of the Building from time to time made by Landlord of which it is given notice: (a) the common facilities included in the Building or on the parcel of land on which the Building is located (the "Lot") and the total of three individual parcels of land which together form the Park (the "Park") to the extent from time to time designated by Landlord; and (b) the building service fixtures and equipment serving the Premises. Tenant and its employees and invitees shall have the right to use up to Fifteen (15) parking spaces on a "non-exclusive, first-come, first-served basis" to be used by all tenants in the Building, for which there shall not be an additional charge to Tenant.

Landlord reserves the right from time to time, without unreasonable interference with Tenant's use (a) to install, repair, replace, use, maintain and relocate for service to the Premises and to other parts of the Building or either, building service fixtures and equipment wherever located in the Building, and (b) to alter or relocate any other common facility provided that substitutions are substantially equivalent or better, and provided that any such changes do not diminish Tenant's ability to use or access the Premises or the Building or increase any cost to Tenant.

2.2 TERM

To have and to hold for a period (the "Term") commencing on the Lease Commencement Date and continuing until the Term Expiration Date, unless sooner terminated as provided in Section 3.2 or 7.1 or in Article 9. The Term may be extended at Tenant's option as set forth in Exhibit G.

ARTICLE III

CONSTRUCTION

3.1 INITIAL CONSTRUCTION

Tenant shall, on or before Tenant's Design Completion Date, provide to Landlord for approval "Complete Plans" which shall consist of:

Complete sets of construction drawings and specifications prepared at Tenant's expense by an architect and engineer approved by Landlord and Landlord's engineer, including but not limited to:

- A. Equipment Layout Plans
- B. Dimensioned Partition Plans
- C. Electrical and Data Outlet Plans
- D. Reflected Ceiling Plan (if required as part of leasehold improvements)
- E. Door, Frame and Hardware Schedule (if required as part of leasehold improvements)
- F. Room Finish Schedule including wall finish and colors, carpet, base and floor tile colors and types, as applicable
- G. Electrical and Mechanical (Plumbing, Fire Sprinkler and HVAC) Engineered Plans
- H. All necessary construction details and specifications necessary to properly complete the work.

Landlord shall approve or provide specific comments regarding Tenant's proposed Complete Plans within thirty (30) days after submission of such plans to Landlord by Tenant. If the Complete Plans are not delivered to Landlord within thirty (30) days after Tenant's Design Completion Date, Landlord may terminate this Lease, and if Landlord does not approve or provide specific comments on the Complete Plans within thirty (30) days after Tenant submits such plans to Landlord, Tenant may terminate this Lease. Landlord and Tenant shall initial the Complete Plans when the same have been approved by Landlord.

All of Tenant's construction, installation of furnishings, and later changes or additions shall be coordinated with any work being performed by Landlord in such manner as to maintain harmonious labor relations and not to damage the Building or Lot or interfere with Building operations. Except for installation of furnishings and trade fixtures and the

installation of telephone outlets which must be performed by the local telephone company at Tenant's direction and expense, all work described in the Complete Plans (the "Leasehold Improvements") shall be performed by a licensed general contractor.

Landlord will not approve any construction, alterations, or additions requiring unusual expense to readapt the Premises to normal office use on lease termination or increasing the cost of construction, insurance, or taxes on the Building or of Landlord's services called for by Section 5.1 unless Tenant first gives assurances acceptable to Landlord that such readaptation will be made prior to such termination without expense to Landlord and makes provisions acceptable to Landlord for payment of such increased cost. All changes and additions shall be part of the Building, except such items as by writing at the time of approval the parties agree either shall be removed by Tenant on termination of this Lease, or shall be removed or left at Tenant's election.

3.2 PREPARATION OF PREMISES FOR OCCUPANCY

The Premises shall be deemed ready for occupancy on the earlier of: (a) the date on which the Tenant occupies all or any part of the Premises (including the period and for the purposes described in the following paragraph); or (b) the Tenant may occupy on the date on which the Leasehold Improvements, as specified in Exhibit A and in the Complete Plans as specified in Exhibit B, are substantially complete and ready for occupancy as certified by the architect of record, and receipt of certificate of occupancy, with the exception of minor items which can be fully completed without material interference with Tenant and other items which because of the season or weather or the nature of the item are not practicable to do at the time, provided that none of said items is necessary to make the Premises tenantable for the Permitted Uses.

In the event of Tenant's failure to comply with the provision of Section 3.1 of this Lease to submit information or to deliver construction drawings and specifications which meet Landlord's reasonable approval, Landlord may, at Landlord's option, exercisable by notice to Tenant, terminate this Lease on the date specified in said notice to Tenant, and upon such termination Landlord shall have all the rights provided in event of Tenant's default in Article IX of this Lease.

3.3 GENERAL PROVISIONS APPLICABLE TO CONSTRUCTION

All construction work required or permitted by this Lease, whether by Landlord or by Tenant, shall be done in a good and workmanlike manner and in compliance with all applicable laws and all lawful ordinances, regulations and orders of governmental authority and the requirements of all insurers of the Building. Either party may inspect the work of the other at reasonable times and shall promptly give written notice of observed defects. Landlord's obligations under Section 3.1 shall be deemed to have been performed when Tenant commences to occupy any portion of the Premises for the Permitted Uses except for items which are incomplete or do not conform with the requirements of Section 3.1 and as to which Tenant shall, in either case, have given written notice to Landlord prior to such commencement. If Tenant shall not have commenced to occupy the Premises for the

Permitted Uses within 30 days after they are deemed ready for occupancy as provided in Section 3.2, a certificate of completion by a licensed architect or registered engineer shall be conclusive evidence that Landlord has performed all such obligations except for items stated in such certificate to be incomplete or not in conformity with such requirements.

3.4 REPRESENTATIVES

Each party authorizes the other to rely in connection with their respective rights and obligations under this Article III upon approval and other actions on the party's behalf by Landlord's Representative in the case of Landlord or Tenant's Representative in the case of Tenant or by any person designated in substitution or addition by notice to the party relying.

ARTICLE IV

RENT

4.1 BASE RENT

During the Term of this Lease Tenant agrees to pay rent to Landlord, without any offset or reduction whatever (except as made in accordance with the express provisions of this Lease), Base Rent equal to 1/12th of the Annual Rent in equal installments in advance on the first day of each calendar month included in the Term; and for any portion of a calendar month at the beginning or end of the Term, at the rate payable for such portion in advance.

The Base Rent during the Term of this Lease is set forth in Section 1.1 hereof. The Base Rent for any extended Term is set forth on Exhibit G attached hereto.

4.2 ADDITIONAL RENT - OPERATING EXPENSES AND REAL ESTATE TAXES

Tenant shall pay to Landlord, as Additional Rent, the sum of the Operating Expenses and Real Estate Taxes, as defined below, for the Premises during any calendar year falling entirely or partly within the Lease Term, multiplied by Tenant's Proportionate Share. If a calendar year to which this Section 4.2 applies falls only partly within the Lease Term, then Tenant's liability for Operating Expenses and Real Estate Taxes, as defined below, in that calendar year shall be prorated accordingly.

Landlord shall notify Tenant at the beginning of each calendar year of Landlord's estimate of the amount of Real Estate Taxes that Landlord likely will incur for the Building during the coming calendar year, and Landlord shall advise Tenant of the amount of its Estimated Payments (as defined below) for the coming calendar year. In the event of excessive snow removal costs incurred, Landlord may impose a Snow Removal Assessment on Operating Expenses for which Landlord shall provide documentation invoices paid and payment of assessment shall be on a pro rata basis.

Tenant shall pay to Landlord, as Additional Rent, an amount equal to 1/12th of Tenant's Proportionate Share of the Estimated Operating Expenses and Real Estate Taxes (collectively, the "*Estimated Payments*"). Tenant shall make its Estimated Payments on or before the first day of each calendar month. Tenant shall pay the amount of the Estimated Payments based upon Landlord's reasonable determination of the Estimated Operating Expenses and Real Estate Taxes for the applicable calendar year, as such may be adjusted by Landlord from time to time to reflect actual costs for such items. Landlord shall not adjust the amount of estimated payments more than three times per year, excluding any adjustments made effective January 1 of any calendar year.

