

LEASE AGREEMENT

This Lease Agreement dated the 29th day of December, 2019 is by and between:

J. Craig Holdings L.L.C., 1434 Manning Blvd. Levittown PA. 19057, hereafter called "Landlord", and
AUTO-CHLOR SYSTEM of New York City, Inc. a California Corporation hereafter called "Tenant".

ARTICLE I – LEASED SPACE, TERM, USE

Section 1.01: **LEASED PREMISES**

Landlord leases to Tenant and Tenant rents from Landlord, approximately **4,880 gross square feet**, the Leased Premises (hereinafter called "Leased Premises") being the interior only of the **1606-E MANNING BLVD. Levittown PA 19057**, (part of Tax Map parcel numbers: 005-070-005) in the Township of Bristol, State of Pennsylvania and hereafter called "Entire Premises", plan or layout of which is Exhibit "A" attached hereto and made a part hereof. As an appurtenance to Leased Premises, Landlord grants to Tenant the revocable non-exclusive license to use, in common with others entitled thereto, (as more specifically proved in Section 4.01) all portions of the aforesaid Entire Premises as designated by Landlord from the time to time as "Common Facilities".

Section 1.02: **TERM**

1.02.01 The "Term" of this Lease shall be one (1) year commencing **February 1, 2020** and ending **January 31, 2021** subject to Section 2.01. Rent Commencement date is **February 1, 2020**. Tenant shall pay utilities beginning **February 1, 2020**.

Section 1.03: **USE**

1.03.01: Leased Premises shall be used solely cleaning products and for no other purpose. Tenant shall operate its business under the trade name **Auto-Chlor System**, and under no other trade name without the prior written notice to Landlord.

1.03.02: Tenant shall continuously operate its business in Leased Premises during the term of this Lease.

ARTICLE II - RENT

Section 2.01: **MINIMUM RENT**

The Minimum rent for each month of the term of this lease shall be as follows:

Lease year one: **February 1, 2020 to January 31, 2021 - \$2,440.00**

All Minimum Rent will be paid in equal consecutive monthly installments during this lease, payable on the first day of each month, except that the first month's rent and the last month's rent shall be made on by **upon Occupancy, February 1, 2020** in the amount of **twenty four hundred forty 00/100 (\$2,440.00)**, and all subsequent rent shall be payable by Tenant without prior demand and without set-off or deduction, at the address designated in Section(s) 1.01 and 14.17 or at such other place as may be designated by Landlord from time to time. If the term of this Lease shall commence on a day other than the first day of a month, Tenant shall pay, upon the commencement date, a portion of the Minimum Rent prorated on a daily basis for the fractional month.

Section 2.01.01 Aggregate rent

The aggregate rent for the entire lease term will be twenty nine thousand two hundred eighty dollars and 00/100 (\$29,280.00).

Section 2.02: **C.P.I. ADJUSTMENT**

~~The rent will be increased annually, on the anniversary date of the commencement of the Lease, by an amount equal to the percentage increase in the Consumer Price Index for the Philadelphia Area, "All Urban Consumers", for the twelve-month period prior to the anniversary date for each year, during the term of the Lease and any renewals. The Base for the C.P.I. will be its value at April 2017. In no event will the rent be less than \$811.00 per month.~~

Section 2.03: **Taxes**

2.03.01: Tenant further agrees to pay as rent in addition to the minimum rental herein reserved all taxes assessed or imposed upon the Leased Premises and/or the building of which the Leased Premises is a part during the term of this lease, ~~in excess of and over and above those assessed or imposed at the time of making this lease~~. The amount due hereunder on account of such taxes shall be apportioned for that part of the first and last calendar years covered by the term hereof. The same shall be paid by Tenant to Landlord on or before the first day of July of each and every year.

~~2.03.02: In this section, "Taxes" means all real property taxes, including assessments whether ordinary, special, or extraordinary (together with all costs and fees incurred by Landlord in contesting any such taxes or negotiating with public authorities as to such taxes) levied or assessed against Entire Premises or other tax parcel of which Leased Premises is a part. The Tax Year of any governmental authority commencing during any Lease Year shall be determined to correspond to such Lease Year. A tax bill submitted by Landlord to Tenant shall be sufficient evidence of the amount of taxes assessed or levied against Entire Premises or the portion thereof which such bill relates. Tenant's Proportionate Share of Taxes shall be apportioned on a daily basis.~~

Section 2.04: ADDITIONAL RENT

2.04.01: All sums payable under this Lease by Tenant whether or not specifically so denominated shall be deemed additional rent collectible as such.

~~2.04.02: Tenant shall pay as additional rent to the extent not separately metered, all charges and assessments for all utilities including without limitation, water, sewer, and other similar utility charges for services provided to the Leased Premises. If Landlord determines it advisable to provide such services, Tenant shall pay Landlord therefore within ten (10) days after receipt of an invoice from Landlord for Tenant's Proportionate Share together with a copy of the applicable utility bill.~~

Section 2.05: INTEREST

Wherever in this Lease there is a provision that Tenant shall be liable for the payment of any sum to Landlord, together with interest thereon, or wherever Tenant shall fail to pay any sum when due, such sum shall bear interest at a rate equal to ~~three (3) percentage points~~ per annum above the announced prime rate of ~~Wells Fargo Bank~~ or its successor on the date that said sum(s) were due Landlord (but no more than the legal rate of interest which may be charged to borrowers of the same nature and status as Tenant nor less than six percent (6%) per annum) of such sum from the date it is due until the date it is fully paid.

