

DELAWARE OFFICE LEASE FORM
LEASE SUMMARY PAGE

1. Landlord: The Family Foundation Academy
1101 Delaware Street
New Castle, DE 19720
2. Tenant: Delaware STEM Academy
3. Suite No.: N/A Size: approximately 40,535 rentable square feet
4. Building: Entire Building
1101 Delaware Street, New Castle
County: New Castle State: DE
5. Term: _____ () years and (Six) months
6. Commencement Date: July 1, 2016
7. Expiration Date: December 31, 2016
8. Annual Rent: \$37,500.00 per month (\$)
9. Base Taxes: N/A - School Exemption
10. Tax Base Year: July 1, N/A through June 30, N/A
11. Base Operating Costs: N/A Stop: _____
12. Operating Base Year: 2016
13. Tenant's Proportionate Share 100%
14. Late Charge: Five percent (5 %) of the delinquent amount
15. Renewal: One (1) renewal terms of Six (6) months years each-
16. Renewal Notice Period One Hundred Twenty (120) days
17. First Renewal Date: September 1, 2016
18. Renewal Rent: See Addendum I
19. Permitted Use: School/Office
20. Security Deposit: One Month's Rent
Newmark Grubb Knight
21. Broker(s): Frank Representing the Tenant Interests
Jackson Cross Partners, LLC Representing the Landlord interests
22. Commission Payable to Landlord's Broker: By separate agreement
23. Riders and Addenda: Addendum I, Addendum A

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DELAWARE OFFICE LEASE FORM

THIS LEASE is made this 31 day of May, 2016, between Landlord, as identified and having the address set forth on the Lease Summary Page attached hereto and made a part of this Lease (the "Summary"), and Tenant, as identified and having the address set forth on the Summary. In the event of any conflict between the provisions of this Lease or the Summary, the provisions of the Summary shall govern and control.

WITNESSETH, that Landlord has leased to Tenant and Tenant has leased from Landlord, all that certain space described in Exhibit A attached hereto and made a part hereof (herein referred to as the "Premises"), being the Suite identified on the Summary, and containing the approximate square footage set forth on the Summary, which Premises are a portion of the Building identified on the Summary located at the address set forth on the Summary (as used herein the term "Building" shall mean collectively the aforesaid building, including all parking decks, if any, any elevators, internal conduits containing wiring or piping and the grounds and parking areas associated with such Building), upon the terms and conditions that follow.

1. TERM / POSSESSION / RENEWAL.

(a) Term. The term of this Lease ("Term") is the Term set forth on the Summary, beginning at 12:01 a.m. (prevailing time) on the Commencement Date set forth on the Summary and ending, without the necessity of further notice from either party to the other, at midnight (prevailing time) on the Expiration Date set forth on the Summary.

(b) Delay in Commencement. Landlord shall not be liable to Tenant if Landlord does not deliver possession of the Premises to Tenant on the Commencement Date. Landlord's failure to deliver possession of the Premises to Tenant on the Commencement Date shall not affect this Lease or the obligations of Tenant under this Lease. However, the Commencement Date shall be delayed until possession of the Premises is delivered to Tenant. The Term shall be extended for a period equal to the delay in delivery of possession of the Premises to Tenant, plus the number of days necessary to end the Term on the last day of a month. If delivery of possession of the Premises to Tenant is delayed, Landlord and Tenant shall, upon such delivery, execute an amendment to this Lease setting forth the new Commencement Date, Expiration Date and First Renewal Date of this Lease.

(c) Early Occupancy. If Tenant occupies the Premises prior to the Commencement Date, Tenant's occupancy of the Premises shall be subject to all of the provisions of this Lease. Early occupancy of the Premises shall not advance the Expiration Date of this Lease. Tenant shall pay Annual Rent and all other charges specified in this Lease for the early occupancy period, prorated on a per-diem basis.

(d) Renewal. Provided that the Tenant is not then in default under the provisions of this Lease, Tenant shall have the following right to renew this Lease: At the option of Tenant, the Term may be extended for the number of renewal terms(s) set forth on the Summary, each for the number of years set forth on the Summary. Each renewal term may be exercised by Tenant giving written notice to Landlord no later than the number of days specified as the Renewal Notice Period on the Summary prior to the expiration of the then current Term. Upon any valid exercise of any such rights of renewal, the terms of this Lease shall remain in full force and effect and unamended except that the Annual Rent for each renewal term shall be the Renewal Rent as provided on the Summary. References in this Lease to the Term shall be deemed to apply to any then current renewal term. In the event the Tenant is in default under the provisions of this Lease after Tenant notifies Landlord of its intent to renew this Lease prior to the commencement of the renewal term, then the renewal term, at the option of Landlord, shall be deemed revoked, canceled and of no effect whatever.

2. RENT.

(a) Annual Rent. Subject to the provisions of Section 3 below, the annual rent during the Term shall be the Annual Rent set forth on the Summary, payable in equal advance monthly installments ("Monthly Rent"), as set forth on the Summary, beginning on the Commencement Date and continuing on the first day of each successive calendar month thereafter during the Term. If the Commencement Date is other than the first day of the month, Tenant shall pay on the Commencement Date an amount equal to the Annual Rent divided by 365 and multiplied by the number of days beginning with the Commencement Date and ending with the last day of the month in which the Commencement Date occurs. If the Expiration Date is other than the last day of the month, Tenant shall pay on the date the last monthly installment of Annual Rent is due an amount equal to the Annual Rent divided by 365 and multiplied by the number of days beginning with the installment due date and ending with the Expiration Date. Tenant shall pay, together with Monthly Rent Installments, its proportionate share of Real Estate Taxes, Other Taxes and Operating Costs, as hereinafter defined, and any other charges and payments due from Tenant hereunder ("Additional Rent"). Annual Rent, Additional Rent, and Monthly Rent may all be collectively referred to herein as "Rent."

(b) Late Charge. Any monthly installments of Annual Rent, Additional Rent and all other payments becoming due from Tenant hereunder which are not paid within ten (10) days of the date due shall be subject to the Late Charge set forth on the Summary.

(c) Place of Payment. All rents and other sums payable hereunder, whether on account of Annual Rent, Additional Rent, or otherwise, shall be payable, except as otherwise provided herein, to Landlord, without demand, notice or setoff, during normal business hours, at Landlord's address set forth on the Summary or such other place as Landlord may in writing from time to time direct. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of any Rent due or pursue any other remedy provided in this Lease.

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3. **CPI INCREASE.** The Annual Rent payable as aforesaid shall, beginning with commencement of the second CPI Lease Year (as defined below), and for each CPI Lease Year thereafter, be adjusted during the Term according to increases in the Consumer Price Index ("CPI" as hereinafter defined). The CPI shall mean the average for "All Items" shown on the Consumer Price Index for All Urban Consumers for Philadelphia-Wilmington-Trenton, PA-DE-NJ-MD Area, as published by the Bureau of Labor Statistics of the United States Department of Labor using the years 1982-84 as the base of 100, or if the CPI is no longer published, the index of consumer prices in the United States most closely comparable to the CPI, after making such adjustments as may be prescribed by the agency publishing the same or as otherwise may be required to compensate for changes subsequent to the Commencement Date, in items included or method of computation thereof.

Adjustments of the Annual Rent shall be made as follows:

(1) The CPI most recently reported as of the ninetieth (90th) day immediately prior to the commencement of the complete CPI Lease Year immediately preceding the CPI Lease Year for which the adjustment is being calculated shall be designated as the "Base CPI".

(2) The Annual Rent payable for the second CPI Lease Year and for each and every CPI Lease Year thereafter during the Term shall be (a) the sum derived by increasing the Annual Rent (less the Base Costs component of that Annual Rent) in effect for the CPI Lease Year immediately preceding that for which the adjustment is being made by the percentage increase of the CPI in effect for the ninetieth (90th) day immediately prior to the commencement of the CPI Lease Year for which the adjustment is being made over the Base CPI, plus (b) the Base Costs. The Annual Rent, adjusted as herein provided, shall be payable in equal monthly installments as provided in Section 2 above.

(3) Until such time as the Base CPI is available, the Annual Rent shall be payable at the same rate as in the preceding CPI Lease Year. Any adjustments subsequently required shall be made by payment by Tenant within fifteen (15) days after the receipt of written notice by Landlord of the amount due and shall be retroactive to the commencement of that CPI Lease Year.

(4) No adjustment shall be made in the Annual Rent for any CPI Lease Year so as to reduce the Annual Rent payable for such year below the Annual Rent in effect for the previous CPI Lease Year.

(5) As used herein, the term "CPI Lease Year" shall be the twelve (12) month period commencing on the Commencement Date of this Lease and each successive twelve (12) month period thereafter during the Term.

(6) As used herein, the term "Base Costs" shall mean the Base Operating Costs, Base Taxes and Services Base (each as defined hereinafter), if any, to the extent actually included in the Annual Rent for the first CPI Lease Year.

4. **USE OF PREMISES.**

(a) **Use.** Tenant shall use and occupy the Premises solely for the Permitted Use set forth on the Summary and in no event for other than office uses and for no other purpose, except with the prior written consent of Landlord. Tenant shall not conduct or permit any auctions or sheriff's sales at the Premises.

(b) **Compliance.** Tenant will comply with all valid requirements of law and of all duly constituted public authorities and with the requirements of the local Board of Fire Underwriters (or other body exercising similar functions) now or hereafter in force, so far as the same may relate to the use, occupancy, alteration or condition of the Premises during the Term. Tenant shall comply with all federal, state or local laws and regulations relating to the accommodation of disabled persons including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §12101 et seq. and 29 Del.C. §7306, (such laws are hereinafter collectively referred to as the "Use, Accessibility and Occupancy Laws") which apply to the use and occupancy of the Premises including, without limitation, performing any alterations, additions or improvements necessary to bring the Premises into compliance with the Use, Accessibility and Occupancy Laws. Any such alterations, additions or improvements shall be subject to the provisions of this Lease governing alterations, additions and improvements performed by Tenant, including, without limitation, the request for Landlord's prior approval. In the event that Tenant's compliance with the Use, Accessibility and Occupancy Laws, or any alterations, additions or improvements with respect to such compliance, requires or creates a liability for alterations, additions or improvements to common areas or other portions of the Building not included in the Premises, Tenant must also first obtain the prior written approval of Landlord with respect to the methods of compliance and the necessary alterations, additions or improvements. Any approved alterations, additions or improvements to the common areas and other portions of the Building not included in the Premises shall be performed, at Landlord's option, by Tenant or by Landlord at Tenant's sole cost and expense, payable by Tenant within fifteen (15) days after Landlord's demand therefor. Landlord's approval of the plans, specifications and working drawings for Tenant's alterations, additions or improvements shall not create any responsibility or liability on the part of Landlord for the completeness, design sufficiency or compliance with laws and regulations. Landlord may withhold its consent, in its absolute discretion, to any proposed assignment or sublease if the proposed assignee or sublessee or its business is subject to compliance with additional requirements of the Use, Accessibility and Occupancy Laws beyond those requirements which are applicable to Tenant desiring to assign or sublet.