The term "*Operating Expenses*" means all costs and expenses incurred by Landlord in operating, maintaining, servicing, insuring and repairing the Building, and the surface parking lots and other exterior appurtenances, including but not limited to the following: assessments for public betterments or public improvements; expenses of any proceedings for abatement of taxes and assessments with respect to any Fiscal Year; premiums for insurance; compensation and all fringe benefits, workmen's compensation, insurance premiums and payroll taxes paid by Landlord to, for or with respect to all persons engaged in the operating, maintaining, or cleaning of the Building and Lot; steam, water, sewer, electric, gas, telephone, and other utility charges not billed directly to tenants by Landlord or the utility; costs of building and cleaning supplies and equipment (including rental); cost of maintenance, cleaning and repairs; cost of snow plowing or removal, or both, and care of landscaping; payments to independent contractors under service contracts for cleaning, operating, managing, maintaining and repairing the Building and Lot (which payments may be to affiliates of Landlord provided the same are at reasonable rates consistent with the type of occupancy and the services rendered); the cost of providing reasonable amenities to the Building; and all other reasonable and necessary expenses paid in connection with the operation, cleaning, maintenance, and repair of the Building and Lot, or either, and properly chargeable against income, it being agreed that if Landlord installs a new or replacement capital item for the purpose of reducing Landlord's Operating Costs, the annual costs thereof as reasonably amortized by Landlord over the useful life of the item so installed in accordance with generally accepted accounting principles shall be included in Landlord's Operating Costs.

The term "*Real Estate Taxes*" as used above shall mean all taxes of every kind and nature assessed by any governmental authority on the Lot, the Building and improvements, or both, which the Landlord shall become obligated to pay because of or in connection with the ownership, leasing and operation of the Lot, the Building and improvements, or both, subject to the following: there shall be excluded from such taxes all income taxes, excess profits taxes, excise taxes, franchise taxes, estate succession, inheritance and transfer taxes, provided, however, that if at any time during the Term the present system of ad valorem taxation of real property shall be changed so that in lieu of the whole or any part of the ad valorem tax on real property, there shall be assessed on Landlord a capital levy or other tax on the gross rents received with respect to the Lot, Building and improvements, or both, or a federal, state, county, municipal, or other local income, franchise, excise, or similar tax, assessment, levy or charge (distinct from any now

in effect) measured by or based, in whole or in part, upon any such gross rent, then any and all of such taxes, assessments, levies or charges to the extent so measured or based, shall be deemed to be included within the term "Real Estate Taxes." If the Lot shall not be separately assessed for Tax purposes, Landlord shall allocate the real estate taxes attributable to the Lot on a per square foot basis.

Notwithstanding any other provision of this Section 4.2, if the Term expires or is terminated as of a date other than the last day of a calendar year at the end of the Term, Tenant's last payment to Landlord under this Section 4.2 shall be made on the basis of Landlord's reasonable estimate of the amount owing from Tenant for the period during the Term of this Lease.

Notwithstanding Tenant's making of Estimated Payments to Landlord, in the event the actual Operating Expenses and Real Estate Taxes, as determined by Landlord, exceed the Estimated Operating Expenses and Real Estate Taxes paid by Tenant for such year, then Tenant shall be obligated to reimburse Landlord within 30 days following a receipt by Tenant of a statement from Landlord to that effect, for the difference between the Estimated Payments made by Tenant during such year and the sum of the actual Operating Expenses and actual Real Estate taxes for such year, multiplied by Tenant's Proportionate Share. If the cost of snow removal during any season exceeds the average cost of snow removal during the preceding years, such excess will be treated as Additional Rent. Landlord will invoice Tenant for Tenant's Proportionate Share of such excess snow removal cost and Tenant shall pay such amount within thirty (30) days of its receipt of the invoice.

4.3 PAYMENTS

All payments of Base Rent and Additional Rent shall be made to Landlord, or to such other person as Landlord may from time to time designate. If any installment of Base Rent or Additional Rent is paid more than seven (7) days after the due date thereof, a late charge of \$100 shall be charged to Tenant, and shall be immediately due and payable as further Additional Rent. Tenant hereby agrees to pay Base Rent and Additional Rent to Landlord without offset or deduction via electronic transfer of funds.

ARTICLE V

LANDLORD'S COVENANTS

5.1 LANDLORD'S COVENANTS DURING THE TERM

Landlord covenants during the Term:

- 5.1.1 Building Services - To furnish, through Landlord's employees or independent contractors, the services listed in Exhibit C.

- 5.1.2 Additional Building Services - To furnish, through Landlord's employees or independent contractors, reasonable additional Building operation services upon reasonable advance request of Tenant at equitable rates from time to time established by Landlord to be paid by Tenant.
- 5.1.3 Repairs - Except as otherwise provided in Article VII, to make such repairs to the roof, exterior walls, floor slabs, and exterior common facilities of the Building as may be necessary to keep them in serviceable condition.
- 5.1.4 Quiet Enjoyment - That Landlord has the right to make this Lease and that Tenant, on paying the rent and performing its obligations hereunder, shall peacefully and quietly have, hold and enjoy the Premises throughout the Term without any manner of hindrance or molestation from Landlord or anyone claiming under Landlord, subject however, to all the terms and provisions hereof.
- 5.1.5 Landlord's Insurance - During the Term, Landlord shall secure and carry a policy of insurance covering the Building and the Lot for direct risk of physical loss, on an occurrence basis, in an amount equal to the actual replacement cost of the Building (including the Premises but excluding Tenant's Leasehold Improvements and Tenant's Property), including the value of all additions, alterations, replacements and repairs thereto made by Landlord, as well as machinery, equipment and their systems forming a part thereof, or in such greater amount as shall be required to prevent Landlord or Tenant or other tenants of the Building from becoming co-insurers within the terms of the applicable policies. The phrase "actual replacement cost" shall mean the actual replacement cost (excluding cost of excavations, foundations, and footings) without diminution of such cost for depreciation.

5.2 INTERRUPTIONS

Landlord shall not be liable to Tenant for any compensation or reduction of rent by reason of inconvenience or annoyance or for loss of business arising from power losses or shortages or from the necessity of Landlord's entering the Premises for any of the purposes in this Lease authorized, or for repairing the Premises or any portion of the Building or improvements. In case Landlord is prevented or delayed from making any repairs, alterations or improvements, or furnishing any service or performing any other covenant or duty to be performed on Landlord's part, by reason of any cause reasonably beyond Landlord's control, Landlord shall not be liable to Tenant therefor, nor, except as expressly otherwise provided in Article VII, shall Tenant be entitled to any abatement or reduction of rent by reason thereof, nor shall the same give rise to a claim in Tenant's favor

that such failure constitutes actual or constructive, total or partial, eviction from the Premises.

Landlord reserves the right to stop any service or utility system when necessary, by reason of accident or emergency or until necessary repairs have been completed. Except in case of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

Except as set forth herein and in Article VII, the foregoing rights shall be Tenant's sole remedy at law or in equity for the interruptions described in this Section 5.2.

5.3 ENVIRONMENTAL CONDITIONS

Landlord represents and warrants that to the best of its knowledge after due inquiry, the Premises, the Building and the Lot are presently free of asbestos, toxic waste, underground storage tanks, and Hazardous Materials, as defined in Section 6.1.19 hereof, in amounts exceeding legally established maximum thresholds. Landlord shall indemnify and hold harmless Tenant, its directors, officers, partners, and any of its employees against all costs incurred (including without limitation amounts paid pursuant to penalties, fines and/or orders) arising out of any claim made by Federal, State or local agencies or departments or private litigants or third parties with respect to violations or alleged violations of Hazardous Waste Laws as defined in Section 6.1.19 hereof or any other environmental or health laws, rules, regulations, orders, or common law, provided that such violations or alleged violations are not caused solely by Tenant, or its agents, invitees or employees.

Landlord shall provide Tenant with all reports and information known to Landlord relating to any Hazardous Materials used or stored on the Premises, the Building, or the Lot and any violation of any Hazardous Waste Laws, as defined in Section 6.1.19 below.

ARTICLE VI

TENANT'S COVENANTS

6.1 TENANT'S COVENANTS DURING THE TERM

Tenant covenants during the Term, and such further time as Tenant occupies any part of the Premises:

- 6.1.1 Tenant's Payments - To pay when due (a) all Annual Rent and Additional Rent, (b) all taxes which may be imposed on Tenant's personal property in the Premises (including, without limitation, Tenant's furniture, fixtures and equipment) regardless of by whomever assessed, (c) all charges by public utilities for telephone and other utility services (including service inspections therefor)

rendered to the Premises not otherwise required hereunder to be furnished by Landlord without charge and not consumed in connection with any services required to be furnished by Landlord without charge, and (d) as Additional Rent, all charges of Landlord for services rendered pursuant to Section 5.1.2 hereof.