Section 2.06: LATE CHARGE

In addition to any interest charged hereunder, Tenant shall be required to pay Landlord a late charge of ~~ten~~ percent (10%) of the gross monthly rental for any payment not received by Landlord before the expiration of the ~~5th~~ day after the first day of any month during the term of this Lease and any renewals thereof. All rent payments are due and payable on the first day of each month.

ARTICLE III - SECURITY DEPOSIT

Section 3.01: Security Deposit

Currently, the Landlord holds four thousand eight hundred eighty (\$4,880.00) dollars equal to about two month's rent to be held by Landlord as the security deposit.

Section 3.02: PURPOSE OF DEPOSIT

The security deposit posted by Tenant under the terms of Section 3.01 of this Lease shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease throughout the term and any extensions thereof. If at any time during the term of this Lease any of the rent reserved in this Lease shall be overdue and unpaid or any other sum payable by Tenant to Landlord under this Lease shall be overdue and unpaid, Landlord may, in its sole discretion and in addition to any other remedies provided at law or in equity or by this Lease appropriate and apply any portion of such deposit to the payment of any such overdue rent or other sum. Within sixty (60) days after expiration of the term of this Lease, as such term might be extended from time to time, Landlord shall refund such deposit, without interest, less any reduction therein because of a default on the part of Tenant.

Section 3.03: USE OF DEPOSIT

If Tenant shall fail to keep and perform any terms, covenants and conditions of this Lease, all of which are binding upon Tenant, Landlord may at its sole discretion in addition to any other right or remedy provided in this Lease or at law or in equity, appropriate and apply so much of such deposit as may be necessary to remedy any damage sustained or suffered by Landlord by reason of such breach by Tenant. Should any part of such deposit be appropriated and applied by Landlord for any reason, Tenant shall promptly upon receipt of written notice thereof, pay to Landlord such amounts as may be necessary to restore such deposit to the amount set forth in Section 3.01. Tenant's failure to maintain such deposit at the amount set forth in Section 3.01 shall constitute a material breach of this Lease.

Section 3.04: TRANSFER OF DEPOSIT

Upon any transfer of the Landlord's interest in this Lease to a successor, Landlord may deliver the amount of such deposit to such successor whereupon Landlord shall be relieved of any obligation to return such deposit to Tenant and Tenant shall thereafter look to such successor for the performance of all terms of this Article.

ARTICLE IV - COMMON FACILITIES

Section 4.01: COMMON FACILITIES

The Common Facilities referred to in Section 1.01 of this Lease shall include all facilities including, without limitations, the parking area, roadways, and landscaped areas and other similar facilities in Entire Premises designated by Landlord for common or joint use of the occupants thereof, their employees, agents, tenants, customers and other invitees. The Common Facilities shall at all times be subject to the exclusive control and management of Landlord. Landlord may from time to time promulgate and enforce reasonable rules and regulations for the use of the Common Facilities, and build or place landscaping and other improvements thereon. Landlord may at any time and from time to time close all or any portion of such Common Facilities to such extent as may be necessary in its opinion to prevent or avoid danger, inconvenience or disruption of the occupants' respective businesses.

Section 4.02: LICENSE

The right of Tenant to use any of the Common Facilities is a revocable license. Landlord makes no representation as to the identity, type, size, or number of other stores and tenants.

ARTICLE V – SIGNS, ALTERATIONS, LIENS

Section 5.01: SIGNS

Tenant shall not place or erect any signs, decorative devices, awnings, canopies or other advertising matter on Leased Premises without the prior written consent of Landlord which consent shall not be unreasonably withheld.

Section 5.02: TRADE FIXTURES

All trade fixtures installed by Tenant in the Leased Premises shall be the property of Tenant and shall be removable at the expiration or sooner termination of the term of this Lease or any renewal or extension thereof, provided Tenant shall not at such time be in default under any covenant or agreement contained in this Lease and that Tenant shall promptly repair any damage to the Leased Premises caused by such removal. If Tenant fails to remove any such trade fixture, any upon expiration or sooner termination of Landlord or, at sole option of Landlord may be removed from Leased Premises and stored for the account of Tenant, at the cost and expense of Tenant, which cost and expense shall constitute additional rent. Any lighting fixtures, heating and air conditioning equipment, plumbing and electrical systems and fixture and floor covering shall not be deemed to be trade fixtures whether installed by Tenant or by any other party and shall not be deemed to be trade fixture whether installed by Tenant or by any other party and shall not be removed from Leased Premises but shall upon installation become the absolute property of Landlord without any compensation to Tenant.

Section 5.03: ALTERATIONS

Tenant shall not make any changes, alterations or improvements to Leased Premises or any part thereof without first obtaining the written consent of Landlord. In applying for such consent, Tenant shall submit to Landlord reasonable plans and specifications for the proposed work and an estimate of the anticipated cost thereof. If Landlord determines it advisable to grant such consent, Landlord may also impose such conditions as to permits, insurance, bonds, and waivers and releases of mechanic's liens as Landlord in its reasonable discretion deems advisable or necessary. Any alterations, additions, or improvements made by Tenant with the consent of Landlord shall become the property of Landlord and shall remain upon the Leased Premises at the expiration or sooner termination of this Lease unless Landlord shall as a condition to the approval of same require that it have the sole option at the termination of this Lease to cause Tenant to restore Leased Premises to its condition prior to the making of such alterations or improvements.