(c) **Nuisance.** Tenant will not commit, or permit to be committed, waste on or to the Premises or maintain, or permit to be maintained, a nuisance thereon or any other activity which injures or unreasonably interferes with the peaceful enjoyment of any tenant in the Building, of Landlord, or of any neighbor of the Premises or the Building.

(d) **Condition.** Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or the Building or their suitability for the conduct of Tenant's business or for any other purpose or with respect to the quality, nature or adequacy of air or water within the Premises and the Building. By taking possession of the Premises, Tenant acknowledges that the Premises are in tenantable condition and that by taking possession of the Premises, Tenant accepts the Premises and the Building in their "as-is" condition.

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(e) **Hazardous Substances.** Tenant shall not deposit, store, dispose of, use, handle, discharge, spill, permit the existence of, release, install or incorporate in the Premises or the Building any Hazardous Substances (as defined below), other than the use, storage, handling and disposing of Hazardous Substances for usual and customary office purposes and then only to the extent permitted by, and in full compliance with, applicable law. Tenant shall not engage in any activity in violation of applicable federal, state or local laws, regulations or ordinances relating to the treatment, production, storage, handling, transfer, processing, transporting, use, disposal or release of Hazardous Substances ("Restricted Activities"). "Hazardous Substances" shall mean all hazardous substances, wastes and materials, toxic and radioactive matter, asbestos and asbestos containing materials, petroleum and petroleum products, electromagnetic rays and fields and any other material or substance which is regulated by laws or requirements as aforesaid or which, even if not regulated by laws or requirements as aforesaid, may or could pose a hazard to the health and safety of the current or future occupants of the Premises or the Building, or other owners or occupants of property adjacent to or in the vicinity of the Premises or the Building or the environment. Tenant shall be solely responsible for and shall defend, indemnify and hold harmless Landlord, and its agents, successors and assigns, from and against all claims, actions, damages, penalties, liabilities and expenses (including, without limitation, reasonable attorneys' fees) arising out of or in connection with (1) the Restricted Activities by Tenant, its agents, contractors, employees, licensees or invitees and (2) the removal, clean up and restoration work ("Remediation") necessary to return the Premises to their condition required under this Lease, changes to natural resources, if any, and diminution in property value, if any, to the extent that such Remediation, natural resources, damages or diminution in property value is caused by Tenant. This provision shall survive the expiration or earlier termination of this Lease. If at any time during the Term or any renewal thereof Tenant becomes aware of any inquiry, investigation or administrative or judicial proceeding regarding Restricted Activities or otherwise regarding Hazardous Materials, Tenant shall within five (5) days of first learning of such inquiry, investigation or proceeding give Landlord written notice providing all available information regarding such inquiry, investigation or proceeding.

(f) **Quiet Possession.** If Tenant pays the Rent and complies with all other terms of this Lease, Tenant may occupy and enjoy the Premises for the full Term, subject to the provisions of this Lease.

5. SERVICES.

(a) **Responsibility to Furnish.** The parties agree that each shall, subject to the further provisions hereof, and in addition to the other considerations recited herein, furnish and/or pay for the services and items identified and assigned to them on the Services Rider attached hereto and made a part hereof.

(b) **Landlord Responsibility.** If one of the following services or items is identified in the Services Rider as being a responsibility of Landlord, then so long as Tenant is not in default hereunder, such service or item shall be provided as follows:

(i) **Heat -** Landlord shall furnish a reasonable amount of heat to the Premises during normal business hours during the heating season so as to maintain reasonably comfortable temperatures in the Premises under normal office conditions.

(ii) **Air conditioning -** Landlord shall furnish a reasonable amount of air conditioning to the Premises during normal business hours during the air conditioning season so as to maintain reasonably comfortable temperatures in the Premises under normal office conditions.

(iii) **Electrical current -** Landlord shall furnish electrical current to the Premises for normal office lighting and electrical outlets. The Annual Rent set forth in this Lease includes a charge (the "Services Base") for electricity service to the Premises for normal office lighting and electrical outlets based upon a maximum electricity consumption of six (6) watts per square foot of Premises for a 120 volt single phase alternating current for "normal business hours" and based upon charges and rates presently paid by Landlord for electricity for the Building. Meter(s) or sub-meter(s) for the Premises may be installed at Landlord's option for the purpose of measuring Tenant's consumption. If Tenant's consumption of electricity exceeds the above maximum use contemplated by this Lease, or in the event charges and rates paid by Landlord increase, Tenant will pay Landlord the amounts as determined by the meter(s) or sub-meter(s) at charges and rates paid by Landlord to its other utility supplier for electricity for the Building. Such additional charges, if any, shall be submitted to Tenant each month or as soon after Landlord has been furnished with invoices for the same as is practicable. Tenant shall pay such charges to Landlord within ten (10) days after demand therefor by Landlord. Any default by Tenant in the timely payment of any such charge shall be deemed to be a default by Tenant under this Lease. Any change at any time of the character of electrical service shall not make Landlord liable or responsible to Tenant for any loss, damage or expense that Tenant may sustain.

(iv) **Water -** Water service shall be provided for drinking, lavatory and toilet purposes as is customary for general office use. Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises which will increase the amount of water which Landlord determines to be reasonable for use of the Premises as general office space, nor connect with water pipes any apparatus or device for the purpose of using water. If Tenant shall require water in excess of that which is obtainable from existing water pipes and normal for use of the Premises as general office space, Tenant shall obtain the prior consent of Landlord. Tenant shall pay all costs of meter service and installation of facilities necessary to measure or furnish such excess capacity and the entire cost of all such excess water used.

(v) As used herein "normal business hours" shall mean 8 am. to 6 p.m. on Monday through Friday and 8 a.m. to 1 p.m. on Saturday, except for all federal and state holidays.

(vi) **Telephone -** Landlord shall furnish at least one (1) telephone line and jack to the Premises for normal office telephone use. Tenant shall contract with a separate service provider for local and long distance telephone services to the Premises.

(c) **Interruption of Services.** Landlord shall not be liable for any failure to furnish the services and items assigned to it in the Services Rider if such failure is due to a shortage of materials, supplies, labor, services or other cause
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beyond its reasonable control. Furthermore, Landlord reserves the right to interrupt, curtail or suspend the services required to be furnished by Landlord under this Section when the necessity therefor arises by reason of accident, emergency, mechanical breakdown, or when required by any law, order or regulation of any federal, state, county, or municipal authority, or for any other cause beyond the reasonable control of Landlord. Landlord shall use diligence to complete all repairs required of Landlord hereunder or other necessary work so that Tenant's inconvenience resulting therefrom may be for as short a period of time as circumstances will reasonably permit. Tenant shall not be entitled to any diminution or abatement of Rent or other compensation as a result therefrom, nor shall this Lease or any of the obligations of Tenant hereunder be affected or reduced by reason of such interruption, curtailment or suspension.

(d) Exclusions/Riders – Without limitation, the Landlord shall not be responsible for providing a satellite dish, fiber optic cable, T-1 or similar lines, wireless Internet service, or more than one (1) telephone jack to the Premises except by separate agreement or Rider to this Lease, and Tenant shall not have access to any part of the Building, including the roof, internal conduits, switch rooms or the like, to install such apparatus except by separate agreement or rider to this Lease, and such areas shall not be considered part of the Premises.

6. REPAIRS.

(a) Tenant. Tenant shall, at its expense, make all repairs and replacements to the Premises and the fixtures and appurtenances therein, and the systems or components serving the Premises which are not of the same type and nature as those provided by Landlord as part of the building standard improvements, to keep the same in a good, orderly and safe condition and state of repair and as necessitated by the neglect or misuse of Tenant, or its agents, servants, employees, visitors or licensees, or by the use of the Premises in a manner contrary to the purposes for which the same are leased to Tenant, as and when needed to preserve them in good working order and condition. All damage or injury to the Premises and to its fixtures, appurtenances and equipment or to the Building and to its fixtures, appurtenances or equipment caused by Tenant in any manner including, but not limited to, damage moving property in or out of the Building, or by installation or removal of furniture, fixtures or other property shall be repaired, restored or replaced promptly by Tenant at its sole cost and expense, which repairs, restorations and replacement shall be in quality and class equal to the original work or installations.

(b) Landlord. Landlord shall make all repairs and replacements, structural or otherwise, necessary to keep in good order and repair the Premises, including Landlord's equipment, except any repairs to Tenant's trade fixtures, equipment, machinery, property or installations and except for repairs and replacements which Tenant is obligated to make pursuant to the provisions of this Lease.

(c) Limitations. Repairs and replacements to the Premises and the Building arising out of or caused by Tenant's use, manner or use or occupancy of the Premises or by installations in or upon the Premises or by any act or omission of Tenant or any employee, agent, contract or invitee of Tenant shall be made at the sole cost and expense of Tenant.

7. SURRENDER OF PREMISES. Tenant shall surrender the Premises to Landlord at the expiration or earlier termination of this Lease in the condition it is required to keep the same, damage by fire or other casualty not due to the misuse or neglect by Tenant or Tenant's agents, servants, visitors or licensees excepted. Any personal property which shall remain on the Premises for more than five days after the expiration or earlier termination of this Lease or Tenant's right to possess the Premises may, at the option of Landlord, be deemed to have been abandoned by Tenant and may be retained by Landlord as Landlord's property or be disposed of, without liability of Landlord, in such manner as Landlord may see fit or Landlord, at its option, may require Tenant to remove the same at Tenant's expense. In case of such removal, all costs of removal and of repairing any damage to the Premises arising from such removal shall be paid by Tenant within ten (10) days after Landlord's demand. Tenant shall pay to Landlord within ten (10) days after Landlord's demand (i) a reasonable fee for storing and disposing of any such personal property, and (ii) all costs and expenses incurred by Landlord in storing and disposing of any such personal property (including, without limitation, reasonable attorney's fees relating to claims against Landlord by any and all parties claiming interests in such personal property).