- 6.1.2 Repairs and Yielding Up - Except as otherwise provided in Article VII, and Section 5.1.3, to keep the Premises in good order, repair and condition, reasonable wear only excepted, maintain and make such repairs to those systems, fixtures and equipment exclusively servicing the Premises and upon request by Landlord, to provide documentation of such maintenance and repairs within five (5) business days, and at the expiration or termination of this Lease peaceably to yield up the Premises and all changes and additions therein in such order, repair and condition, first removing all goods and effects of Tenant and any items which are removable pursuant to Section 3.1, and any changes and additions, the removal of which is required by agreement or specified therein to be removed at Landlord's election of which Landlord elects Tenant to remove, and repairing all damage caused by such removal, including patching and filling holes, and restoring the Premises and leaving them clean and neat; any property not so removed shall be deemed abandoned and may be removed and disposed of by Landlord, in such manner as Landlord shall determine, and Tenant shall pay Landlord the entire cost and expense incurred by it in effecting such removal and disposition and in making any incidental repairs and replacements to the Premises for use and occupancy during the period after the expiration of the Term; it being agreed that the acceptance of reasonable use and wear shall not apply so as to permit Tenant to keep the Premises in anything less than suitable, tenant-like and usable condition, considering the nature of the Premises and the use reasonably made thereof, or in less than good and tenant-like repair.
- 6.1.3 Occupancy and Use - To use and occupy the Premises only for the Permitted Uses; and not to injure or deface the Premises, Building or Lot; and not to permit in the Premises any auction sale, nuisance, or the emission from the Premises of any objectionable noise or odor; nor any use thereof which is improper, offensive, contrary to law or ordinance, or liable to invalidate or increase the premiums for any insurance on the Building or its contents or liable to render necessary any alteration or addition to the Building.
- 6.1.4 Rules and Regulations - To comply with the Rules and Regulations set forth in Exhibit D and all other reasonable Rules and Regulations hereafter made by Landlord, of which Tenant has been



given notice, for the care and use of the Building and Lot and their facilities and approaches, it being understood that Landlord shall use reasonable efforts to uniformly enforce such Rules and Regulations, but shall not be liable to Tenant for the failure of other tenants of the Building to conform to such Rules and Regulations.

6.1.5 Safety Appliances - To keep the Premises equipped with all safety appliances required by law or ordinance or any other regulation of any public authority because of any use made by Tenant and to procure all licenses and permits so required because of such use and, if requested by Landlord, to do any work so required because of such use, it being understood that the foregoing provisions shall not be construed to broaden in any way Tenant's Permitted Uses.

6.1.6 Assignment and Subletting - Tenant shall have the right, subject to the requirement of obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, to assign this Lease, to make any sublease, or to permit occupancy of the Premises or any part thereof by anyone other than Tenant, voluntarily or by operation of law, it being understood that in no event shall Landlord consent to any such assignment, sublease or occupancy if the same is on terms more favorable to the successor occupant than to the then occupant, and Tenant shall, as Additional Rent, reimburse Landlord promptly for reasonable legal and other expenses incurred by Landlord in connection with any request by Tenant for consent to assignment or subletting in amounts not to exceed One Thousand Dollars (\$1,000) with respect to any such assignment or sublease. No assignment or subletting shall affect the continuing primary liability of Tenant (which, following the execution of an approved assignment or sublease, shall be joint and several with the assignee). No consent to any of the foregoing in a specific instance shall operate as waiver in any subsequent instance.

It is agreed and understood that it shall not be unreasonable for Landlord to withhold its consent to a request to assign this Lease or sublet all or any part of the Premises if: (i) Tenant is in default of any of the terms of this Lease beyond the applicable cure period as provided for under this Lease; (ii) any such sublessee or assignee shall not agree in writing to be bound by all the terms, covenants and conditions of this Lease; (iii) the terms of the proposed assignment or sublease do not prohibit further assignment of the Lease or subletting of all or portion of the Premises without the written consent of Landlord, subject to the terms and conditions hereof; or (iv) in Landlord's reasonable discretion, the use by the proposed subtenant or assignee would cause excessive demands on the parking areas of the Building or

the Lot or would be injurious or detrimental to the character of the Building or the Lot or would be inconsistent with the provisions of any other Lease in the Building or the Lot, or would violate or in any way be inconsistent with any federal, state or local permits for the Building or the Lot. In any such event, a copy of such proposed sublease or assignment and such information as Landlord may reasonably request relative to facts which would bear upon the factors entering into the determination whether Landlord's approval is to be granted, shall be sent to Landlord prior to the effective date of such sublease or assignment and Tenant shall remain fully liable for full performance of all its obligations under this Lease. In the event of an approved assignment, Landlord may elect to terminate the Lease at a specified date as agreed upon between Landlord and Tenant. In no event, however, shall the foregoing constitute an exclusive list of reasons for which Landlord may withhold consent of any such proposed assignment or subletting by Tenant, provided, however, that Landlord shall not unreasonably withhold or delay its consent with respect to any reasons not herein specified.

It is understood that Landlord shall have a period of up to fifteen (15) business days after the submission of all of such information and the proposed sublease and assignment by Tenant to make its determination whether Landlord's approval is to be granted hereunder, but Landlord's failure to make such a determination within fifteen (15) business days shall not constitute a constructive approval of any proposed sublease or assignment. If Landlord should fail to respond and render a determination in connection with any such request from Tenant for any proposed assignment or subletting of the Premises within the timeframe as stated herein, such non-determination shall be deemed to be a denial.

Upon any approved assignment or sublease hereunder, Tenant shall remit all rents collected from any subtenant in excess of the rents due hereunder to Landlord, after deducting therefrom Tenant's reasonable transaction costs, including but not limited to reasonable attorney fees, brokerage commissions, architectural and engineering costs and tenant improvements.

Anything contained in the foregoing provisions of this section to the contrary notwithstanding, neither Tenant nor any other person having interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or in part,

on the net income or profits derived by any person from the Premises leased, used, occupied or utilized, and any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession use, occupancy or utilization of any part of the Premises.

- 6.1.7 Indemnity - To defend, with counsel reasonably acceptable to Landlord, save harmless, and indemnify Landlord from any liability for injury, loss, accident or damage to any person or property and from any claims, actions, proceedings and expenses and costs in connection therewith (including, without limitation, reasonable counsel fees): (i) arising from the omission, fault, willful act, negligence or other misconduct of Tenant, Tenant's employees, agents, assignees, sublessees, or invitees, or from any use made or thing done or occurring on the Premises not due to the misconduct or negligence of Landlord, or Landlord's employees, contractors or agents, or (ii) resulting from the failure of Tenant to perform and discharge its covenants and obligations under this Lease.
- 6.1.8 Tenant's Liability Insurance - To maintain commercial general liability insurance in the Premises in amounts which shall, at the beginning of the Term, be at least equal to \$1,000,000 per occurrence and \$2,000,000 in the aggregate for both bodily injury and property damage, and, from time to time during the Term, shall be for such higher limits, if any, as are customarily carried in the area in which the Premises are located on property similar to the Premises and used for similar purposes, provided however that such higher limits shall not exceed Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate, and to furnish Landlord with the certificates therefor annually naming Landlord as additional insured provided further that such insurance shall not be cancelled or terminated without thirty (30) days prior written notice to Landlord.
- 6.1.9 Tenant's Workmen's Compensation Insurance - To keep all Tenant's employees working in the Premises covered by workmen's compensation insurance in statutory amounts and to furnish Landlord with certificates therefor annually provided that such insurance shall not be cancelled or terminated without thirty (30) days prior written notice to Landlord.
- 6.1.10 Landlord's Right of Entry - Upon reasonable written notice to Tenant (which notice shall be waived in the event of an emergency), to permit Landlord and Landlord's agents entry to examine the Premises at reasonable times and, if Landlord shall so elect, to make

repairs or replacements; to remove, at Tenant's expense, any changes, additions, signs, curtains, blinds, shades, awnings, aerials, flagpoles, or the like that Landlord has not consented to in writing; and to show the Premises to prospective tenants during the 12 months preceding expiration of the Term and to prospective purchasers and mortgagees at all reasonable times.

- 6.1.11 Loading – Except with Landlord's prior written consent, not to place a load upon the Premises which exceed the design specifications for the Building; Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other leased space in the Building shall be placed and maintained by Tenant in settings of cork, rubber, spring, or other types of vibration or noise eliminators sufficient to eliminate such vibration or noise.
- 6.1.12 Landlord's Costs - In case Landlord shall, without any fault on its part, be made party to any litigation commenced by or against Tenant or by or against any parties in possession of the Premises or any part thereof claiming under Tenant, to pay, as Additional Rent, all costs including, without implied limitation, reasonable counsel fees incurred by or imposed upon Landlord in connection with such litigation and, as Additional Rent, also to pay all such costs and fees incurred by Landlord in connection with the enforcement by Landlord of any obligations of Tenant under this Lease.
- 6.1.13 Tenant's Property - All the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and of all persons claiming by, through or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Building or on the Lot shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water, or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or to be borne by Landlord, unless caused by or arising out of the negligence or misconduct of Landlord or Landlord's employees, contractors or agents. Tenant shall maintain replacement cost insurance for Tenant's Property in the Premises.
- 6.1.14 Labor and Materialmen's Liens - To pay promptly when due the entire cost of any work done on the Premises by Tenant, its agents, employees or independent contractors; not to cause or permit any liens for labor or materials performed or furnished in connection therewith to attach to the Premises; and immediately to discharge

any such liens which may so attach within two (2) business days after receipt of written notice of such attachments.