Section 5.04: MECHANICS' LIENS

Before performing or permitting the performance of any work within Leased Premises as permitted under any provision of this Lease or otherwise by Landlord, Tenant shall, at its own cost and expense, take such steps as Landlord might reasonably require in order that no lien for labor or materials will attach to the Leased Premises or Entire Premises as a result of such work. Tenant shall not permit any mechanics, or other lien or claim for lien or notice in respect thereto to be filed against the Leased Premises or any fixtures, equipment or furnishings contained therein. If any such lien, notice or claim, be made or filed, Tenant shall within ten (10) days after notice of the filing thereof cause said lien, notice

or claim for lien to be effectively removed and discharged of record; provided, however, that Tenant shall have the right to contest the amount or validity, in whole or in part, of any such lien, notice or claim by appropriate proceedings but in such event Tenant shall promptly bond such lien, notice or claim with a surety company satisfactory to Landlord and shall prosecute such proceedings with all due diligence and dispatch. If Tenant fails so to discharge or bond such lien, Landlord may at its sole election remove or discharge such lien, notice or claim by paying the full amount thereof, or otherwise, and without any investigation or contest of the validity thereof, and Tenant shall pay to Landlord upon demand, as additional rent, the amount paid by the Landlord including Landlord's incurred costs, expenses and counsel fees.

ARTICLE VI - MAINTENANCE, REPAIR AND SURRENDER OF LEASED PREMISES

Section 6.01: MAINTENANCE BY TENANT

6.01.01: Tenant shall at all times maintain Leased Premises (including all exterior entrances, all glass in doors, if present, in the doors and windows and show window moldings) and all partitions, doors, fixtures, equipment and appurtenances thereof (including but not limited to all electrical and plumbing fixtures, heating, air conditioning and other mechanical installations therein including reasonable periodic painting as determined by Landlord) in good order, condition, replacement and repair at its own expense up to a maximum of two hundred (\$200.00), except for structural portions of the Leased Premises, which shall be maintained by Landlord, but if Landlord is required to make repairs to structural portions by reason of Tenant's acts or omissions to act, the cost of such repairs shall thereafter become due as additional rent.

6.01.02: Tenant shall maintain Leased Premises at its own expense in a clean, orderly, and sanitary condition free of insects, rodents, vermin, and other pests and shall not permit undue accumulation of garbage, trash, rubbish, and other refuse, but shall remove the same at its own expense, and shall keep such refuse in proper containers as specified by Landlord. If Landlord shall provide or designate a place and manner for picking up refuse and garbage, Tenant shall use such place and avail itself of such refuse disposal service at Tenant's cost.

6.01.03: Tenant further unconditionally and irrevocably covenants, warrants and agrees that Tenant:

- (1) will promptly replace at its own expense with glass of like kind and quality any plate glass, door or window glass of Leased Premises which may become cracked or broken;
- (2) will not use or permit the use of any apparatus for sound reproduction or transmission, or any musical instrument, in such manner that the sound so reproduced, transmitted or produced shall be audible beyond the confines of Leased Premises;
- (3) will keep all mechanical apparatus free of vibrations and noise which may be transmitted beyond the confines of Leased Premises;
- (4) will not cause or permit objectionable odors to emanate or be dispelled from Leased Premises;
- (5) will not, without the consent in writing of Landlord, place or maintain any merchandise or other articles in any vestibule or entry of Leased Premise, on the footwalks adjacent thereto or elsewhere on the exterior thereof;
- (6) will keep Leased Premises at a temperature sufficiently high so as to prevent the freezing of water and pipes and fixtures.
- (7) will not use the plumbing facilities for any other purpose than that for which they are constructed and will not permit any foreign substance of any kind to be thrown therein. The expense of repairing any breakage, stoppage, seepage or damage whether occurring on or off Leased Premises, resulting from a violation of this provision by Tenant or Tenant's employees, agents or invitees shall be borne by Tenant. All grease traps and other plumbing traps shall be kept clean and operable by Tenant at Tenant's own cost and expense;
- (8) will, notwithstanding anything in this Lease to the contrary, be responsible for all repairs and replacements to Leased Premises necessitated by a burglary or attempted burglary, or any illegal or forcible entry into the Leased Premises;
- (9) will not burn any trash or garbage of any kind in or about Leased Premises or Entire Premises or any portion thereof;
- (10) will comply will all laws and ordinances and all rules and regulations of governmental authorities and all recommendations of the Association of Fire Underwriters ("Association") with respect to the use or occupancy of Leased Premises by Tenant; will cause all electrical, plumbing and other mechanical facilities to be inspected and approved by the appropriate inspection services or government agencies; and Tenant further agrees to supply, maintain, repair, and replace for the Leased Premises at Tenant's own cost and expense, any fire extinguishers or other fire prevention equipment and safety required by the aforementioned rules, regulations and Association throughout the term of this Lease or any renewal thereof;

- (11) agrees that Landlord at its sole option may amend, modify, delete or add new and additional reasonable rules and regulations for the use and care of the Leased Premises, the buildings of which the Leased Premises are a part and the Common Facilities as defined in this Lease;
- (12) agrees to comply with all such further rules and regulations upon notice to Tenant from Landlord; and
- (13) will use only such electrical appliances as will not overload the electrical service as supplied by Landlord at the commencement of the term of this Lease. If Tenant shall use or require additional electrical service, Tenant shall provide the same at its own cost and expense.