8. NO ALTERATIONS.

(a) Alterations. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. In no event shall any structural change or any change or modification to the structure, heating, air conditioning, ventilating, electrical or plumbing services or other systems be undertaken by Tenant or any employee or agent of Tenant. Any permitted alterations, additions or improvements shall be done at Tenant's sole cost and expense and in accordance with the applicable laws and ordinances of any public authority having jurisdiction over the Building and in accordance with the building and zoning rules and regulations of any such authority and such reasonable requirements as may be imposed by Landlord. Landlord's consent to any such alterations, additions or improvements shall not create responsibility on the part of Landlord for completeness, sufficiency or compliance with applicable laws, ordinances and regulations. Tenant hereby expressly assumes full responsibility for all damages and for injuries which may result to any person or property by reason of, or resulting from any alterations, additions or improvements, and shall indemnify and hold Landlord harmless with respect thereto. Tenant shall provide Landlord with as-built drawings upon completion of all alterations, additions and improvements. All alterations, improvements, additions or fixtures, whether installed before or after the execution of this Lease, shall, immediately upon completion, become the property of Landlord and shall remain upon the Premises at the expiration or sooner termination of this Lease unless Landlord shall, prior to the expiration or termination of this Lease, have given written notice to Tenant to remove any of the same which were installed by or for Tenant, in which event Tenant will remove such alterations, improvements and additions and restore the Premises to the same good order and condition in which they were prior to the installation of such alterations, improvements, additions or fixtures. Should Tenant fail to do so, Landlord may do so, collecting, at Landlord's option, the cost and expense thereof from Tenant as Additional Rent. In making any alterations, additions or improvements, Tenant shall promptly pay all contractors, materialmen and laborers so as to minimize the possibility of a lien attaching to the Building, or attaching to any portion of the real property on which said Building is located, and should any such lien be made or filed, Tenant shall bond against or discharge the same within ten (10) days after written request by Landlord. In allowing for alterations, additions, improvements or fixtures by Tenant, this Lease or Landlord's subsequent consent to said work shall not be deemed to

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constitute Landlord's prior written consent for the purposes of rendering the Premises, the Building or other property of Landlord liable to such liens.

(b) Signs. Tenant shall not place, plant, install or attach any sign to the exterior of the Premises or to the interior or exterior of the Building without Landlord's prior written consent and except as allowed by applicable laws, ordinances and regulations.

9. TAXES.

(a) Real Estate Taxes.

(i) Tenant shall pay to Landlord for each year during the Term, as Additional Rent, Tenant's Proportionate Share (which the parties agree is the percentage set forth on the Summary) of any increase in Real Estate Taxes (as hereinafter defined) imposed in any Tax Lease Year (as hereinafter defined) during the Term over the Base Taxes (as hereinafter defined), whether included in the Annual Rent or otherwise.

(ii) Real Estate Taxes, as used herein, shall mean all taxes, assessments and public charges of every kind and nature whatsoever, general and special, extraordinary as well as ordinary, foreseen and unforeseen (including, but not limited to, special services district or similar service district tax and any other licensing charges in the nature of a tax on the operation of the Building), which may be levied, assessed or imposed upon the land, Building, and all improvements located upon the tax parcel or parcels of which the Building is a part, and all costs and fees, including attorney's fees, incurred by Landlord in contesting any of the above and/or negotiating with public authorities as to any of the above.

(iii) Base Taxes shall mean the Real Estate Taxes for the Tax Base Year, the Real Estate Taxes stop or other base for calculation of Tenant's Proportionate Share of Real Estate Taxes identified on the Summary. "Tax Base Year" means the period so designated on the Summary or, in the absence of such designation, the initial twelve (12) month period commencing on the first day of July immediately preceding the Commencement Date of this Lease; provided, however, (i) if the Building shall not yet have been assessed as fully completed during such period, the Tax Base Year shall refer to the taxing year during which the Building is first assessed as being fully completed and (ii) if the applicable taxing authority modifies the taxing period to a period other than as set forth in the Summary, Landlord shall have the option of conforming the Tax Base Year to such period and, in such case, shall be entitled to make such adjustments to the amounts due from Tenant under this Section as may be necessary to accommodate such change.

(iv) "Tax Lease Year" means the twelve (12) month period beginning with the commencement of the Tax Base Year and each successive twelve (12) month period thereafter.

(v) If any Tax Lease Year shall extend beyond the Term, then Tenant's Proportionate Share of Real Estate Taxes shall be the amount calculated above multiplied by a fraction the numerator of which shall be the number of days in the Tax Lease Year during the Term, and the denominator of which shall be 365. Regardless when the Term expires or terminates, and even though Tenant has vacated the Premises, the amount to be paid by Tenant shall be paid immediately upon receipt of notice therefor from Landlord.

(vi) Tenant's Proportionate Share of increases in Real Estate Taxes shall be paid within ten (10) days after demand therefor by Landlord. A copy of the assessing authority's bill for such Real Estate Taxes, submitted by Landlord to Tenant, shall be sufficient evidence of the amount of taxes assessed or levied against the parcel or real property to which such bill relates. If Landlord does not reasonably expect to receive the authority's bill for any Real Estate Taxes until after the Term is scheduled to expire, Landlord, at its option, may estimate the amount due Tenant for Real Estate Taxes during the period between the end of the last Tax Lease Year for which Landlord has received the authority's bill and the expiration of the Term and such amount shall be payable by Tenant within ten (10) days after demand therefor by Landlord.

(vii) Landlord may also, at its option, elect to require that Tenant pay Tenant's Proportionate Share of increases in Real Estate Taxes for each Tax Lease Year in monthly installments on the first day of each calendar month in advance, in an amount estimated by Landlord prior to the commencement of each Tax Lease Year. In such case, within ninety (90) days after the end of each Tax Lease Year, Landlord shall furnish Tenant with a copy of the authority's bill for Real Estate Taxes for such period. If the total amount paid by Tenant under this subsection for any Tax Lease Year shall be less than the actual amount due from Tenant for such year, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten (10) days after the furnishing of a copy of such tax bill, and if the total amount paid by Tenant hereunder for any Tax Lease Year shall exceed the actual amount due from Tenant for such Tax Lease Year, such excess shall be applied by Landlord to the next installment or installments of Annual Rent or Additional Rent becoming due under this Lease, or in the event this Lease shall have been terminated not as a result of any default by Tenant hereunder, such overpayment shall be paid directly to Tenant.

(b) Other Taxes. Tenant shall be responsible for and pay as additional rent all taxes which may be assessed or imposed by any lawful authority in respect of the occupancy and use by Tenant of the Premises and whether such tax is imposed on the basis of lease value of the Premises or imposed on any rents reserved hereunder (whether Annual Rent or Additional Rent). Without in any way limiting the generality of the foregoing, Tenant shall reimburse Landlord for any gross receipts tax imposed upon Landlord on account of the rentals reserved or received under this Lease, including, without limitation, any tax imposed upon Landlord by reason of 30 Del.C. §2301(e), as amended from time to time, during the Term.

10. OPERATING COSTS.

(a) Tenant agrees to pay to Landlord each year during the Term, as Additional Rent, Tenant's Proportionate Share of any increase in Operating Costs (as defined below) incurred in any Operating Lease Year (as defined below) during the Term over the Base Operating Costs (as defined below), whether included in the Annual Rent or otherwise.

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(b) "Operating Costs" means all expenses incurred by or paid on behalf of Landlord for the operation, management and maintenance of the Building, which, in accordance with generally accepted accounting principles, are properly chargeable against income, and the costs as reasonably amortized with yearly interest of twelve percent (12%) of the unamortized amount of all capital improvements made for Operating Costs. Without in anyway limiting the generality of the foregoing, Operating Costs shall include:

(i) Salaries, wages, medical, surgical, and general welfare benefits (including group life insurance) and pension payments of employees of Landlord engaged in the operation, management and maintenance of the Building;

(ii) Payroll taxes, workmen's compensation, uniforms, and dry cleaning for the employees referred to in subsection (i);

(iii) Charges for steam, heat, ventilation, air conditioning, water and sewer service furnished to the Building (including common areas thereof), and any taxes on such utilities;

(iv) Charges for insurance covering Rent, casualty, liability and any other obtained by Landlord or required to be obtained by Landlord's lender;

(v) The cost for all building and cleaning supplies and charges for telephone for the Building;

(vi) Charges for management, window cleaning and service contracts for all areas of the Building; and

(vii) Charges for electricity (including any taxes thereon) furnished to the Building.

Operating Costs shall not include any franchise or income taxes, any interior painting of leased space, or any work or service performed for any tenant at the cost of such tenant. For purposes of determining the amount of Operating Costs for any Operating Lease Year during the Term, if the entire rentable area in the Building shall not have been occupied for any part of the year, Operating Costs shall include the amount of such expenses that would reasonably have been incurred had the entire rentable area of the Building been occupied.

(c) "Base Operating Costs" means the Operating Costs for the Operating Base Year, the Operating Costs Stop, if any, identified on the Summary, or other base for calculation of Tenant's Proportionate Share of Operating Costs identified on the Summary.

(d) "Operating Lease Year" means each twelve month period beginning with the commencement of the Operating Base Year identified on the Summary. If any Operating Lease Year shall extend beyond the Term, any amount to be paid by Tenant for that Operating Lease Year shall be prorated accordingly. Regardless when the Term expires or terminates, and even though Tenant has vacated the Premises, the amount to be paid by Tenant shall be paid immediately upon receipt of notice therefor from Landlord.