- 6.1.15 Changes or Additions - Not to make any changes or additions to the Premises, including but not limited to any changes to the telephone, conduit and wiring or other systems or services to or within the Premises without Landlord's prior written consent, which consent will not be unreasonably withheld.
- 6.1.16 Holdover - To pay to Landlord one and one half times the total of the Base Rent, together with any Additional Rent then applicable, for each month or portion thereof Tenant shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise and also to pay all damages sustained by Landlord on account thereof; provided that the provisions of this subsection shall not operate as a waiver by Landlord of any right of re-entry provided in this Lease. While such holding over continues, Tenant shall be considered a tenant-at-sufferance, and at the option of the Landlord exercised by a written notice given to Tenant while such holding over continues, such holding over shall constitute an extension of this Lease for a period of one (1) year at a rate of 150% of the total Fixed Rent and additional rent as set forth herein. Notwithstanding the forgoing, in no event shall the rent payable by Tenant as set forth herein while such holding over continues, constitute a limit on any damages sustained by Landlord on account thereof.
- 6.1.17 Operations by Tenant - In regard to the use and occupancy of the Premises, Tenant will at its expense: (a) keep the inside and the outside of all glass in the doors and windows of the Premises clean; Landlord, at its option, may require all outside glass, including Tenant signage, be cleaned at the same time through Landlord's contractor in order to establish uniformity of all cleanliness, all costs to be borne by Tenant; (b) keep all exterior store surfaces of the Premises clean; (c) replace promptly at Tenant's expense any cracked or broken glass of the Premises with glass of like kind and quality; (d) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (e) keep any garbage, trash, rubbish or other refuse in vermin-proof containers within the interior of the Premises until removed; (f) have such garbage, trash, rubbish, and refuse removed on a regular basis not less than three (3) times per week; (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises or which may cause any damage to the Premises, and maintain all mechanical equipment on a regular basis to ensure proper operation.

In regard to the use and occupancy of the Premises, Tenant will not: (l) place or maintain any merchandise, trash, refuse, or other articles in the entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises; (m) use or permit the use of any advertising medium such as, without limitation, loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts which is in any manner audible or visible outside the Premises; (o) cause or permit objectionable odors to emanate or to be dispelled from the Premises; (p) solicit business in the common areas or distribute handbills or other advertising matter in the common areas; (q) receive or ship articles of any kind outside the designated loading areas designated on the Complete Plans attached hereto as Exhibit B for the Premises; (r) conduct or permit to be conducted any auction, fire, going out of business, bankruptcy, or other similar type sale in or in connection with the Premises; (s) commit, or suffer to be committed, any waste upon the Premises or any public or private nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant of the Building or Park, or use or permit the use of any portion of the Premises for any unlawful purpose or for activity of a type which is determined by the Landlord to be not appropriate for office centers conducted in accordance with good and generally accepted standards of operations; (t) place a load upon any floor which exceeds the floor load which the floor was designed to carry; (u) operate its heating or air conditioning in such a manner as to draw off or drain heat or air conditioning from the common areas or from the premises of any other tenant or other occupant of the Building or Park; or (v) conduct business in the Premises under any name other than the Tenant's Trade Names, or its affiliates, provided the affiliates utilize the Premises in the same or similar manner and intent, without Landlord's prior written consent in Landlord's reasonable discretion.

- 6.1.18 Signs and Advertising - Tenant will not place or suffer to be placed or maintained on the exterior of the Premises, Building or Lot, or elsewhere in the Park, or on the roof of the Premises any sign, advertising matter or any other thing of any kind, and will not place or maintain any decoration, lettering, or advertising matter on the glass of any window or door of the Premises unless and to the extent set forth in this Section 6.1.18. Tenant will, at its sole cost and expense, maintain such sign, decoration, lettering, advertising matter, or other thing as may be permitted hereunder in good condition and repair at all times.

Tenant may install an identifying sign on the entrance door to the Premises in keeping with the Landlord's sign policy and building standards, and applicable municipal regulation and Landlord shall provide and install one (1) identification sign on the park entrance placard monument sign, the cost therefore to be paid by Tenant.

Tenant shall not, without the prior written consent of Landlord: (a) paint or place any signs on the Premises, or anywhere on the exterior of the building except in accordance with the foregoing provisions, or (b) place any curtains, blinds, shades, awnings, aerals or flagpoles, or the like, in the Premises or anywhere on or in the Building visible from outside the Premises. Landlord reserves the right to reasonably disapprove of the design or type of signs, curtains, blinds, shades and awnings Tenant proposes to install, provided that such approval shall not be unreasonably withheld. Tenant shall pay the expenses involved in the erection of any sign and obtaining of permits therefor. Tenant warrants that it shall obtain all necessary permits prior to erecting any such signs, and Tenant shall remove said signs upon the termination of this Lease.

- 6.1.19 Hazardous Materials - Tenant shall not cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances, or materials onto or in the vicinity of the Premises. Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Premises any such materials or substances except to use in the ordinary course of Tenant's business (e.g., cleaning supplies and other agents used, stored or disposed of in the operation and maintenance of business machines and equipment in normal office use), and then only after written notice is given to Landlord of the identity of such substances or materials and in all cases in compliance with applicable law (including, without limitation, Hazardous Waste Laws). Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., the Massachusetts Hazardous Waste Management Act, as amended, M.G.L. c.21C, the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, as amended, M.G.L. c.21E, any applicable local ordinance or bylaw, and the regulations adopted under these acts, as amended (collectively, the "Hazardous Waste Laws"). If any lender or

governmental agency shall ever require testing to ascertain whether or not there has been any release of hazardous materials, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord within twenty (20) days after receipt of demand as additional charges if and only if the following conditions are satisfied: (i) if such requirement applies to the Premises, and (ii) if an independent reputable third party engineer employed by Landlord or persons acting under Landlord conclusively determines that such release has been or is likely to have been caused by Tenant or persons acting under Tenant's control. If Tenant receives from any federal, state or local governmental agency any notice of violation or alleged violation of any Hazardous Waste Law, or if Tenant is obligated to give any notice under any Hazardous Waste Law, Tenant agrees to forward to Landlord a copy of any such notice within three (3) days of Tenant's receipt or transmittal thereof. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord from any release of hazardous materials on the Premises or elsewhere in the Building, Lot or Park occurring while Tenant is in possession if caused by Tenant or persons acting under Tenant's control. Landlord shall indemnify Tenant from any release of Hazardous Materials on the Premises or elsewhere in the Building, Lot or Park occurring while Tenant is in possession if caused by Landlord or persons acting under Landlord's control. Landlord retains the right to inspect the Premises at all reasonable times, upon reasonable notice to Tenant, to ensure compliance with this paragraph. The within covenants shall survive the expiration or earlier termination of the lease Term.

- 6.1.20 Overhead Hoists – Landlord warrants that hoists are in good working condition and have been inspected prior to occupancy. Tenant shall have use of existing overhead cranes provided a licensed hoisting operator is on the Premises. Tenant shall be responsible for annual inspections and maintenance of one (1) 5 ton hoist and one (1) ten ton hoist; sufficient documentation of inspections to be provided to Landlord within 30 days following inspection. To the fullest extent permitted by law, the Tenant shall indemnify and hold harmless Landlord from and against any claims, damages, losses and expenses, for bodily injury, death, or injury to or destruction of tangible property including but not limited to attorney's fees, arising out of or resulting from use and operation of hoist by Tenant, its employees, contractors, guests and invitees.

ARTICLE VII

CASUALTY AND TAKING

7.1 CASUALTY AND TAKING

In case during the Term all or any substantial part of the Premises, the Building, or any one or more of them, are damaged materially by fire, or any other cause or by action of public or other authority in consequence thereof or are taken by eminent domain or Landlord receives compensable damage by reason of anything lawfully done in pursuance of public or other authority, this Lease shall terminate at Landlord's election by written notice to Tenant within thirty (30) days after the occurrence of the event giving rise to the election to terminate, which notice shall specify the effective date of termination which shall not be less than sixty (60) nor more than ninety (90) days after the date of notice of such termination. If in any such case the Premises are rendered unfit for use and occupation and the Lease is not so terminated, Landlord shall use due diligence to put the Premises, or, in case of taking, what may remain thereof (excluding any items installed or paid for by Tenant which Tenant may be required or permitted to remove) into proper condition for use and occupation to the extent permitted by the net award of insurance or damages, and a just proportion of the Annual Rent and Additional Rent according to the nature and extent of the injury shall be abated until the Premises or such remainder shall have been put by Landlord in such condition; and in case of a taking which permanently reduces the area of the Premises, a just proportion of the Annual Rent and Additional Rent shall be abated for the remainder of the Term and an appropriate adjustment shall be made to the Estimated Operating Expenses and Real Estate Taxes.