Section 6.02: MAINTENANCE BY LANDLORD

If Tenant refuses or neglects to repair, replace, and maintain Leased Premises properly as required hereunder and to the reasonable satisfaction of Landlord as soon as reasonably possible after written notice from Landlord so to do, Landlord at its sole option may make such repairs and replacements without liability of Landlord to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall immediately pay as additional rent Landlord's cost for making such repairs or replacements upon presentation of bills therefore plus twenty percent (20%) of Landlord's cost for overhead and supervision. Said bills shall include interest on said cost from the date of by Landlord.

Section 6.03: ROOF AND STRUCTURE

Landlord will keep the roof and exterior of Leased Premises, excepting any glass and excepting the store front, in proper repair, provided that Tenant shall give Landlord immediate written notice of the necessity of such repairs.

Section 6.04: SURRENDER OF LEASED PREMISES

At the expiration of or sooner termination of the tenancy hereby created, Tenant shall peaceably surrender the Leased Premises in the same condition of cleanliness, repair and sightlines as the Leased Premises were in upon the commencement of business under this Lease, reasonable wear and tear and damage by unavailable casualty excepted to the extent that the same is covered by Landlord's property loss or damage insurance policy. At such time, Tenant shall surrender all keys for the Leased Premises to Landlord at the place then fixed for the payment of rent and shall inform Landlord of all combinations on locks, safes, and vaults, if any, in the Leased Premises. Tenant shall in accordance with Section 5.02 remove all its trade fixtures before surrendering Leased Premises and shall repair any damage to the Leased Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

Section 6.05: WASTE OR NUISANCE

Tenant shall not commit or suffer to be committed any waste upon the Leased Premises. Tenant shall not commit or suffer to be committed any nuisance or other act which may disturb the quiet enjoyment of any other tenant or occupant of Entire Premises.

Section 6.06: GOVERNMENT REGULATIONS

Tenant shall, at Tenant's cost, comply with and observe all laws and other requirements of all federal, state and local governmental authorities having jurisdiction over the Leased Premises or the use and occupancy thereof or the operation of Tenant's business. Tenant will be responsible, at its own cost and expense, for obtaining a **Use and Occupancy Permit and sewer permit** from **Bristol Township**. This Lease is subject to the approval and issuance of the Certificate of Occupancy. It is understood and agreed that the Landlord hereof does not warrant or undertake that the Tenant shall be able to obtain a permit under any Zoning Ordinance or Regulation for such use as Tenant intends to make of the said Leased Premises, and nothing in this lease contained shall obligate the Landlord to assist Tenant in obtaining said permit(s) unless the Landlord, at the Landlord's expense may choose to obtain the permit(s) for the Tenant if the Tenant is unable. Landlord further agrees that in the event a permit cannot be obtained, after having made every effort to obtain one, this lease shall terminate, and all money paid by Tenant returned to the Tenant. The Tenant shall use the Leased Premises only in a manner permitted under such Zoning Ordinance or Regulation.

Section 6.07: CONDITION OF LEASED PREMISES

Tenant has examined Leased Premises and is acquainted with the condition thereof. Tenant unconditionally and irrevocably agrees to accept possession of Leased Premises in its present "AS IS" condition without requiring any work of any nature or kind to be done thereon by Landlord.

Section 6.08: ENVIRONMENTAL MATTERS

- 6.08.01: The term "Environmental Law" shall mean any federal, state or local, statute, act, law, ordinance, rule, regulation or order pertaining to the environment whether now or hereafter enacted.
- 6.08.02: "Hazardous Substance" shall mean any hazardous or toxic substance as defined in any Environmental Law or in any rule, regulation or order issued pursuant to any Environmental Law.
- 6.08.03: "Enforcement Agency" shall mean the Environmental Protection Agency ("EPA") and any state, county, municipal or other agency having authority to enforce any Environmental Law.
- 6.08.04: All alterations made in the Leased Premises by Landlord, Tenant or any other tenant of the Leased Premises shall be in accordance with and shall comply with all Environmental Laws and the requirements of any Enforcement Agencies.
- 6.08.05: If any statutes, laws, ordinances, rules or regulations are promulgated at any time after the date of execution of this Lease for the removal, abatement or containment of a Hazardous Substance in the Leased Premises or any portion of the Leased Premises and, in the reasonable judgment of Landlord, it is hazardous for the Tenant to remain in the Leased Premises during such removal, abatement or containment of the Hazardous Substance, Tenant shall vacate the Leased Premises or that portion of the Leased Premise that is hazardous and, provided that such condition did not result from Tenant's acts, omissions, or operations, Tenant's rent shall be abated proportionately for the period of time in which Tenant's use of such portion of the Leased Premises has been interrupted.
- 6.08.06: Tenant shall not intentionally or unintentionally use, store, handle, spill or discharge any Hazardous Substance at or in the vicinity of the Leased Premises. Tenant shall not use the Leased Premises in any manner which will cause the Leased Premises to have a standard industrial classification which is covered by an Environmental Law or which will cause the Leased Premises to be deemed an "Industrial Establishment" as defined under any Environmental Law. Tenant's failure to abide by the terms of this Section 6.08.06 shall be restrainable by injunction.
- 6.08.07: Within ten (10) days after request therefore, Tenant shall provide all information requested from time to time by Landlord, or by any Enforcement Agency for the preparation of notices submissions or affidavits (including, without limitation, Non-applicability Affidavit, de Minimis Quantity Exemption Application, Limited Conveyance Application or Administrative Consent Order). Within ten (10) days after request therefore, Tenant shall execute and deliver any document reasonably required in order to comply with any Environmental Law.
- 6.08.08: Tenant shall promptly deliver to Landlord copies of all notices made by Tenant to, or received by Tenant from, any Enforcement Agency or from the United States Occupational Safety and Health Administration concerning environmental matters or Hazardous Substances at the Leased Premises.
- 6.08.09: At any time throughout the term of this Lease and any extension thereof, Landlord may cause an inspection to be made of the Leased Premises and its surrounding area for the purpose of determining whether any Hazardous Substance is present thereon.
- 6.08.10: Tenant shall indemnify, defend and hold Landlord Harmless, including any and all costs, expenses and counsel fees incurred by Landlord, of and from any and all claims arising by reason of any violation by Tenant of the provisions of this Paragraph 6.08.10 and this indemnity shall survive expiration or other termination of this Lease.