(e) Tenant's Proportionate Share of Operating Costs for each Operating Lease Year shall be paid in monthly installments on the first day of each calendar month in advance as Additional Rent in an amount estimated by Landlord prior to the commencement of each Operating Lease Year. Within ninety (90) days after the end of each Operating Lease Year, Landlord shall furnish Tenant with a statement of the actual amount of Tenant's Proportionate Share of Operating Costs for such period. If the total amount paid by Tenant under this subsection (e) for any Operating Lease Year shall be less than the actual amount due from Tenant for such year as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten (10) days after the furnishing of each such statement, and if the total amount paid by Tenant hereunder for any such Operating Lease Year shall exceed the actual amount due from Tenant for such Operating Lease Year as shown on such statement, such excess shall be applied by Landlord to the next installment or installments of Annual Rent or Additional Rent becoming due under this Lease, or in the event this Lease shall have been terminated not as a result of any default by Tenant hereunder, such overpayment shall be paid directly to Tenant.

(f) Tenant shall have the right, to be exercised no later than thirty (30) days following the furnishing of the aforesaid statements to Tenant, upon ten (10) days' prior written notice to Landlord, to examine, at a location determined by Landlord, Landlord's backup support and data relating to Operating Costs for the preceding Operating Lease Year. All information examined or received by Tenant shall remain strictly confidential.

11. **LIMITATION OF LANDLORD'S LIABILITY.** Unless any of the same shall be solely caused by Landlord's gross negligence, Landlord and Landlord's agents, servants and employees shall not be liable for, and Tenant hereby releases Landlord and Landlord's agents, servants, and employees from all claims for damage to person or property (including loss or interruption of business) sustained by Tenant, or any person claiming through Tenant, resulting from any fire, accident or occurrence or condition in or upon the Premises or the Building, including but not limited to, such claims for damage resulting from (i) any defect in or failure of plumbing, sprinkler systems (if any), heating or air conditioning equipment, elevators (if any), electrical wiring or installation thereof, water pipes, stairs, railing or walks; (ii) any equipment or appurtenances becoming out of repair; (iii) the bursting, leaking or running of any tubing, radiant panel, electrical fixture, valve, fitting, tank, washstand, water closet, waste pipe, drain or any other pipe or tank in, upon or about the Premises or the Building; (iv) the backing up of any sewer pipe or downspout; (v) the escape of steam, hot or cold water; (vi) water, snow or ice being upon or coming through the roof of the Building or any other place upon or near the Premises or otherwise; (vii) the falling of any fixture, plaster or stucco; (viii) broken glass; (ix) any act or omission of co-tenants or other occupants of the Building; (x) the exercise of any rights by Landlord under this Lease; and (xi) any act or omission of parties other than Landlord, its employees or agents, including but not limited to terroristic occurrences impacting the Building, surrounding structures, or the metropolitan area where the Building is located.

12. **NO ASSIGNMENT OR SUBLETTING.** Tenant shall not assign, mortgage, pledge or encumber this Lease, or sublet the whole or any part of the Premises, without on each occasion first obtaining the prior written consent of Landlord.

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This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. If Tenant is a corporation, partnership, limited liability company or other entity, any transfer, sale, pledge or other disposition, in any single transaction or cumulatively during the Term, of fifty percent (50%) or more of the stock of or partnership or ownership interest in or other beneficial interest in Tenant shall be deemed an assignment of this Lease and, therefore, prohibited without the prior written consent of Landlord. In the event of any assignment of this Lease made with Landlord's consent, Tenant shall, nevertheless, remain liable for the performance of all of the terms, conditions and covenants of this Lease and will require any assignee to execute and deliver to Landlord an assumption of liability agreement in form satisfactory to Landlord, including an assumption by the assignee of all of the obligations of Tenant and the assignee's ratification of and agreement to be bound by all the provisions of this Lease, including the warranties of attorney to confess judgment. Any assignment or subletting made without Landlord's consent shall be void and of no effect. If Tenant shall request the consent of Landlord to any assignment of this Lease or subletting of all or part of the Premises, Tenant shall pay and deliver to Landlord as additional rent Landlord's costs related thereto including Landlord's reasonable attorney's fees and a minimum processing fee of One Thousand Dollars (\$1,000.00).

13. CASUALTY LOSS.

(a) If the Premises or the Building (including machinery or equipment used in the operation of the Building) shall be damaged by fire or other casualty, or if by reason of fire or other casualty any essential utility or other service or access which is required by Tenant for the conduct of its business shall be materially curtailed, or if the Premises shall be subject to environmental contamination (including without limitation toxic mold or detriments to water or air quality) such that there is a material adverse impact on Tenant's business operations (and without limiting any other applicable right of Tenant relating thereto), Landlord shall, upon notification of any such event, obtain the written estimate of a reputable contractor selected by Landlord for the time required for restoration and repair, remediation or restoration of service, as applicable. If (1) the damage is of such nature or extent that, in the written estimate of such contractor, more than two hundred seventy (270) consecutive days after commencement of the work would be required (with normal work crews and hours) to repair and restore the part of the Premises or the Building which has been damaged (the "270 Day Repair Condition"), or (2) the 270 Day Repair Condition exists and the damage is so extensive that Landlord determines to permanently close down the Building and terminate all tenancies therein, or (3) the damage requires repair to more than fifty percent (50%) of the value of the permanent improvements constituting the Premises and less than two (2) years remain on the Term, then Tenant, in the case described in clause (1) above, or Landlord, in the case described in clause (2) above, or either party, in the case described in clause (3) above, shall have the right to terminate this Lease by written notice to the other, as of the date specified in such notice, which termination date shall be no later than sixty (60) days after the date of such notice; provided, however, if Landlord terminates this Lease pursuant to clause (3) above and within thirty (30) days following receipt of Landlord's notice thereof, Tenant agrees to extend the Term hereof by the exercise of an option to renew the Term, such notice of termination shall be deemed rescinded; and provided further that in the case of a termination under any provision of this Section 13, Tenant shall have the right to continue to store its property in the Premises and/or utilize such portions of the Premises as may be safely and lawfully occupied, with Rent abatement as hereinafter set forth, so long as the Premises are not required by Landlord for repair and/or re-letting. In the event of such fire or other casualty, if this Lease is not terminated pursuant to the terms of this Section, or in the event of fire or other casualty not resulting in a right of termination, Landlord shall proceed diligently to restore the Building and/or Premises, as the case may be, to substantially its condition prior to the occurrence of the damage, provided that Landlord shall not be obligated to repair or restore any of Tenant's work or any personal property or trade fixtures of Tenant unless Tenant, in a manner satisfactory to Landlord, assures payment in full of all costs as may be incurred by Landlord in connection therewith. Landlord's duty to restore or repair the Premises after a casualty loss shall be limited to expending an amount no greater than the insurance proceeds actually received by Landlord, which the Landlord is not required to pay over to its mortgagee. If Tenant does not elect to terminate this Lease as a result of a 270 Day Repair Condition, the validity and effect of this Lease shall not be impaired by the failure of Landlord to complete repairs and restoration of the Premises or of the Building within two hundred seventy (270) consecutive days after commencement of work, even if Landlord had estimated in good faith that the repair and restoration could be completed within such period, provided that Landlord proceeds diligently with such repair and restoration.

(b) Without limiting the provisions of subsection (a) above, in the case of damage to the Premises, or the interruption of the provision of essential utility or other services or access, which is of such nature and extent that Tenant's continued occupancy of the Premises or a portion thereof is substantially and materially impaired so as to render same untenable for Tenant's intended business purposes, or in the event of the occurrence of a Restrictive Condition (as hereinafter defined), all Rent otherwise payable by Tenant hereunder shall be abated or adjusted, in proportion to the percentage of the total area of the Premises rendered untenable or otherwise adversely affected by the Restrictive Condition, for the duration of such impairment; and such abatement shall continue after any restoration or repair by Landlord for a reasonable period (but not more than 45 days) in order to allow Tenant to restore or rebuild its own improvements. Without limiting Tenant's rights respecting a 270 Day Repair Condition, in the event a Restrictive Condition continues for more than one hundred fifty (150) consecutive days, Tenant shall have the right to terminate this Lease, by notice to Landlord, specifying an effective date of termination not more than 90 days thereafter. In connection with any such termination by Tenant solely on account of a Restrictive Condition, and if the termination occurs during the initial Term: (i) if Landlord is able to place Tenant in alternative space which is not subject to the Restrictive Condition, in a building controlled by Landlord or its affiliates, and such other space is geographically, functionally and strategically suitable and appropriate for Tenant's business operations in Tenant's reasonable judgment, Tenant shall negotiate with Landlord in good faith for a new lease at such alternative building at fair market rates, and (ii) if a new lease at an alternative building is not feasible as set forth in the immediately preceding subclause, then as a further condition of Tenant's termination, Tenant shall pay Landlord as a termination fee equal to the least of (i) one year's Annual Rent, (ii) fifty percent (50%) of the unamortized balance of the Tenant improvements due and payable during the initial Term (calculated as of the date of termination), or (iii) twenty percent (20%) of the Annual Rent then remaining for the initial Term (calculated as of the date of termination). Such termination fee is intended to accommodate a sharing by Tenant of the risk of a Restrictive Condition, and shall not apply to any other right of termination set forth in this Lease, including without limitation a termination for fire or other casualty which would be available absent the application of the terms of this Lease relating to a Restrictive Condition.

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(c) A "Restrictive Condition" means an event or occurrence, or series of events or occurrences relating to the Property or its immediate surroundings, and not applicable generally to office buildings in the metropolitan area where the Building is located, including without limitation terroristic occurrences and damage to surrounding areas, in each case beyond the reasonable control of Tenant, the effect of which is to materially interrupt essential services or access to the Premises or to otherwise render it impractical or unreasonably burdensome for Tenant to continue its business operations at the Premises, notwithstanding that direct physical damage to the Premises or Building itself can be repaired within the 270 day period mentioned in subsection (a) above. A Restrictive Condition shall not include fire or other direct damage to the Building itself for which Tenant has a right of termination under subsection (a) above. A Restrictive Condition shall also include the inability of Tenant to obtain casualty insurance, liability insurance or business interruption insurance, or the like, for its operations at the Premises by reason of the Restrictive Condition, or the inability of Tenant to obtain same except for such causes at rates which are more than five hundred percent (500%) of the rates which would be applicable absent such events or occurrences, unless Landlord pays the excess (over the 500% increase) necessary to maintain such insurance in effect.