7.2 RESERVATION OF AWARD

Landlord reserves to itself any and all rights to receive awards made for damages to the Premises, Building or Lot and the leasehold hereby created, or any one or more of them, accruing by reason of exercise of eminent domain or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby releases and assigns to Landlord all Tenant's rights to such awards, and covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request, hereby irrevocably designating and appointing Landlord as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof. It is agreed and understood, however, that Landlord does not reserve to itself, and Tenant does not assign to Landlord, any damages payable for (i) movable trade fixtures installed by Tenant or anybody claiming under Tenant, at its own expense, or (ii) relocation expenses recoverable by Tenant from such authority in a separate action, provided that recovery for same does not reduce the amount of the award otherwise payable to Landlord.

ARTICLE VIII

RIGHTS OF MORTGAGEES

8.1 PRIORITY OF LEASE

Landlord shall have the option to subordinate this Lease to any mortgagee or deed of trust of the Lot or Building, or both ("the Mortgaged Premises"), provided that the holder thereof enters into an agreement with Tenant by the terms of which the holder will agree to recognize the rights of Tenant under this Lease and to accept Tenant as tenant of the Premises under the terms and conditions of this Lease in the event of acquisition of title by such holder through foreclosure proceedings or otherwise, and Tenant will agree to recognize the holder of such mortgage as Landlord in such event, which agreement shall be made to expressly bind and inure to the benefit of the successors and assigns of Tenant and of the holder and upon anyone purchasing the Mortgaged Premises at any foreclosure sale. Any such mortgage to which this Lease shall be subordinated may contain such terms, provisions, and conditions, as the holder deems usual or customary. Unless Landlord exercises such option, this Lease shall be superior to and shall not be subordinated to any mortgage or other voluntary lien or other encumbrance on the Mortgaged Premises.

8.2 LIMITATION ON MORTGAGEE'S LIABILITY

Upon entry and taking possession of the Mortgaged Premises for any purpose other than foreclosure, the holder of a mortgage shall have all rights of Landlord, and during the period of such possession, the duty to perform all Landlords' obligations hereunder. Except during such period of possession, no such holder shall be liable, either as mortgagee or as holder of a collateral assignment of this Lease, to perform, or be liable in damages for failure to perform, any of the obligations of Landlord unless and until such holder shall enter and take possession of the Mortgaged Premises for the purpose of foreclosing a mortgage. Upon entry for the purpose of foreclosing a mortgage, such holder shall be liable to perform all of the obligations of Landlord, subject to the provisions of Section 8.3 provided that a discontinuance of any foreclosure proceeding shall be deemed a conveyance under the provisions of Section 10.5 to the Owner of the equity of the Mortgaged Premises.

8.3 MORTGAGEE'S ELECTION

Notwithstanding any other provision to the contrary contained in this Lease, if prior to the substantial completion of Landlord's obligations under Article III, any holder of a first mortgage on the Mortgaged Premises enters and takes possession thereof for the purpose of foreclosing the mortgage, such holder may elect, by written notice given to Tenant and Landlord at any time within ninety (90) days after such entry and taking of possession, not to perform Landlord's obligations under Article III, and in such event such holder and all persons claiming under it shall be relieved of all obligations to perform, and all liability for failure to perform, said Landlord's obligations under Article III, and Tenant may terminate this Lease and all its obligations hereunder by written notice to Landlord

and such holder given within ninety (90) days after the day on which such holder shall have given its notice as aforesaid.

8.4 NO PREPAYMENT OR MODIFICATION, ETC

No Annual Rent, Additional Rent, or any other charge shall be paid more than ten (10) days prior to the due dates thereof and payments made in violation of this provision shall (except to the extent that such payments are actually received by a mortgagee in possession or in the process of foreclosing its mortgage) be a nullity as against such mortgagee, and Tenant shall be liable for the amount of such payments to such mortgagee. No assignment of this Lease and no agreement to make or accept any surrender, termination or cancellation of this Lease and no agreement to modify so as to reduce the rent, change the Term, or otherwise materially change the rights of Landlord under this Lease, or relieve Tenant of any obligations or liability under this Lease, shall be valid unless consented to in writing by Landlord's mortgagees of record, if any.

8.5 NO RELEASE OR TERMINATION

Except as provided in section 8.7 below, no act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release or termination of such obligations or a termination of this Lease unless (i) Tenant shall have first given written notice of Landlord's act or failure to act to Landlord's mortgagees of record, if any, specifying the act or failure to act on the part of Landlord which could or would give basis to Tenant's rights, and (ii) such mortgagees, after receipt of such notice, have failed or refused to correct or cure the condition complained of within a reasonable time thereafter, but nothing contained in this Section 8.5 shall be deemed to impose any obligation on any such mortgagee to correct or cure any such condition. "Reasonable time" as used above means and includes a reasonable time to obtain possession of the Mortgaged Premises, if the mortgagee elects to do so, and a reasonable time to correct or cure the condition if such condition is determined to exist.

8.6 CONTINUING OFFER

The covenants and agreements contained in this Lease with respect to the rights, powers, and benefits of a mortgagee (particularly, without limitation thereby, the covenants and agreements contained in this Article VIII) constitute a continuing offer to any person, corporation or other entity, which by accepting or requiring an assignment of this Lease or by entry or foreclosure assumes the obligations herein set forth with respect to such mortgagee; such mortgagee is hereby constituted a party to this Lease as an obligee hereunder to the same extent as though its name was written hereon as such; and such mortgagee shall be entitled to enforce such provisions in its own name. Tenant agrees on request of Landlord to execute and deliver from time to time any agreement which may reasonably be deemed necessary to implement the provisions of this Article VIII.

8.7 MORTGAGEE'S APPROVAL

Landlord's obligation to perform its covenants and agreements hereunder is subject to the condition precedent that this Lease be approved by the holder of any mortgage of which the Premises are a part and by the issuer of any commitment to make a mortgage loan which is in effect on the date hereof. Unless Landlord gives Tenant written notice within sixty (60) business days after the date hereof that such holder or issuer, or both, disapprove this Lease, then this condition shall be deemed to have been satisfied or waived and the provisions of this Section 8.7 shall be of no further force or effect.

8.8 SUBMITTAL OF FINANCIAL STATEMENT

At any time and from time to time during the term of this Lease that Tenant does not timely file quarterly and annual financial statements with the Securities and Exchange Commission, Tenant shall supply to Landlord and/or any Mortgagee a current financial statement or such other financial information as may be reasonably required by any such party within thirty (30) days after request therefor by Landlord and/or any Mortgagee.

ARTICLE IX

DEFAULT

9.1 EVENTS OF DEFAULT

It shall be an "Event of Default" under this Lease, if (i) Tenant fails to pay Annual Rent or Additional Rent for more than seven (7) days, or in any other case Tenant fails to perform its other non-monetary obligations hereunder for more than thirty (30) days, together with such additional time, if any, as is reasonably necessary to cure the default if the default is of such a nature that it cannot reasonably be cured in thirty (30) days; or (iii) if Tenant makes any assignment for the benefit of creditors, or files a petition under any bankruptcy or insolvency law; or (iv) if such a petition is filed against Tenant and is not dismissed within sixty (60) days; or (v) if a receiver or similar officer becomes entitled to Tenant's leasehold hereunder and it is not returned to Tenant within ninety (90) days, or (vi) if such leasehold is taken on execution or other process of law in any action against Tenant then, and in any such cases, Landlord and the agents and servants of Landlord, may, in addition to and not in derogation of any remedies for any preceding breach of covenant, immediately or at any time thereafter while such default continues and without further notice and with or without process of law enter into and upon the Premises or any part thereof or mail a notice of termination addressed to Tenant at the Premises and repossess the same and expel Tenant and those claiming through or under Tenant and remove its and their effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or prior breach of covenant, and upon such entry or mailing as aforesaid, this Lease shall terminate, but Tenant shall remain liable as hereinafter provided. After the occurrence of an Event of Default as aforesaid, Tenant hereby waives all statutory rights (including, without limitation, rights of redemption, if any) to the extent such rights may be lawfully

waived, and Landlord, without notice to Tenant, may store Tenant's effects and those of any person claiming through or under Tenant at the expense and risk of Tenant pending payment to Landlord of all sums due to Landlord from Tenant hereunder.