ARTICLE VII - INDEMNITY, INSURANCE AND WAIVER OF CLAIMS

Section 7.01: INDEMNITY

Tenant shall indemnify and defend Landlord and save it harmless from and against all claims, suits, actions, damages, judgments, liabilities, fines, penalties and expense for loss of life, personal injury or damage to property (a) arising from or out of any occurrences within Leased Premises (without regard to the cause or claimed cause thereof whether such loss of life, personal injury or damage to property be due or claimed to be due to any negligence including gross negligence or other act or failure of Landlord, or its officers, agents or employees occurring prior to or following the execution of this Lease) or (b) by reason of the occupancy or use of the Leased Premises or any part of Entire Premises by Tenant or (c) occasioned wholly or in part by any act or omission of Tenant or breach of this Lease by Tenant or by its agents, contractors, customers, employees, servants, lessees or concessionaires. If Landlord shall be made a party to any litigation commenced by or against Tenant or by any third party and connected in any way with this Lease or Tenant's use or occupancy of Leased Premises, Tenant shall indemnify and hold Landlord harmless and shall pay all incurred costs, expenses and attorneys fees incurred or paid by Landlord in connection with such litigation or the negotiations pertaining thereto.

Section 7.02: INSURANCE

7.02.01: Throughout the term of this Lease and any extensions thereof, and so long as Tenant or any party claiming under Tenant remains in possession of Leased Premises Tenant shall obtain, maintain and pay for a comprehensive commercial general liability (including products liability) insurance naming the Landlord Jane H. Craig as an additional insured, cover the Leased Premises, the business operated by Tenant in the Leased Premises and the contractual liability of Tenant under this Lease in form and with insurers satisfactory to Landlord, and with a minimum limit of **one million dollars (\$1,000,000) for injury or death** and **one million dollars (\$1,000,000) for property damage and Fire Liability**. The monetary limit may be increased from time to time by Landlord to reasonably reflect decreases in the purchasing power of the dollar;

7.02.02: All insurance policies required to be maintained by Tenant under this Lease shall be by insurance companies licensed to do business in the State of Pennsylvania, satisfactory to Landlord. Certificates of such insurance (showing payment of current premiums thereon) shall be delivered to Landlord a minimum of thirty (30) days prior to the commencement of the term of this Lease with renewals thereof delivered to Landlord a minimum of thirty (30) days prior to the expiration of any policies. If requested to do so Tenant shall also provide Landlord with copies of the pertinent portions of all such policies and also permit Landlord to examine the original policies. Each policy shall contain an agreement by the insurer that such policy shall not be cancelled without thirty (30) days prior written notice to Landlord by certified mail. If Tenant fails to deliver any of the certificates as required in this Lease Landlord may either terminate this Lease or procure such insurance at the cost of Tenant and pay the premiums thereon. Such premiums shall be deemed additional rent and shall be payable by Tenant to Landlord together with interest immediately upon demand.

Section 7.03: LANDLORD'S INSURANCE

Landlord will carry such fire and extended coverage insurance covering Leased Premises as Landlord deems necessary or as may be required by any mortgagee of Entire Premises. If there shall be any increase in premiums that may be charged during the term of this Lease on any public liability, casualty, fire, and extended coverage insurance or any other insurance carried by Landlord on Entire Premises caused by Tenant or from any act or omission of Tenant, Tenant shall pay as additional rent hereunder the amount of such increased premiums. A schedule issued by the organization establishing the insurance rate on Entire Premises, showing the components of such rate, shall be conclusive evidence of the amount of such premiums.

Section 7.04: WAIVER OF CLAIMS

Tenant unconditionally and irrevocably waives all claims against Landlord, its agents and servants and agrees to indemnify and hold it and them harmless for loss of life, damage to person or property sustained by Tenant or any other occupant or invitee of Leased Premises or by its or their agents servants and employees resulting directly or indirectly out of the condition of Leased Premises or resulting from any accident or occurrence in or about Leased Premises (without regard to the cause or claimed cause thereof whether such loss of life, damage to person or property be due or claimed to be due to any negligence including gross negligence or other act or failure of Landlord, or its officers, agents or employees occurring prior to or following the execution of this Lease) or resulting directly or indirectly from any act or neglect of any Tenant or any other person. All property belonging to Tenant or any occupant of Leased Premises shall be thereon at the sole risk of Tenant or such other person only and Landlord shall not be liable for damage thereto or loss, theft or misappropriation thereof. Tenant shall be solely responsible for all goods and property of any third party left upon Leased Premises.