(d) Notwithstanding anything to the contrary herein set forth, Landlord shall have no duty pursuant to this Section 13 to repair or restore any portion of any alterations, additions or improvements made by Tenant in or to the Premises or the decorations thereto except to the extent that such alterations, additions, improvements and decorations were provided by Landlord as part of Landlord's Work.

(e) Any termination of this Lease as set forth in this Section 13 shall be without further liability or obligation of Landlord or Tenant except as otherwise expressly set forth in said Section and except for such obligations as shall have accrued, as of the date of and attributable solely to periods of time prior to, the date of termination. For such purposes no Annual Rent or Additional Rent attributable to any period of time after the date of termination (whether by reason of acceleration or otherwise) shall be due or payable by Tenant.

14. INDEMNIFICATION AND INSURANCE.

(a) Indemnification. Tenant covenants that it will indemnify, defend and hold harmless Landlord, its officers, directors, employees, management company for the Building and agents, and any lessor or mortgagee of the Building and Landlord's managing agent, if any, from and against any and all claims, suits, proceedings, actions, causes of action, responsibility, liabilities, payments, demands and expenses (including reasonable attorneys' fees) in connection with or arising from: (i) Tenant's possession, use, occupation, management, repair, maintenance or control of the Premises and/or the Building; (ii) any act, omission, negligence or willful misconduct of Tenant and/or Tenant's employees, servants, agents or invitees; (iii) any default, breach, violation or nonperformance of this Lease or any provision therein by Tenant; and (iv) injury or damages to person(s) or property or loss of life sustained in or about the Premises. Tenant shall defend any actions, suits and proceedings which may be brought against Landlord, its officers, directors, employees or agents, or any lessor or mortgagee of the Building, with respect to the foregoing or in which they may be impleaded, using legal counsel acceptable to Landlord, and shall pay, satisfy and discharge any judgments, orders and decrees which may be recovered against same. However, this indemnification shall not apply to any liability caused by or resulting from the sole negligence or willful misconduct of Landlord, its officers, agents or employees. This covenant of Tenant to indemnify Landlord shall survive the expiration or termination of this Lease.

(b) Insurance. Tenant, at Tenant's sole cost and expense, shall maintain and keep in effect throughout the Term and any extensions or renewals thereof, insurance in the amounts, types and limits as reasonably determined by Landlord in its discretion from time to time, but initially, Tenant shall maintain and keep in effect as long as this Lease is in effect, unless otherwise notified by Landlord: (i) public liability insurance, including contractual liability, with respect to the Premises in companies and in form and substance acceptable to Landlord, naming Landlord and any other designee of Landlord as an additional insured, with a minimum limit of One Million Dollars (\$1,000,000) on account of bodily injuries to or death of one person, and Three Million Dollars (\$3,000,000) on account of bodily injuries or death as a result of any occurrence, accident or disaster; (ii) property damage with minimum limits of One Million Dollars (\$1,000,000), naming Landlord, any mortgagee of the Building and other designee of Landlord as loss payee; (iii) fire and extended coverage insurance on Tenant's personal property, including inventory, trade fixtures, floor coverings, furniture and other property, and Tenant's leasehold improvements and workman's compensation insurance in the maximum amount required by law. Tenant will further deposit the policy or policies of such insurance, or acceptable certificates thereof, with Landlord, which policies shall contain a provision stating that such policy or policies shall not be canceled except after ten (10) days' written notice to Landlord. If the nature of Tenant's operation is such as to place any or all of its employees under the coverage of local workmen's compensation or similar statutes, Tenant shall also keep in force, at its sole cost and expense, so long as this Lease remains in effect, workmen's compensation or similar insurance affording statutory coverage and containing statutory limits. If Tenant shall not comply with its covenants made in this Section, Landlord may cause insurance as aforesaid to be issued (which may be single interest coverage benefiting only Landlord), and in such event Tenant agrees to pay, as additional rent, the premium for such insurance within ten (10) days after Landlord's demand.

(c) Mutual Waiver of Subrogation. Each of the parties hereto hereby releases the other, to the extent of each party's insurance coverage carried or required to be carried hereunder, including the deductible amounts to be paid by each such party under its respective insurance policy, from any and all liability for any loss or damage which may be inflicted upon the property of such party even if such loss or damage shall be brought about by the fault or negligence of the other party, its agents or employees; provided, however, that this release shall be effective only with respect to loss or damage occurring during such time as the appropriate policy of insurance shall contain a clause to the effect that this release shall not affect said policy or the right of the insured to recover thereunder. If any policy does not permit such a waiver, and if the party to benefit therefrom requests that such a waiver be obtained, the other party agrees to obtain an endorsement to its insurance policies permitting such waiver of subrogation if it is available and if such policies do not provide therefor. If an additional premium is charged for such waiver, the party benefiting therefrom, if it desires to have the waiver, agrees to pay to the other the amount of such additional premium within ten (10) days after being billed therefor.

15. INCREASE IN LANDLORD'S INSURANCE. If Tenant's occupancy causes any increase of premium for the fire, boiler and/or casualty rates on the Premises or the Building above the rate for the least hazardous type of occupancy legally

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permitted in the Premises, Tenant shall pay, as additional rent, the additional premium on the fire, boiler and/or casualty insurance policies by reason thereof. Tenant also shall pay in such event, any additional premium on the rent insurance policy that may be carried by Landlord for its protection against rent loss through fire. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect, and shall be due from, and payable by Tenant when rendered, and the amount thereof shall be deemed to be and shall be paid as Additional Rent. Landlord will keep, in full force and effect as long as this Lease remains in effect, fire and extended coverage insurance.

16. CONDEMNATION.

(a) **Total Taking.** If the entire Building shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the Term shall cease and this Lease shall terminate as of the date of title vesting in such proceeding and all rentals shall be paid up to that date and Tenant shall have no claim against Landlord or the condemning authority with respect to any compensation for such taking awarded Landlord, whether through a negotiated settlement or through formal condemnation proceedings.

(b) **Partial Taking.** If any part of the Building shall be acquired or condemned as aforesaid, and in the event that such partial taking or condemnation shall render the Premises untenable in Landlord's opinion, then the Term shall cease and this Lease shall terminate as of the date of title vesting in such proceeding. In that event, Rent shall be adjusted to the date of termination. Tenant shall have no claim against Landlord or the condemning authority in respect to any compensation for such taking awarded the Landlord, whether through a negotiated settlement or through formal condemnation proceedings. In the event of a partial taking or condemnation that is not extensive enough to render the entire Premises untenable in Landlord's opinion, Landlord shall promptly restore the remaining portion of the Premises to its condition as nearly as possible as existed at the time of such condemnation less the portion lost in the taking and this Lease shall continue in full force and effect and Rent shall be adjusted on a prorata basis on the basis of the number of square feet of the Premises taken; provided that, Landlord's duty to restore the remaining portion of the Premises shall be limited to expending an amount no greater than the condemnation proceeds actually received by Landlord, which the Landlord is not required to pay over to its mortgagee.

17. **LANDLORD'S RIGHT TO ENTRY.** Landlord and persons designated by it have the right to enter the Premises at reasonable hours to examine the same and to do such work as Landlord is obligated to perform under the terms hereof or to do such work as Landlord shall deem necessary for the safety or preservation of the Premises or Building; provided however, that, except in the case of an emergency, the same shall not unreasonably interfere with the conduct of Tenant's business. Landlord shall have the right to display a "For Sale" sign at any time, and also, after notice of either party of its intention to terminate this Lease, or at any time within three (3) months prior to the expiration of this Lease, a "For Rent" sign, or both "For Rent" and "For Sale" signs; and all of said signs may be placed upon such part of the Premises and/or Building as Landlord may elect and may contain such matter as Landlord shall require. Prospective purchasers or tenants authorized by Landlord may inspect the Premises at reasonable hours at any time.

18. DEFAULT, REMEDIES.

(a) In the event that during the Term (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, at law, in equity, or before any administrative tribunal, which has prevented or might prevent compliance by Tenant with the terms of this Lease): (a) Tenant shall abandon or fail to take possession of the Premises or suffer the Premises to become vacant or abandoned; (b) Tenant shall fail to pay when due any installment of Annual Rent, Additional Rent or any other sum herein specified to be paid by Tenant, (c) Tenant shall be in default in the observance or performance of any of Tenant's other covenants, agreements or obligations hereunder, and such default shall not be cured within thirty (30) days after Landlord shall have given to Tenant written notice specifying such default or defaults, or (d)(i) Tenant is adjudicated a bankrupt or insolvent, or (ii) Tenant shall file a bill in equity or otherwise initiate proceedings for the appointment of a receiver of Tenant's assets, or (iii) Tenant shall file any proceedings in bankruptcy or for reorganization or an arrangement under any federal or state law, or (iv) if any proceedings in bankruptcy or for the appointment of a receiver shall be instituted by any creditor of Tenant under any state or federal law, or (v) Tenant shall make an assignment for the benefit of its creditors, or (vi) if Tenant is levied upon and is about to be sold out upon the Premises under execution or other legal process, or (vii) Tenant shall assign this Lease or sublet the Premises except as permitted by this Lease, (each of the above being referred to as a "default" or "event of default"), then in any such event the Tenant shall be in default hereunder and the Landlord shall have the right, in addition to any other rights or remedies Landlord may have under this Lease and at law and in equity, at its election (aa) immediately to declare due and payable as if by the terms of this Lease the same were payable in advance, all Annual Rent and Additional Rent (as determined by the Landlord's good faith estimate of all charges, payments, costs and expenses herein agreed to be paid by Tenant up to the end of said term, which are not capable of precise determination) for the balance of the Term, and/or (bb) to recover all Annual Rent and Additional Rent that is due and payable and other damages, and/or (cc) in effect thereof to distrain for rent and/or (dd) to terminate this Lease and/or (ee) to reenter the Premises and remove all persons and all or any property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and repossess and enjoy the Premises, together with all additions, alterations and improvements. Upon recovering possession of the Premises by reason of or based upon or arising out of a default on the part of Tenant, Landlord may, at Landlord's option, either terminate this Lease or make such alterations and repairs as may be necessary in order to relet the Premises and relet the Premises or any part or parts thereof, either in Landlord's name or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the Term and at such rent or rents and upon such other terms and conditions as in Landlord's sole discretion may seem advisable and to such person or persons as may in Landlord's discretion seem best; upon each such reletting all rents received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorney's fees and all costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as it may become due and payable hereunder. If such rentals received from such reletting during any month shall be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such

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deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Premises or the making of alteration and/or improvements thereto or the reletting thereof shall be construed as an election on the part of Landlord to terminate this Lease unless written notice of such intention be given to Tenant. Landlord shall in no event be liable in any way whatsoever for failure to relet the Premises or, in the event that the Premises or any part or parts thereof are relet, for failure to collect the rent thereof under such reletting. Tenant, for Tenant and Tenant's successors and assigns, hereby irrevocably constitutes and appoints Landlord to be Tenant's and their agent to collect the rents due and to become due under all subleases of the Premises or any parts thereof without in any way affecting Tenant's obligation to pay any unpaid balance of rent due or to become due hereunder. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

(b) Tenant shall, within ten (10) days after Landlord's demand therefor, reimburse Landlord for all costs and expenses, including reasonable attorneys' fees, incurred by Landlord in taking any action to enforce Tenant's obligations under this Lease and to exercise any of Landlord's rights and remedies.