9.2 TENANT'S OBLIGATIONS AFTER TERMINATION

In the event this Lease is terminated under any of the provisions contained in Section 9.1 or shall be otherwise terminated for breach of any obligation of Tenant, Tenant covenants as follows:

- (a) to pay forthwith to Landlord, as compensation, a lump sum equal to the total rent reserved for the residue of the Term. In calculating the rent reserved, there shall be included, in addition to the Annual Rent and all Additional Rent, the value of all other consideration agreed to be paid or performed by Tenant for said residue, less the net proceeds of any rents obtained by Landlord in reletting the Premises as provided in (b)(ii) below: and
- (b) to the extent not received in (a) above or to the extent Landlord elects, in its sole discretion, to proceed under this subparagraph (b) rather than subparagraph (a), as an additional cumulative obligation, to pay punctually to Landlord all the sums and perform all the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant under this subclause (b) Tenant shall be credited with (i) any amount paid to Landlord as compensation as provided in subclause (a) of this Section 9.2 (if Landlord elects to proceed pursuant to subclause (a)); and (ii) the net proceeds of any rents obtained by Landlord by reletting the Premises, after deducting all of Landlord's reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, fees for legal services and expense of preparing the Premises for such reletting.

Landlord agrees to use commercially reasonable efforts to relet the Premises following termination, provided however that Landlord: (x) may relet the Premises or any part or parts thereof for a term or terms which may at Landlord's option, be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term and may grant such concessions and free rent as Landlord in its reasonable judgment considers advisable or necessary to relet the same and; and (y) may make such alterations, repairs and decorations in the Premises as Landlord in its reasonable judgment considers advisable or necessary to relet the same, and no action of Landlord in accordance with the foregoing subclauses (x) and/or (y), or Landlord's failure to relet or to collect the rent through reletting shall operate or be construed to release or reduce Tenant's liability as aforesaid; and (z) shall have no duty to relet the Premises to a prospective tenant who is also interested in leasing other space that Landlord (or its affiliate(s)) then has available.



So long as at least twelve (12) months of the Term remain unexpired at the time of such termination, in lieu of any other damages of indemnity and in lieu of full recovery by Landlord of all sums payable under all the foregoing provisions of this Section 9.2, Landlord may, by written notice to Tenant, at any time after this Lease is terminated under any of the provisions contained in Section 9.1, or is otherwise terminated for breach of any obligation of Tenant and before such full recovery, elect to recover, and Tenant shall thereupon pay, as liquidated damages, an amount equal to the aggregate of the Annual Rent and Additional Rent accrued under Article IV in the twelve (12) months ended next prior to such termination plus the amount of Annual Rent and Additional Rent of any kind accrued and unpaid at the time of termination and less the amount of any recovery by Landlord under the foregoing provisions of this Section 9.2 up to the time of payment of such liquidated damages.

Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

ARTICLE X

MISCELLANEOUS

10.1 TITLES

The titles of the Articles are for convenience and are not to be considered in construing this Lease.

10.2 NOTICE OF LEASE

Upon request of either party, both parties shall execute and deliver, after the Term begins, a short form of this Lease in a form appropriate for recording or registration, and if this Lease is terminated before the Term expires, an instrument in such form acknowledging the date of termination.

10.3 NOTICE FROM ONE PARTY TO THE OTHER

No notice, approval, consent requested, or election required or permitted to be given or made pursuant to this Lease shall be effective unless the same is in writing. Communications shall be addressed, if to Landlord at Landlord's Address or at such other address as may have been specified by prior notice to Tenant and, if to Tenant, at Tenant's Address or at such other place as may have been specified by prior notice to Landlord. Any communication so addressed shall be deemed duly served if mailed by registered or certified mail, return receipt requested, delivered by hand, or by overnight express service by a carrier providing a receipt of delivery.



10.4 BIND AND INURE: LIMITATION OF LANDLORD'S LIABILITY

The obligations of this Lease shall run with the land, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Landlord named herein and each successive owner of the Premises shall be liable only for the obligations accruing during the period of its ownership. No individual, trust, or entity, nor any partner (general or limited), associate, participant, principal (disclosed or undisclosed), agent, employee, trustee, or other fiduciary, beneficiary, officer, or other person or entity in, or of, any partnership, association, joint venture, corporation or other entity, trust, or estate, from time to time holding an interest in Landlord's interest in this Lease, shall be personally liable for any judgment, or for the payment of any monetary obligation to Tenant (it being agreed by Tenant that such exoneration from personal liability is and shall be absolute and complete with no exception whatsoever).

10.5 NO SURRENDER

The delivery of keys to any employees of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

10.6 NO WAIVER, ETC.

The failure of Landlord or of Tenant to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Lease, or, with respect to such failure of Landlord, any of the Rules and Regulations referred to in Section 6.1.4, whether heretofore, or hereafter adopted by Landlord, shall not be deemed a waiver of such violation nor prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by Landlord of Annual Rent or Additional Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach by Landlord, unless such waiver is in writing, signed by Landlord. No consent or waiver, express or implied, by Landlord or Tenant to or of any breach of any agreement or duty shall be construed as a waiver or consent to or of any other breach of the same or any other agreement or duty.

10.7 NO ACCORD AND SATISFACTION

No acceptance by Landlord of a lesser sum than the Annual Rent and Additional Rent then due shall be deemed to be other than on account of the earliest installment of such rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed as accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in this Lease provided.

10.8 CUMULATIVE REMEDIES

The specific remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease. In addition to the other remedies provided in this Lease Landlord shall be entitled to seek the restraint by injunction of the violation or attempted or threatened violation of any of the covenants, conditions or provisions of this Lease or a decree compelling specific performance of any such covenants, conditions, or provisions.

10.9 PARTIAL INVALIDITY

If any term of this Lease, or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Lease shall be valid and enforceable to the fullest extent permitted by law.

10.10 LANDLORD'S RIGHT TO CURE

If Tenant shall at any time default in the performance of any obligation under this Lease, Landlord shall have the right, but shall not be obligated, to enter upon the Premises and to perform such obligation, notwithstanding the fact that no specific provision for such substituted performance by Landlord is made in this Lease with respect to such default. In performing such obligation, Landlord may make any payment of money or perform any other act. All sums so paid by Landlord (together with interest at the rate of 4% per annum in excess of the then prime rate of interest being charged by a majority of the national banks in Boston), and all necessary incidental costs and expenses in connection with the performance of any such act by Landlord, shall be deemed to be Additional Rent under this Lease and shall be payable to Landlord immediately on demand. Landlord may exercise the foregoing rights without waiving any other of its rights or releasing Tenant from any of its obligations under this Lease.

10.11 ESTOPPEL CERTIFICATE

Tenant agrees on the Commencement Date, and from time to time thereafter, upon not less than thirty (30) days prior written request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing in substantially the form attached hereto as Exhibit "E".

10.12 FORCE MAJEURE

With respect to any services to be furnished, or obligations to be performed by Landlord to Tenant, Landlord shall never be liable for failure to furnish or perform the same when prevented from doing so by strike, lockout, breakdown, accident, order or regulation of or by any governmental authority, or failure of supply, or inability by the exercise of reasonable diligence to obtain supplies, parts or employees necessary to furnish such services, or because of war, public health emergency or other emergency, or for any cause beyond Landlord's reasonable control, or for any cause due to any act or omission of Tenant, Tenant's invitees, customers, servants, agents, employees, licensees, or any person claiming by, through, or under Tenant (collectively "Events of Force Majeure").

10.13 BROKERAGE

Tenant represents and warrants that it has dealt with no brokers in connection with this transaction other than those listed in Section 1.1, and agrees to defend, indemnify, and save Landlord harmless from and against any and all claims for a commission arising out of this Lease made by anyone on behalf of Tenant other than those listed in Section 1.1.

10.14 CONFIDENTIALITY

This Lease document is a confidential document by and between Landlord and Tenant, and Tenant agrees that this Lease shall not be disclosed, copied, distributed or circulated to any person(s) other than to such parties and their respective mortgagees, prospective or actual successors or assigns, their legal counsel or their accountants, or as required by law, without prior written consent of Landlord and Tenant, which consent shall not be unreasonably withheld or delayed, provided, however, that Tenant shall be permitted to file a copy of this Lease as an exhibit to its filings with the Securities and Exchange Commission if Tenant is required by applicable law or regulations to do so.