Section 7.05: WAIVER OF SUBROGATION

All insurance policies carried by either Landlord or Tenant covering the Leased Premises, including but not limited to contents, fire, liability and casualty insurance, shall expressly waive any right on the part of the insurer against the other party. The parties hereto agree that their policies will include such waiver clause or endorsement so long as the same shall be obtainable without extra cost, or, if extra cost shall be charged therefore, so long as the other party pays such extra cost. If extra cost shall be chargeable therefore, each party shall advise the other of the amount of the extra cost, and the other party at its election, may pay the same, but shall not be obligated to do so.

Each of the parties hereto hereby unconditionally and irrevocably releases the other to the extent of their respective insurance indemnities, 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 (including gross negligence) of the other party or their respective 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 the waiver hereinabove described.

ARTICLE VIII - DAMAGE OR DESTRUCTION

Section 8.01: NOTICE

If any part of Leased Premises or of Entire Premises shall be damaged or destroyed by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord.

Section 8.02: SUBSTANTIAL DAMAGE TO LEASED PREMISES

If more than **fifteen percent (15%)** of the area of Leased Premises shall be rendered untenantable by such fire or other casualty then:

- (a) If Landlord does not commence to repair Leased Premises within **thirty days (30)** days after the occurrence of such fire or other casualty, Tenant, at its option, as its sole remedy may terminate this Lease by written notice to Landlord not later than **thirty days (30)** days after such occurrence; or
- (b) Landlord may at its sole option terminate this Lease by written notice to Tenant.

Section 8.03: SUBSTANTIAL DAMAGE TO ENTIRE PREMISES

Landlord may also terminate this Lease if a substantial part of Entire Premises shall be damaged or destroyed by fire or other casualty as determined solely by Landlord. Upon any termination as herein permitted, this Lease shall expire as of the date of such fire or other casualty. In the event of any such damage Landlord may enter upon Leased Premise and make repairs in accordance with the terms of this Lease.

ARTICLE IX - EMINENT DOMAIN

Section 9.01: TOTAL CONDEMNATION

If the whole or Leased Premises shall be condemned by eminent domain or shall be conveyed by Landlord in lieu of any such condemnation for any public or quasi-public use or purpose, the term of this Lease shall expire as of the date on which possession of Leased Premises is required to be surrendered to the condemning authority, and all rent shall be paid up to such date.

Section 9.02: PARTIAL CONDEMNATION

If any part of Leased Premises shall be condemned by eminent domain or shall be conveyed by Landlord in lieu of any such condemnation for any public or quasi-public use or purpose and the remainder of the Lease Premises shall thereafter be unsuitable for the business of Tenant, at the sole option of Landlord, the term of this Lease shall cease and terminate as of the date on which possession of the Leased Premises is required to be surrendered to the condemning authority as though such condemnation or conveyance were a total condemnation under Section 9.01. If the remainder of Leased Premises after such condemnation or conveyance is suitable for the business of Tenant, Landlord shall promptly restore Leased premises to the extent of net condemnation proceeds available for such purpose after payment of all costs and payment of any amounts that may be due to any first mortgagee for the value of the diminished fee, to a condition as nearly comparable as possible to its condition immediately preceding such condemnation or conveyance, and rent shall abate in the ratio that the area of Leased Premises condemned or conveyed bears to the total area of Leased Premises before such condemnation or conveyance.

Section 9.03: AWARDS

If Leased Premises or the rights of Tenant under this Lease shall be affected in any way by any condemnation or conveyance in lieu thereof, Tenant unconditionally and irrevocably waives all claims of any nature whatsoever against Landlord and assigns to Landlord all claims of any nature against the condemning authority arising by reason of such condemnation or conveyance in lieu thereof, including without limitation all claims for loss of Tenant's leasehold estate. Notwithstanding the foregoing, Tenant may file such claims with the condemning authority as maybe permitted by applicable law for removal expenses, business dislocation damages, and moving expenses but only so long as such claims do not reduce any award otherwise payable to Landlord.

ARTICLE X - ASSIGNMENT AND SUBLetting

Section 10.01: TRANSFER, ASSIGNMENT, AND SUBLetting

10.01.01: In this Section, the word "Transfer" means any of the following, whether accomplished voluntarily, involuntarily, by operation of law or by any other means: (1) the assignment of any interest in this Lease; (2) the subletting of all or any part of the Leased Premises; (3) the grant to anyone other than Tenant of a license or other right to use all or any part of the Leased Premises; (4) a transfer of any equity, stock or partnership interest in Tenant; (5) a mortgage, pledge or grant of any security interest in this Lease, ownership interest in Tenant or in the Leased Premises; or (6) any other direct or indirect change in the Tenant, ownership of Tenant or in ownership of any interest in the Lease or in the Leased Premises.

10.01.02: Tenant shall not make, permit or suffer any Transfer or Transfers without Landlord's written consent which Landlord may deny for any reason. Landlord may impose any conditions Landlord desires to the grant of consent to any Transfer. The grant of consent to any Transfer shall

not waive the foregoing limitation and right of Landlord as to any future additional Transfer or Transfers all of which shall not be made without similar consent of Landlord.

10.01.03: Following any Transfer, Tenant shall remain primarily and directly liable to Landlord for the performance of all the terms of this Lease.

10.01.04: All net profits accruing to Tenant, directly or indirectly, from any Transfer shall be paid to Landlord as additional rent.