(c) Tenant hereby conveys to Landlord a lien on all of the personal property situated and to be situated on the Premises as security for the payment of all Annual Rent, Additional Rent and other sums to be paid by Tenant. Said property shall not be removed from the Premises without the consent of Landlord until all Annual Rent, Additional Rent and other sums due or to become due hereunder shall have first been paid and discharged and to the extent permitted by law, Landlord shall have the right of distraint against the same. It is intended by the parties hereto that this Lease constitutes a security agreement creating a security interest in and to such property, and Landlord, upon default of Tenant in the payment of Annual Rent, Additional Rent or other sums due, shall have all the rights of a secured party, as provided in the Delaware Uniform Commercial Code, as from time to time in effect, including the right to distraint to the extent permitted by law. Upon the written request of Landlord, Tenant shall execute and deliver financing statements, including continuation statements, or other such documents necessary to perfect Landlord's security interest granted hereby.

(d) BOTH LANDLORD AND TENANT AGREE HEREBY TO WAIVE AND DO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO UNDER OR IN CONNECTION WITH THIS LEASE.

(e) All rights and remedies of Landlord under this Lease shall be deemed cumulative with all other rights and remedies provided by law or in equity.

(f) Anything in this Lease to the contrary notwithstanding, Tenant agrees that it shall look solely to the estate and property of Landlord in the Building and the land upon which it is located (subject to the prior rights of any mortgagee of such property) for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach of Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed or performed by Landlord, and no other assets of Landlord or any partner, officer, director, owner, employee or agent of Landlord shall be subject to levy, execution or other procedures for the satisfaction of Tenant's remedies.

19. **NO WAIVER OF PERFORMANCE.** The failure of Landlord to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that Landlord may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

20. **PERFORMANCE OF TENANTS COVENANTS.** If Tenant shall violate any covenant, condition or agreement herein, whether or not notice is required, Landlord may at its option do or cause to be done any or all of the things provided by this Lease and in so doing Landlord shall have the right to cause its agents, employees, and contractors to enter upon the Premises and in such event shall have no liability to Tenant for any loss or damage resulting in any way from such action; and Tenant agrees to pay as Additional Rent within the lesser of any period expressly provided elsewhere in this Lease or ten (10) days of demand any monies paid or expenses incurred by Landlord in taking such action, including reasonable attorneys' fees, and any such sum due from Tenant shall be considered Additional Rent.

21. **SUBORDINATION.** This Lease shall be subject and subordinate at all times to all underlying leases and to the lien of any mortgage and/or other encumbrances that may now or hereafter affect such leases or the Premises, and also to all renewals, modifications, consolidations and replacements of said underlying leases and mortgages or other encumbrances, without the necessity of any further instrument or act on the part of Tenant to effectuate such subordination. Tenant agrees, at the election of such party, to attorn to the lessor or to any holder of any mortgage or other encumbrance to which this Lease is subordinate and to any purchaser or other party claiming from or through the holder. The lessor, mortgagee or other holder, and a purchaser at foreclosure or otherwise claiming from or through the holder, shall not be liable for any obligations of Landlord except those arising while such person is owner of the Premises. Although no instrument or act on the part of Tenant shall be necessary to effectuate the foregoing subordination and attornment, Tenant shall, nevertheless, execute and deliver upon demand such further instrument or instruments confirming such subordination of this Lease to all underlying leases and to the lien of any such mortgage and/or other encumbrance as shall be desired by any mortgagee or proposed mortgagee or by any other person. Tenant hereby appoints Landlord the attorney-in-face of Tenant irrevocably (such power of attorney being coupled with an interest) to execute and deliver any such instrument or instruments for and in the name of Tenant. Notwithstanding the foregoing, any holder of any mortgage may at any time subordinate its mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution and delivery and in that event such mortgagee shall have the same rights with respect to this Lease as though it had been executed prior to the execution and delivery of the mortgage and had been assigned to such mortgagee.

22. **NOTICES.** Any notice by either party to the other shall be in writing and shall be deemed to be duly given only if mailed by registered or certified mail, postage prepaid, addressed (a) if to Tenant, at the Premises, and (b) if to Landlord, at Landlord's address set forth on the Summary, or at such other address as Tenant or Landlord, respectively, may designate in writing. Notice shall be deemed to have been duly given upon the third day after mailing thereof.

Initials: Landlord C Tenant BJ

23. **ESTOPPEL CERTIFICATE.** Tenant agrees at any time and from time to time, within five (5) days after Landlord's written request, to execute, acknowledge and deliver to Landlord a written instrument in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that it is in full force and effect as modified and stating the modifications), the dates to which Annual Rent, Additional Rent and other charges have been paid in advance, if any, stating, to the best knowledge of Tenant, whether Landlord or Tenant is in default in the performance of any covenant, agreement or condition contained in this Lease and, if so, specifying each such default, and certifying such other matters as may be reasonably requested by Landlord, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the fee or any mortgagee thereof or any assignee of landlord's interest in this Lease or of any mortgage upon the fee of the Premises, or any part thereof. Tenant's failure to deliver said statement within said period shall, at Landlord's option, be a default hereunder and shall in any event be conclusive upon Tenant that: (i) this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) there are no uncured defaults in Landlord's performance and Tenant has no right to offset, counterclaim or deduction against rent hereunder; (iii) no more than one month's Annual Rent has been paid in advance, and (iv) the Security Deposit is as stated in the Summary.

24. **HOLDING OVER.** Any holding over after the expiration or earlier termination of the Term without the prior written consent of Landlord shall, at Landlord's option, be construed to be a tenancy at sufferance under the provisions set forth herein. In addition to any other damages caused to Landlord by Tenant's holding over, for which Tenant shall be responsible, for so long as Tenant remains a holdover tenant in the Premises, Tenant shall observe and perform all terms and provisions contained in this Lease, except that in lieu of payment of Annual Rent, Tenant shall pay to Landlord, on the first day of each week during such holdover period, an amount equal to twice the Annual Rent in effect immediately preceding such holdover, divided by 52, in addition to any other damages the Landlord may incur due to the Tenant's holding over. Anything to the contrary notwithstanding any holding over by Tenant without Landlord's written consent shall be a default hereunder.

25. **AGENCY.** Unless otherwise disclosed, Broker, any cooperating broker, and any salesperson working with either are representing Landlord's interest and have fiduciary responsibilities to Landlord, but are obligated to treat all parties fairly. Broker, any cooperating broker, and any salesperson working with either, without breaching the fiduciary responsibilities to Landlord, may, among other services, provide a potential tenant with information about the attributes of properties and available financing, show properties and assist in preparing an offer to lease. Broker, any cooperating broker, and any salesperson working with either also have the duty to respond accurately and honestly to a potential tenant's questions and disclose material facts about properties, submit promptly any offers to lease and offer properties without unlawful discrimination. It is understood by the parties to which this paragraph applies that a fiduciary responsibility to Landlord or Tenant does not determine compensation arrangements. In consideration of its services in negotiating this Lease, Landlord, its successors or assigns agrees to pay the Broker(s) identified on the Summary of this Lease, its successors or assigns such amounts and under such terms and conditions as are set forth in a Lease Commission Rider attached hereto and hereby made a part hereof. If there is no such written agreement, Landlord shall pay the sum called Commission Payable to Landlord's Broker on the Summary. Landlord agrees that this covenant shall survive any sale, conveyance, lease or other transfer of the Building and any breach hereof shall constitute a lien against the Building that shall run with the Building. Tenant warrants that it has had no discussions, negotiations and/or other dealings with any real estate broker or agent other than the Broker(s) listed on the Summary in connection with the negotiation of this Lease, and that it knows of no other real estate broker or agent who is or may be entitled to any commission or finder's fee in connection with this Lease. Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including, without limitation, attorneys' fees and costs) with respect to any leasing commission or equivalent compensation alleged to be owing on account of Tenant's discussion, negotiations and/or dealings with any real estate broker or agent other than the Broker(s).

26. **RULES AND REGULATIONS.** The Rules and Regulations attached hereto as Exhibit B are made a part hereof and any default by Tenant of any of the provisions thereof, or of any other further reasonable rules and regulations as Landlord may adopt from time to time, shall be considered to be a default under the terms of this Lease. Landlord shall not be liable to Tenant for the noncompliance of the Rules and Regulations by any other tenants or occupants or their agents, employees or invitees.

27. **NO OPTION TO LEASE.** The submission of this Lease for examination does not constitute a reservation of or option for the Premises and this Lease shall not become effective as a lease until it has been executed by both Landlord and Tenant.