10.15 INDEPENDENT COVENANTS

Each provision of this Lease constitutes an independent covenant, enforceable separately from each other covenant hereof. To the extent any provision hereof or any application of any provision hereof may be declared unenforceable, such provision or application shall not affect any other provision hereof or other application of such provision. Tenant acknowledges and agrees that Tenant's obligation to pay Annual Rent, Operating Expenses and Real Estate Taxes, Additional Rent, and other charges is independent of any and all obligations of Landlord hereunder other than Tenant's rights to the use and possession of the Premises and appurtenant rights including any common areas and the parking spaces identified herein as contemplated by this Lease, and that Tenant's sole remedy for any alleged breach by Landlord of its obligations hereunder other than its right to the use and possession of the Premises and appurtenant rights as contemplated by this Lease shall be to commence a judicial proceeding against Landlord seeking specific

performance and/or damages, and not to deduct or set off Annual Rent, Operating Expenses and Real Estate Taxes, Additional Rent, or other charges or to terminate this Lease.

10.16 ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties as to the Premises, and no oral statements or representations or prior written matter not contained in this instrument shall have any force or effect. This Lease shall not be modified in any way except by a writing signed by both parties.

10.17 ARBITRATION

This Lease shall be governed by and construed and enforced in accordance with the laws of Commonwealth of Massachusetts. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association, located in Boston, in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The foregoing, however, shall not preclude the parties from applying for any preliminary relief such as attachments, trustee process or restraining orders in a court of law.

ARTICLE XI


SECURITY DEPOSIT

Landlord acknowledges receipt from Tenant of the Security Deposit to be held by Landlord, as security without interest, for and during the Term, which deposit shall be returned to Tenant, at the termination of this Lease, provided there exists no continuing breach of any undertaking of Tenant, Landlord may, from time to time, without prejudice to any other remedy, use all or a portion of the Security Deposit to cure any continuing Event of Default, including any uncured default in connection with any arrearages of Rent, costs incurred by Landlord to repair damages to the Premises caused by Tenant, its agents or employees upon termination of this Lease, other than reasonable wear and tear. Following any such application of the Security Deposit, Tenant shall, within ten (10) business days after receipt of written demand, restore the cash security to the then applicable full amount. Tenant shall not have the right to call upon Landlord to apply all or any part of the Security Deposit to cure any default or fulfill any obligation of Tenant, but such use shall be solely in the discretion of Landlord. Upon any conveyance by Landlord of its interest under this Lease, the Security Deposit may be delivered by Landlord to Landlord's grantee or transferee. Upon any such delivery, Tenant hereby releases Landlord herein named of any and all liability with respect to the Security Deposit, its application and return, and Tenant agrees to look solely to such grantee or transferee with respect to the application or return of the Security Deposit. It is further understood that this provision shall also apply to subsequent grantees and transferees.

EXECUTED as a sealed instrument, in two (2) or more counterparts, on the day and year set forth below.

TENANT:

TECOGEN INC.

By: 
Name: Abinand Ranges
Title: CEO
Date: March 31, 2023

LANDLORD:

ALIBRANDI REALTY ASSOCIATES, LLC

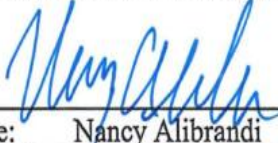
By: 
Name: Nancy Alibrandi
Title: Managing Member
Date: March , 2023



EXHIBIT "A"

LEASEHOLD IMPROVEMENTS

Leasehold Improvements shall begin in January 2024 and Landlord and Tenant shall use commercially reasonable efforts to complete all Leasehold Improvements in a timely manner.

Improvements completed by Landlord at Landlord's sole cost and expense:

None

Improvements completed by Tenant at Tenant's sole cost and expense:

Tenant may select and contract directly for design and construction for Tenant Improvements. Vendor selection would be subject to Landlord's approval, which will not be unreasonably conditioned, withheld, or delayed. Tenant Improvements will be subject to Landlord's prior written approval, which will not be unreasonably conditioned, withheld, or delayed. Landlord will provide review of plans and coordination of building services for no fee. Tenant shall provide project management services by a party reasonably acceptable to Landlord. Landlord may charge reasonable oversight fees or supervisory fees during the Tenant Improvement construction period if the Tenant Improvements require significant oversight or supervision by Landlord, provided that such fees shall not exceed two and one half percent (2.5%) of the overall hard construction costs for the Tenant Improvement costs requiring such supervision or oversight.

Tenant may, at Tenant's sole cost and expense, install a cooling tower at a mutually agreeable location provided placed does not create an undue burden on existing infrastructure. Prior to expiration of final Lease Term, Tenant, at its sole cost and expense, and upon Landlord's request, shall restore the Premises to its original condition, reasonable wear and tear excepted.



EXHIBIT "B"
COMPLETE PLANS

to be provided by April 1, 2023

EXHIBIT "C"

BUILDING SERVICES

(All of which Landlord shall be reimbursed for in accordance with Sections 4.2 and 4.3 of the Lease.)

I. HEATING, VENTILATING AND AIR CONDITIONING

1. Tenant shall have the right to use the existing HVAC system, which Landlord shall warrant is in good mechanical working order. Tenant is required to perform standard Preventative Maintenance functions on the HVAC equipment dedicated to the space servicing its Premises, no less than two (2) times per year. For the purposes of competitive pricing and quality of service, Landlord has entered into a contract for preventative maintenance for all HVAC units in the business park. As provided in Section 1.1, Tenant shall pay the pro rata portion of the Annual Preventative Maintenance contract specific to equipment in Tenant's leased Premises. Tenant responsibilities also include emergency repairs. Should Landlord's inspection reveal that any equipment has not been properly maintained, Landlord reserves the right to repair and maintain said equipment at Tenant's expense.

II. WATER

1. Landlord is responsible for providing water up to, but not including Tenant's water meter.

III. ELECTRICITY

1. Tenant shall pay for all electricity consumed in Tenant's space. The consumption shall be measured by a separate meter to be installed in Tenant's name, and Tenant shall pay for such consumption directly to the electrical utility company. To ensure that such capacity is not exceeded and to avert possible adverse effects upon the Building's electrical system, Tenant's proposed electrical design, and any further modifications by Tenant not identified in the electrical design plan that require voltage in excess of 120 volts shall be subject to Landlord's prior review and approval, which shall not be unreasonably withheld or delayed.

IV. TRASH REMOVAL

1. Tenant shall contract directly for its trash removal unless Landlord, at its sole option, installs a compactor/receptacle common to more than one tenant. Removal contracts, common to Tenants, shall be an Operating

Expense. (Expense allocation may be disproportionate, depending on usage.)

2. Abnormal waste removal such as packing crates, wood, skids, furniture, demolition materials, computer paper, etc., shall, in all instances, be Tenant's responsibility.

V. GLASS REPLACEMENT

1. Tenant is responsible for maintenance, and replacement if needed, of all glass in the Premises. Replacement glass must be in accordance with Landlord specifications.

VI. EXTERIOR AND COMMON AREA MAINTENANCE

1. Landlord shall maintain the Lot and Common Areas of the Building which include the following:
 - * Snow removal on drives, lots, and the exterior walkways.
 - * Sanding of drives, lots, and the exterior walkways.
 - * Maintenance and repair of Building structure and exterior (excluding glass) (see Item V. Glass Replacement).
 - * Maintenance and repair of parking lots.
 - * Maintenance and repair of detention or site drainage facilities.
 - * Maintenance and repair of fire or sprinkler mains, fire hydrant(s) and central fire alarm system.
 - * Maintenance and repair of common area electrical equipment, including parking lot lighting.
 - * Maintenance and repair of roof.
 - * Maintenance of all landscaping, including fertilization, mowing, and any replacement of flowers, shrubs or lawn.
 - * Maintenance and repair of lawn irrigation system.

The above services shall include all workmen's compensation, fringe benefits, insurance premiums and payroll taxes paid by the Landlord on behalf of services provided.

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EXHIBIT "D"

RULES AND REGULATIONS

1. The entrance, lobbies, passages, corridors, elevators, stairways, driveways and parking lots shall not be obstructed by Tenant, Tenant's agents, servants, employees, licensees, and visitors, nor be used by them for any purpose other than for ingress and egress, to and from the premises. The moving in or out of all safes, freight, furniture, or bulky matter of any description must take place during the hours which Landlord may determine from time to time.
2. No curtains, blinds, shades, screens, or signs, other than those furnished by Landlord shall be attached to, hung in, or used in connection with any window or door of the premises, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed.
3. No additional locks or bolts of any kind shall be placed upon the exterior doors or windows by Tenant, nor, without the prior written consent of Landlord (which consent shall not be unreasonably withheld or delayed) shall any changes be made to existing locks (or the mechanism thereof) serving exterior doors.
4. Canvassing, soliciting and peddling in the building or on the lot are prohibited, and Tenant shall cooperate to prevent the same.
5. The use of parking spaces, other than those specifically assigned to the Tenant, shall be prohibited. Vehicles shall be removed from the parking area and relocated during the process of snowplowing, sanding, sweeping, or other maintenance operations. Vehicles such as campers, storage trailers, mobile homes, recreational vehicle trailers shall not be left on the premises, or occupied for any purposes while on the premises.
6. No signs, placards, balloons, lighting systems, or other forms of advertising, or promotional systems, shall be employed or installed on the premises, without expressed consent, in writing, by the Landlord.
7. The use of the Premises, the Building, or the Lot shall not be utilized for sporting events, outings, picnics, parties or gatherings, or any functions that interfere with the normal use and operations of the other tenants in the Building and on the Premises without Landlord's prior approval.
8. Tenant will closely monitor its trash removal procedures to make sure that employees place all trash inside the assigned or rented compactor/dumpster. Under no circumstances is any trash to be left on the ground and if dropped, Tenant will immediately clean up the spillage and place it inside the receptacle.