ARTICLE XI - SUBORDINATION AND QUIET ENJOYMENT

Section 11.01: SUBORDINATION

This Lease and all of the terms, covenants and conditions hereof is and shall be subordinate to any mortgages that may now be or hereafter are placed upon the Leased Premises or Entire Premises or any part of either of them. However, if any mortgagee so requests, Tenant agrees to execute, acknowledge and deliver an agreement in form satisfactory to such mortgagee subordinating this Lease to such mortgage.

Section 11.02 OFFSET STATEMENT

Within ten (10) days after request by Landlord or upon any sale, assignment or mortgage of Leased Premises, Tenant shall execute and deliver to Landlord or to any proposed mortgagee or purchaser a certificate in recordable form stating (if such be the case) that this Lease is in full force and that there are no defenses or offsets thereto, or stating those claimed by Tenant. If Tenant shall fail to execute and deliver any such certificate as above provided, Tenant shall pay to Landlord as liquidated damages and not as a penalty an amount equal to three (3) times the rent which would otherwise be payable under this Lease for the period during which such certificate shall be delayed.

Section 11.03 QUIET ENJOYMENT

Subject to the express provisions of this Section 10 and upon payment of the rents and performance of all the other covenants, terms and conditions of the Lease, Tenant shall peaceably and quietly hold and enjoy Leased Premises for the term herein specified, subject nevertheless to the terms and conditions hereof.

ARTICLE XII - RIGHTS OF LANDLORD

Section 12.01 RIGHT OF ENTRY

Landlord or Landlord's agents or such persons as Landlord may authorize may enter Leased Premises at all reasonable times for purposes of examination, exposition to prospective purchasers or lessees of Leased Premises or Entire Premises and making of repairs, alterations, improvements and additions to Leased Premises or Entire Premises all as Landlord may deem necessary or desirable. Landlord may take into Leased Premises all material that may be required to make such repairs, alterations, improvements or additions. No such entry upon Leased Premises shall be deemed an eviction of Tenant in whole or in part and the rent reserved in this Lease shall not abut in whole or in part while any such repairs, alterations, improvements or additions are being made by Landlord. Landlord shall not be liable to Tenant for any damage, decrease or loss of business occurring either during or after the making of any such repairs, alterations, improvements or additions. During the six (6) month period prior to the expiration of the term of this Lease or any renewal thereof, Landlord may exhibit Leased Premises to prospective tenants or purchasers and place upon Leased Premises "For Rent" or "For Sale" signs which Tenant shall permit to remain upon Leased Premises without molestation. If Tenant or a designee of Tenant shall not be present to open and permit entry into Leased Premises at any time when such entry shall be necessary or permissible. Landlord or its agents may enter Leased Premises by a master key or may forcibly enter thereon, without rendering Landlord or such agent liable therefore and without affecting the obligations and covenants of Tenant. The reservation of rights in this Section shall not be construed as imposing upon Landlord any obligation, responsibility or liability whatsoever for the care, maintenance or repair of Entire Premises or of Leased Premises except as specifically provided in this Lease.

Section 12.02: EXCAVATION

If an excavation shall be made or authorized upon land adjacent to Leased Premises, Tenant shall permit the person making such excavation a license to enter upon Leased Premises for the purpose of doing such work as may be necessary to preserve the walls or the building of which Leased Premises forms a part and to support such walls or buildings by proper foundations without any claim of damages or indemnification against Landlord and without any abatement of rent.

Section 12.03: Utilities and Conduits

Landlord may from time to time place conduits or other facilities for utilities providing services to other portions of Entire Premises over, across or through such portions of the Leased Premises, not unreasonably interfering with the appearance thereof or conduct of business therein by Tenant, as Landlord deems necessary or advisable.

ARTICLE XIII - DEFAULT AND REMEDIES

Section 13.01: EVENTS OF DEFAULT

The following shall be considered "Events of Default":

- 13.01.01: The failure of Tenant to pay, when due, any installments of rent or additional rent or any other sum payable by Tenant under this Lease.
- 13.01.02: The failure to perform, violation or breach by Tenant of any of the terms, covenants or conditions of this Lease, (other than the payment of rent or additional rent) which failure, violation or breach shall continue unremedied by Tenant for a period of **five (5)** days after written notice thereof shall have been sent by Landlord to Tenant by certified mail, return receipt requested.
- 13.01.03: The closing by Tenant of Leased Premise for a period in excess of **thirty (30)** successive business days, unless such closing shall be caused by labor dispute, fire, condemnation or other cause beyond the control of Tenant.
- 13.01.04: The abandonment by Tenant of Leased Premises or the removal or attempted removal by Tenant, except in the ordinary course of business, of any goods or property from Leased Premises without having paid and satisfied Landlord in full for all rent and other charges then due or may thereafter become due until the expiration of the term of this Lease.
- 13.01.05: The insolvency of Tenant as evidenced by an assignment by Tenant for the benefit of creditors, a petition in bankruptcy or for reorganization or an arrangement under any bankruptcy or insolvency law being filed voluntarily by Tenant, the adjudication of Tenant as a bankrupt, the issuance by any court of an order for relief as to Tenant, the filing against Tenant of a petition for appointment of a receiver of all or any part of Tenant's assets or property either in bankruptcy or other insolvency proceedings, unless such proceedings shall be dismissed within sixty (60) days of the filing thereof, or the levy against any portion of the assets or property of Tenant by the sheriff or other designated authority of any governmental subdivision having jurisdiction there over. If an order for relief shall be granted, Tenant, or any party claiming on behalf of Tenant, shall be deemed to have given adequate assurances only if Landlord, is reasonably assured that a party of substantial financial strength will continue occupancy of the Leased Premises, continue to pay rent and in general be in a position to operate a business on the Leased Premises for a term of more than one year.