28. **SECURITY DEPOSIT.** Tenant has deposited with Landlord the Security Deposit sum identified on the Summary as security for the full and faithful performance of each and every item, provision, covenant and condition of this Lease. In the event Tenant defaults in respect of any of the terms, provisions, covenants or conditions of this Lease, including, but not limited to, the payment of rent or any other sum due from Tenant, Landlord may use, apply or retain the whole or any part of such security for the payment of any rent or other sum in default or for any other sum which Landlord may spend or be required to spend by reason of Tenant's default. In the event Landlord applies any part of the Security Deposit, Tenant shall, within five (5) days of Landlord's demand, deposit with Landlord the amount so applied so that Landlord shall have the full deposit on hand at all times during the Term. Should Tenant faithfully and fully comply with all of the terms, provisions, covenants and conditions of this Lease, the Security Deposit or any balance thereof shall be returned to Tenant or, at the option of Landlord, to the last assignee of Tenant's interest in this Lease at the expiration of the Term. Tenant shall not be entitled to any interest on the Security Deposit (notwithstanding that interest may accrue on the account into which Landlord deposits the Security Deposit). In the event of a sale of the Building, Landlord shall have the right to transfer the Security Deposit to the purchaser of the Building or to Tenant, and Landlord shall thereupon be released by Tenant from all liability for the return of the Security Deposit; and Tenant agrees to look solely to the new owner of the Building for the return of the Security Deposit; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new owner of the Building. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Initials: Landlord C Tenant Q

29. MISCELLANEOUS.

(a) Whenever the context may require, all pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of pronouns or nouns shall include the plural and vice versa.

(b) Subject to the provisions of Section 12 above, this Agreement shall bind and benefit the parties hereto and their respective executors, administrators, heirs, successors and assigns.

(c) In the event that "Landlord" or "Tenant" shall consist of more than one person or entity, the obligations of Landlord and Tenant shall be the joint and several obligations of all persons or entities identified as "Landlord" and "Tenant" respectively.

(d) Any provision or provisions of the Lease which shall be invalid, void or illegal shall in no way effect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall remain in full force and effect.

(e) Should any mortgage holder require a modification of this Lease, which modification will not bring about any increased cost or expense to Tenant, Tenant agrees that this Lease will be so modified.

(f) Tenant shall not record, or permit to be recorded, this Lease or any memorandum thereof in the Office of the Recorder of Deeds or any other public record office.

(g) The captions and headings used herein are for convenience and reference only and shall not constitute a part of this Lease, nor shall they affect the meaning, construction or effect of this Lease.

(h) This Lease, consisting of the Summary, the Office Lease Form, Exhibit A, Exhibit B, the Services Rider, the Guaranty (if attached) and the other Riders and Addenda listed on the Summary, all of which are incorporated by reference into this Lease, are intended by the parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof all negotiations, considerations and representations between the parties having been incorporated herein. No course of prior dealings between the parties, or their officers, employees, agents or affiliates shall be relevant or admissible to determine the meaning of any of the terms of this Lease. No representations, undertakings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein. This Lease can only be modified by a writing executed by the party against whom such modification is sought to be enforced. All of the terms, definitions, conditions and covenants set forth on the Summary are incorporated into the text of this Lease by reference.

(i) Time is of the essence with respect to the observance and performance of all agreements and obligations of Tenant under this Lease.

(j) This Lease shall be governed and construed under the laws of the State of Delaware. This Lease is a rental agreement for a commercial unit and is exempt from the Delaware Residential Landlord-Tenant Code.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed under their hands and seals as of the date first above written.

SEALED AND DELIVERED
IN THE PRESENCE OF:

Charles J. Tolson
Secretary of Board

Landlord:

Charles McDowell (SEAL)
President (SEAL)

Kristen D. Hadaway

Tenant:

[Signature] (SEAL)
Vice President (SEAL)

THIS FORM OF LEASE IS THE SOLE PROPERTY OF THE COMMERCIAL-INDUSTRIAL REALTY COUNCIL OF NEW CASTLE COUNTY, DELAWARE ("CIRC") AND TRISTATE REALTORS® COMMERCIAL ALLIANCE ("TriState") (Formerly TriState Commercial & Industrial Association of REALTORS®) AND MAY NOT BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE EXPRESS WRITTEN CONSENT OF CIRC AND TriState. MEMBERS IN GOOD STANDING OF CIRC OR TriState MAY REPRODUCE THIS DOCUMENT AND FILL IN ANY BLANK PORTIONS, ELECTRONICALLY OR OTHERWISE, OR ADD AND DELETE TEXT BY HAND; ANY OTHER CHANGES SHALL BE MADE BY A SEPARATELY PREPARED RIDER, WHICH SHALL STATE THEREON IN BOLD AND CAPITAL LETTERS AS FOLLOWS: "THIS RIDER IS NOT PART OF THE CIRC/TriState FORM."

NOTICE: This document has been prepared for approval by your attorney. No representation or recommendation is made by CIRC or TriState or their respective members as to the legal sufficiency of this document or the transaction to which it relates.

Initials: Landlord C Tenant [Signature]

EXHIBIT A

Initials: Landlord C Tenant O

EXHIBIT B
RULES AND REGULATIONS

First: Tenant, its agents or employees shall not in any way obstruct the sidewalks, parking area or areas, entry passages, corridors, hall, lobby or stairways, or use the same in any other way than as a means of passage to and from their respective offices, or permit anything to be done in the Premises or the Building, or bring or keep anything therein which will in any way increase or tend to increase the rate of fire insurance, or which shall conflict with the regulation of the Fire Department or the fire laws or with any insurance policy on the Building or any part thereof, or with any rules or ordinances established by the Board of Health; and they shall not make or permit any improper noises in the Building, or throw substances of any kind out of the windows or doors or down the passages or skylights in the Building, or in the halls or passageways, or sit on nor place anything upon the window sills, or bring into nor keep within the Building any animal except any necessary service animal; and Tenant agrees that it will pay any damages that Landlord may suffer by a violation of this clause by Tenant, its agents, employees or invitees. Tenant shall also be liable to Landlord for any damage caused by it, its agents or employees to the common areas of the Building, grounds, or environs of which the Premises are a part, as well as to any areas outside of such Building designated by Landlord for use by Tenant.

Second: The water closets and urinals shall not be used for any purposes other than for which they were constructed and no plaster of paris, sweepings, rubbish, ashes, newspaper or any other substances of any kind shall be thrown into them.

Third: No sign, advertisement or notice shall be inscribed, planted or affixed on any part of the outside or inside of the Building without the written consent of Landlord. Tenant, its employees and agents shall not solicit business in the parking or other common areas of the Building nor shall Tenant, its employees or agents distribute any handbills or other advertising matter in the Building.

Fourth: When electrical wiring of any kind is introduced it must be connected as directed by Landlord, and no boring or cutting of walls, woodwork or wires shall be done without the consent of Landlord.

Fifth: Landlord shall have the right to prescribe the position of all safes and other property brought into the Building, and also the times and manner of moving the same in and out of the Building and all such moving must be done under the supervision of Landlord. Landlord will not be responsible for loss of or damage to any such safe or property from any cause, but all damage done to the Building by moving or maintaining such safe or property shall be repaired at the expense of Tenant. At Landlord's election, all safes shall be supplied with keys to each such lock.

Sixth: Two (2) keys to Premises shall be furnished by Landlord. In the event Tenant installs locks on any doors, excluding locks on doors to private offices, Landlord shall be supplied with keys to each such lock.

Seventh: Landlord shall have the right to enter the Premises at all reasonable hours to examine the same, to clean windows or to make such repairs or alterations as shall be deemed necessary for the safety or preservation of the Building.

Eighth: The requirements of Tenant will be attended to only upon application at the office of Landlord. The agents or employees of Landlord shall not perform any work or do anything outside of their regular duties, unless under special instruction from the office of Landlord.

Ninth: Heating of the Building is required to prevent sprinkler damage and other plumbing damage. It is the responsibility of Tenant to see that there is always sufficient heat to minimize any such damage.

Tenth: Waste and excessive or unnecessary use of water, electricity and other utilities is prohibited.

Eleventh: The Premises shall not be used for lodging or sleeping purposes.

Twelfth: Landlord reserves the right to make such other or further reasonable rules and regulations as in its judgment may from time to time be needed and desirable for the safety, care and cleanliness of the Building, and for the preservation of good order therein.

Thirteenth: Tenant shall not conduct, directly or indirectly, any auction upon the Premises, or permit any other person to conduct an auction upon the Premises. Tenant further agrees that it will not permit gambling to be conducted in or upon the Premises or use the Premises for any immoral or illegal purpose whatsoever. Tenant agrees not to make any unusual noises in the Building, or permit any of its servants, agents or employees to do so, and agrees not to cause any unusual odors to be produced upon the Premises. Tenant further agrees to use the Premises in conformity with all the laws, regulations and ordinances of the United States of America, the State of Delaware and County of New Castle, and national, municipal or governmental authority whatsoever.

Fourteenth: Tenant shall take strict care not to leave the Premises exposed to the elements.

Fifteenth: All glass, locks and trimmings in or upon the doors and windows belonging to the Building shall be kept whole and whenever any part thereof shall be broken, the same shall immediately be replaced or repaired and put in order under the same direction and to the satisfaction of Landlord and shall be left whole or in good repair, together with the same number and kind of keys as may be received by Tenant on entering upon possession of any part of the Building, or during the tenancy.

Sixteenth: After normal business hours, if the Building is in the charge of a night watchman, every person entering or leaving the Building is expected to be questioned by said watchman and may be required to register with the watchman when entering and leaving the Building.

Seventeenth: Tenant agrees, at the termination of the tenancy, to return all keys or electronic security passes for doors and waterclosets.

Eighteenth: Landlord specifically reserves the right to direct Tenant and its employees to park in specific areas or to move or change their designated parking area, either permanently or temporarily, so as to allow for repairs, snow removal or sanding, etc. No motor vehicles shall be stored or left abandoned on such areas and Landlord shall have the right to have any such vehicle towed away or otherwise removed at the expense of Tenant.

Nineteenth: Tenant shall lower and close the blinds or drapes when necessary because of the sun's position whenever the air conditioning system is in operation.