9. No animals, with the exception of “assistance animals” (e.g., seeing eye dogs), shall be brought into the Building by Tenant, Tenant’s agents, servants, employees, invitees, subtenants and assigns.



EXHIBIT "E"

ESTOPPEL CERTIFICATE

THIS CERTIFICATE is made to _____,
with respect to a Lease between _____ as "Landlord", and the
undersigned, as "Tenant", covering a building located in _____, such lease
being dated _____, as amended by _____ (list all amendments)
[collectively the "Lease"]:

The undersigned has been advised that _____ (the
"Bank"), is about to enter into a transaction whereby the Bank is making a loan secured by
the aforesaid real estate and the Lease to the undersigned, and under which the Bank may
acquire an ownership interest in such real estate. In connection with this transaction, the
Landlord has agreed to provide a collateral assignment of its interests under the Lease to
the Bank. The undersigned acknowledges that the Bank is and will be relying upon the
truth, accuracy and completeness of this letter in proceeding with the transaction described
above.

The undersigned, for the benefit of the Bank, its successors and assigns, hereby
certifies, represents, warrants, agrees and acknowledges that:

1. The Lease is in full force and effect in accordance with its terms without
modification or amendment except as noted above and the undersigned is
the holder of the Tenant's interest under the Lease.
2. The undersigned is in possession of all of the Premises described in the
Lease under and pursuant to the Lease and is doing business thereon; and
the Premises are completed as required by the Lease.
3. The undersigned has no claims or offsets with respect to any of its
obligations as Tenant under the Lease, and neither the undersigned nor the
Landlord is claimed to be in default under the Lease.
4. The amount of Annual Base Rent is \$_____.
5. The undersigned's security deposit is \$17,500.00.
6. The undersigned has not paid any rental or installments thereof in advance
of the due date as set forth in the Lease.
7. The undersigned has no notice of prior assignment, hypothecation or pledge
of rents of the Lease or the Landlord's interest thereunder or of the Tenant's
interest thereunder.

8. The Term of the Lease commenced on _____ and is presently scheduled to expire on _____. If there are any rights of extension or renewal under the terms of the Lease, the same have not, as of the date of this letter, been exercised.
9. Until such time as the Bank shall become the Landlord, if the undersigned should assert a claim that the Landlord has failed to perform an obligation to the undersigned under the terms of the Lease or otherwise, notice thereof shall promptly be furnished to the Bank; and the undersigned agrees that the undersigned will not exercise any rights which the undersigned might otherwise have on account of any such failure until notice thereof has been given to the Bank, and the Bank has had the same opportunity to cure any such failure as the Landlord may have under the terms of the Lease.
10. Each of the statements set forth in Paragraphs 1 through 9 are true, accurate and complete except as follows (state specifically any exception):

DATED:

ATTEST:

TECOGEN INC.

By: _____

Name: _____

Title: _____

EXHIBIT "F"

ADDITIONAL PROVISIONS

RESTORATION OF PREMISES

Prior to expiration or earlier termination of Lease, Tenant shall restore the Premises at Tenant's sole expense to the same condition as existed at the Commencement Date unless accepted by Landlord in writing prior to restoration work, ordinary wear and tear excepted. If Tenant has required or installed Non-Standard Improvements, such improvements shall be removed as part of Tenant's restoration obligation unless accepted by Landlord in writing. Tenant shall also repair any damage caused by removal of Tenant's equipment or machinery.

Notwithstanding the foregoing, Tenant shall be required to comply with the following Tenant Improvements upon termination or expiration of the Lease as specified below:

- All HVAC not specific to Tenant's operation, tel/data and fire protection to remain as installed/modified. All electrical receptacles and lights to remain as installed/modified.
- All electrical wiring and conduit for motors installed by Tenant to be disconnected at the nearest interrupting device.
- Kitchenette to remain.
- Trench drain system to remain.
- Aesthetically pleasing patches on exterior facade for all wall penetrations require Landlord approval for acceptance of restoration.
- Roof patches, without compromising the roof warranty, shall be accepted.
- All sub surface work, inside and outside the property shall remain as installed.
- Compressed air lines shall remain.
- Any anchors installed in the concrete slabs shall be ground flush.
- All exterior shrubs removed as part of the installation shall not be replaced.

EXHIBIT "G"

OPTION TO EXTEND

Provided Tenant is not then in default beyond all applicable cure periods as provided for under this Lease at the time such right is exercised, Tenant shall have two (2) options to extend the Term of this Lease for a period of five (5) years, commencing at the expiration of the initial Term. Such option to extend is to be exercised by Tenant notifying Landlord in writing thereof, no earlier than fifteen (15) months before, and no later than nine (9) months prior to the end of the initial Term. Time is of the essence with respect to such exercise, and failure to exercise precisely by such date shall render this option null and void.

The exercise of such option shall automatically extend the Term of this Lease, except that: (i) there shall be no additional option to extend after the termination of this option; (ii) the Base Rent payable by Tenant during first extended term shall be as follows:

1/1/29 – 12/31/29	\$13.25 RSF	\$159,000 Annually	\$13,250.00 Monthly
1/1/30 – 12/31/20	\$13.50 RSF	\$162,000 Annually	\$13,500.00 Monthly
1/1/31 – 12/31/31	\$13.75 RSF	\$165,000 Annually	\$13,750.00 Monthly
1/1/32 – 12/31/32	\$14.00 RSF	\$168,000 Annually	\$14,000.00 Monthly
1/1/33 – 12/31/33	\$14.25 RSF	\$171,000 Annually	\$14,250.00 Monthly

(iii) the applicable Base Rent payable by Tenant during second extended Term shall be at the then Fair Market Rent as defined herein. "Fair Market Rent" shall mean the then fair market rental value for comparable first-class office space in comparable first-class office buildings located in the Town of Billerica, Massachusetts, determined in accordance with the following provisions.

The Fair Market Rent for the Premises shall be determined as follows:

(a) The Fair Market Rent shall be proposed by Landlord within forty-five (45) days of receipt of Tenant's notice that it intends to exercise its option to extend the Term (the "Landlord's Proposed Fair Market Rent"). The Landlord's Proposed Fair Market Rent shall be the Fair Market Rent unless Tenant notifies Landlord, within thirty (30) days of Tenant's receipt of Landlord's Proposed Fair Market Rent that Landlord's Proposed Fair Market Rent is not satisfactory to Tenant (such notice being referred to as "Tenant's Rejection Notice").

Fair Market Rent shall be determined by written agreement of Landlord and Tenant, in the following manner. Landlord and Tenant shall each identify a real estate broker to provide a written assessment regarding the Fair Market Rent for the Premises for the second renewal Term. If the lower assessment is more than eighty five percent (85%) of the higher assessment, the Fair Market Rent shall be the average of the assessments. If the lower assessment is not more than eighty five percent (85%) of the higher assessment the

brokers shall identify a third broker who will select one of the two brokers' assessments as the most appropriate assessment and such assessment will be deemed to be the Fair Market Rent for the Premises for the renewal term.

Notwithstanding the foregoing, in no event shall the Base Rent and additional rent payable by Tenant for the extended Term be less than the Base Rent plus any operating cost escalation payable by Tenant for the last year of the then initial Term.



TECOGEN INC.
CERTIFICATION REQUIRED BY EXCHANGE ACT RULES 13a-14(a) and 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Abinand Rangesh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tecogen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2023

/s/ Abinand Rangesh
Abinand Rangesh
Chief Executive and Financial Officer

TECOGEN INC.
CERTIFICATION REQUIRED BY EXCHANGE ACT RULES 13a-14(b) and 15d-14(b),
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Abinand Rangesh, Chief Executive and Financial Officer, of Tecogen Inc., or the Company, certify, pursuant to Section 1350, Chapter 63 of Title 18, United States Code that, to his knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78 m or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2023

/s/ Abinand Rangesh

Abinand Rangesh

Chief Executive and Financial Officer