Initials: Landlord C Tenant O

SERVICES RIDER

The following identifies the services and items to be furnished and/or paid for by Landlord ("L") or Tenant ("T"):

	Furnish	Pay
1. Heat	L_____	T_____
2. Air Conditioning	L_____	T_____
3. Electricity	L_____	T_____
4. Water	L_____	T_____
5. Sewer charge	L_____	T_____
6. Clearing of ice and snow from sidewalks; sanding and/or salting	T_____	T_____
7. Replacement of broken window glass	L_____	T_____
8. Janitor and cleaning services <small>Unless demonstrated negligence of Tenant</small>	T_____	T_____
9. Window washing	T_____	T_____
10. Heating, ventilating, air conditioning service and repair <small>All capital items - Landlord</small>	T_____	T_____
11. Structural Repairs	L_____	L_____
12. Parking lot maintenance <small>excluding</small> including plowing	L_____	L_____
13. Rubbish removal	T_____	T_____
14. Other	N/A_____	N/A_____

"Furnish" shall mean to perform the activity, to provide the equipment or control the delivery of the particular utility or activity in the manner required by the Lease either by performing the activity or contracting with an outside vendor.

"Pay" shall mean either direct payment or payment as part of the Property Operating Costs or Service Base, all as provided in the Lease.

Initials: Landlord C Tenant Q

GUARANTY

Landlord: _____
Tenant: _____
Lease Date: _____
Guarantor(s): _____
Date: _____

Landlord will not enter into the above-referenced Lease unless it receives a guaranty of the payment and performance of Tenant's obligations under the Lease and any extensions and renewals thereof or holdover thereunder.

In order to induce Landlord to enter into the Lease with Tenant and in consideration thereof, each Guarantor irrevocably and unconditionally guarantees to Landlord the timely and complete performance and observance of all agreements and obligations (collectively, "Obligations") of Tenant, and Tenant's successors, assigns and subtenants, arising under the Lease and all renewals, modifications, amendments and extensions thereof (which shall be deemed included in the term "Lease" as used herein), including, without limitation, the obligation to pay (a) the full Annual Rent for the entire term of the Lease as now stated therein, regardless of whether such term is shortened or lengthened or such rent reduced or increased for any reason or by any cause, (b) all additional rent and other sums payable to Landlord under the Lease, and (c) all damages, losses, costs, interest, charges and expenses (including, without limitation, reasonable attorney's fees) of every kind, nature and description, suffered or incurred by Landlord arising in any manner out of, or in any way connected with any default by Tenant under the Lease. If the rent, or any part thereof, under the Lease is accelerated by reason of Tenant's default thereunder or otherwise, and if Tenant shall fail to pay such accelerated rent, then Guarantor shall pay same to Landlord on demand. Without limitation to the foregoing or to any other provision of this Guaranty, if Tenant fails to observe or perform any Obligation in accordance with the Lease, including, without limitation, the Obligation to pay rent, then, on Landlord's demand, Guarantor shall fully observe and perform such Obligation. This Guaranty is continuing, and shall be effective regardless of how long before or after the date hereof any of Tenant's Obligations were incurred or accrued. The liability of each Guarantor shall not be affected by the bankruptcy or insolvency of Tenant or any other Guarantor or by a discharge, confirmed plan, lien avoidance, limitation of allowability, or other aspect or provision of bankruptcy or insolvency proceedings or law or by any defense of Tenant or any other Guarantor or by an assignment of the Lease.

Guarantor agrees that Landlord may, at any time and from time to time, either with or without consideration: (a) surrender any property or collateral of any kind or nature whatsoever held by Landlord or by any person on Landlord's behalf securing any or all of the Obligations, (b) substitute for any property or collateral so held other property or collateral of like kind or of any other kind, (c) acquire new security for the Obligations, (d) amend, supplement or modify the terms of the Lease, (e) consent to or allow any subletting of the property demised under the Lease and (f) exercise any right or remedy against Tenant under the Lease (including, without limitation, the right to accelerate rent under the Lease and the right to terminate the Lease), all without notice to or consent from Guarantor, and all without impairing the liability of Guarantor hereunder. Guarantor waives notice of acceptance of this Guaranty, and of any default by Tenant under the Lease.

The liability of Guarantor hereunder is absolute and unconditional and shall not be affected by, and Guarantor hereby waives and agrees not to assert or take advantage of: (a) any right to require Landlord to proceed against Tenant or any other person or to exhaust any security held by Landlord or to pursue any right or remedy before proceeding against Guarantor, (b) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any Obligation hereby guaranteed, (c) any defense arising by virtue of the failure of Landlord to file or enforce any claim, (d) any notice of the existence, creation or incurring of any new or additional indebtedness or obligation by, or of any action or non-action on the part of, Tenant or Landlord, (e) any defense arising by virtue of the lack of authority, dissolution, incompetency, death or disability of Tenant or any other person, (f) any defense based upon an election of remedies by Landlord, including, without limitation, an election to proceed by non judicial means which destroys or otherwise impairs any subrogation or other rights of Guarantor against Tenant, (g) any termination of the Lease prior to its stated expiration date and (h) any duty on the part of Landlord to disclose to Guarantor any fact which Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that such fact materially increases the risk beyond that which Guarantor intends to assume, or has reason to believe that such fact is unknown to Guarantor, or has a reasonable opportunity to communicate such fact to Guarantor, it being agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all facts and circumstances bearing on the satisfaction and performance of the Obligations.

Each Guarantor waives any and all rights of subrogation against Tenant by reason of any Guarantor's payment or performance of Tenant's obligations and subordinates any liability or indebtedness of Tenant held by a Guarantor to the obligations of Tenant to Landlord.

This Guaranty may not be modified, discharged or terminated in any manner other than by an agreement in writing signed by said Guarantor.

Each Guarantor is primarily obligated under the Lease. Landlord may, at its option, proceed against any Guarantor without proceeding against Tenant or any one else obligated under the Lease or against any security for any of Tenant's or any Guarantor's obligations.

Guarantor will pay, within ten (10) days after Landlord's demand, the reasonable attorneys' fees and costs incurred by Landlord in connection with the enforcement of this Guaranty.

Guarantor irrevocably appoints Tenant as its agent for delivery of notices and for service of process related to this Guaranty.

(Signature Page to Follow)

Initials: Landlord C Tenant O

Each Guarantor has executed this Guaranty under its hand and seal and on the date hereof.

Sealed and delivered in the presence of:

Witnesses:

_____	_____ (SEAL)
_____	_____ (SEAL)
_____	_____ (SEAL)
_____	_____ (SEAL)

Initials: Landlord C Tenant O

Addendum I

- Security Deposit in the amount of \$37,500.00 due by June 18, 2016 (or official DOE approval date) and is to be returned to STEM within 30 days of vacating the space.

- Rent

<u>Time Frame</u>	<u>Sq. Ft.</u>	<u>Period</u>	<u>Monthly</u>	<u>Option to Renew?</u>
July 1, 2016 - Dec. 31, 2016	40,535	\$225,000	\$37,500.00 *	Yes
Jan. 1, 2017 - June 30, 2017	40,535	\$225,000	\$37,500.00	No

**First month rent in the amount of \$37,500.00 to be paid prior to occupancy.*

- From May 1, 2016 through June 30, 2016, Delaware STEM Academy will have the option to rent two (2) classrooms near the north entrance of 1101 Delaware Street at an amount of \$1,000.00 per month. Payment for rooms at beginning of each month.
- Operating Expenses will be prorated for the six (6) month occupancy.
- Delaware STEM Academy will be allowed to use furniture remaining in building on July 1, 2016.
- Expulcation – Neither the members of the Board of Directors nor the officers of the Delaware STEM Academy Inc. has or will have any direct or indirect personal liability with respect to the payment of any amount due under this lease or has or will have provided collateral securing the payment of any such amounts. In the event of default by Tenant in the performance of its obligations under this Lease, the sole recourse of Landlord shall be to any available property of Delaware STEM Academy Inc.
- Notwithstanding anything to the contrary set forth in the Lease of which this Addendum is a part, this Lease and the rights and obligations of the Tenant thereunder are contingent upon Tenant securing contracts for the enrollment of not less than Two Hundred (200) students on or before June 18, 2016. In the event Tenant shall fail to secure such contracts on or before June 18, 2016, the Lease shall become null and void, and the rights and obligations of the parties thereunder shall be at an end.

ADDENDUM A

To Lease Between

Family Foundations Academy and DE STEM Academy

1101 Delaware Street

Lease:

1. Occupancy - Occupancy by the Tenant will be effective on the commencement of the term (July 1). Tenant may access the premises before then to perform agreed work, move-in, prospect visits, etc., under all the terms of the lease other than the payment of rent.
2. Operating Expenses - The Lease is fully net and all references to a base for operating costs in the form lease are deleted. Tenant will be responsible for all operating costs and services except as otherwise noted below.
3. Janitorial - As noted above, Tenant is responsible for all operating costs and services. That would include janitorial services to be provided by the Tenant at its own cost.
4. Right of Entry - It is understood that the right of entry of Landlord under Section 17 of the proposed Lease for inspection is independent of any Landlord obligation to do work.
5. Windows - Replacement of window glass is the responsibility of Tenant and at its cost.
6. HVAC - Tenant must obtain service contracts for the HVAC equipment with a responsible and qualified contractor reasonably acceptable to Landlord.
7. Snow Plowing - As with all other operational items, Tenant is responsible for any removal of snow or ice, all at Tenant's cost.
8. Services - The facilities for providing the various services in Section 5 are in their "as-is/where-is" condition in the premises. Landlord has no ongoing obligation to provide any services, all of which are the responsibility of Tenant and at its cost. Accordingly, Landlord is also not liable for restoration of any services that may be interrupted, curtailed or suspended.
9. Maintenance - Landlord's sole obligation is for replacing structural components or structural portions of the roof as determined by Landlord to be necessary. In addition, Landlord will replace HVAC equipment provided Tenant has maintained the required maintenance contract for HVAC.
10. Taxes - Should, at any time during the term of the Lease, taxes be due on the premises or Tenant's property, Tenant will be obligated to pay those taxes, pro rated.

11. Insurance - Landlord will maintain property insurance on the premises, not including any property of Tenant or improvements made by Tenant. Tenant will pay Landlord the cost of that insurance.
12. Casualty - If a casualty occurs during the lease term, Landlord will have no obligation to restore the premises.
13. Trustee Consent – The Lease is contingent upon consent of the landlord under the Ground Lease which Landlord will pursue as soon as practicable. Tenant will cooperate as necessary with the Landlord to obtain this consent.
14. FF&E - The Lease does not include the Landlord's FF&E. We will provide a list of what might be available for purchase and the price.
15. Sublease – It is specifically acknowledged that the Lease is a sublease and subject to the Ground Lease.

C 0