Section 13.02: EFFECT OF AN EVENT OF DEFAULT

Tenant unconditionally and irrevocably covenants, warrants and agrees that upon the occurrence of any event of default, as a result thereof and without entry or other action by Landlord:

- 13.02.01: The balance of all rent and other charges to become due throughout the term hereof shall, at the sole option of Landlord, be accelerated and shall be immediately due and payable, and Landlord may in its own name, but as agent for Tenant, assign, sublet or relet Leased Premises for any period equal to or greater or less than the remainder of the term hereof for any sum which Landlord may deem reasonable to any lessee Landlord may select, and for any use or purpose which Landlord may designate. If Landlord so sublets or assigns this Lease, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's agent to collect any rents due from such assignee or sub lessee and apply the same to the rent due hereunder without in any way affecting Tenant's obligations to pay any unpaid balance of rent and other charges due hereunder. In the event of such assignment or subletting, Landlord shall apply the rents received there from to the obligation of Tenant hereunder until Landlord shall have recovered in full all amounts due and owing from Tenant to Landlord together with a service charge of **ten percent (10%)** of the full amount owed to Landlord. Landlord shall be under no obligation whatsoever, either in assign, sublet or relet Leased Premises, at any time or upon any specific terms or conditions.

- 13.02.02: At the sole option of landlord this agreement and the term created hereby shall cease and determine and become absolutely void without any right on the part of Tenant to save the forfeiture by payment of any sum due or by other performance of any term, covenant or condition broken or defaulted, whereupon Landlord shall be entitled to recover damages for such event of default in an amount equal to the amount of rent reserved for the balance of the term hereof. To the fullest extent permitted by law, Tenant unconditionally and irrevocably releases Landlord from any obligation to mitigate damages.

Section 13.03: REMEDIES OF LANDLORD

Upon the occurrence of any event of default, Landlord or anyone acting on Landlord's behalf, at Landlord's sole option, may:

- 13.03.01: Without notice or demand enter the Leased Premises, breaking open locked doors, if necessary, to effect entrance, without liability to action or prosecution for damages for such entry or for the manner thereof, for the purpose of distraining or levying and for any other purposes, and take possession and sell all goods and chattels of Tenant at auction, on **three (3) days**, notice served in person on Tenant or left on Leased

Premises, and retain the proceeds thereof on account of Tenant's obligations hereunder, and Tenant hereby unconditionally and irrevocably forever remises, releases and discharges Landlord, and its agents, from all claims, actions, suits damages, and penalties, for or by reason or on account of an entry, distressment, levy, appraisement or sale; or

13.03.02: Enter Leased Premises and without demand proceed by distress and sale of the goods of Tenant there found to levy the rent or other charges herein payable as rent, and all costs and officer's commission, including watchmen's wages and sums chargeable to landlord, and further including a sum equal to five percent (5%) of the amount of the levy as commission to the constable or other person making the levy, shall be paid by Tenant and in such case all costs, offers, commissions and other charges shall immediately attach and become part of the claim of Landlord for rent, and any tender of rent without said costs, commissions and charges made after the issue of a warrant of distress shall not be sufficient to satisfy the claim of Landlord. Tenant hereby expressly unconditionally and irrevocably waives in favor of Landlord the benefit of all laws now made or which may hereafter be made regarding any limitation as to the goods upon which, or the time within which, distress is to be made after removal of goods, and further relieves Landlord of its obligations of proving or identifying such goods, it being the purpose and intent of this provision that all goods of Tenant in, on, or about Leased Premises shall be liable to distress for rent. Tenant unconditionally and irrevocably authorizes the sale of any goods distrained for rent at any time after five (5) days from said distress without any appraisement or condemnation thereof.

13.03.03: Landlord may Lease the Leased Premises or any part or parts thereof to such person or persons for such rents and for such terms as may, in Landlord's sole discretion, seem best without affecting Tenant's liability for any loss of rent for the balance of the term.

13.03.04: CONFESSION OF JUDGMENT FOR MONEY & EJECTMENT AND JURY TRIAL WAIVER

THE FOLLOWING PARAGRAPHS SET FORTH A WARRANT OF AUTHORITY FOR AN ATTORNEY TO CONFESS JUDGMENT AGAINST THE TENANT. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE TENANT, THE TENANT HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, AND ON THE ADVICE OF THE SEPARATE COUNSEL OF THE TENANT, UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS THE TENANT HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES AND THE STATE OF PENNSYLVANIA.

(A) IF TENANT SHALL DEFAULT IN THE PAYMENT OF THE RENT OR ANY OTHER SUMS DUE HEREUNDER BY TENANT, TENANT HEREBY IRREVOCABLY AND UNCONDITIONALLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY OF ANY COURT OF RECORD TO APPEAR FOR TENANT IN ANY AND ALL SUITS OR ACTIONS WHICH MAY BE BROUGHT FOR SAID RENT AND/OR SAID OTHER SUMS; AND IN SAID SUITS OR ACTIONS TO CONFESS JUDGMENT AGAINST TENANT FOR ALL OR ANY PART OF SAID RENTAL AND/OR SAID OTHER SUMS DUE HEREUNDER AND FOR INTEREST AND COSTS, TOGETHER WITH AN ATTORNEY'S COMMISSION FOR COLLECTION OF TWENTY PERCENT (20%). SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AS OFTEN AS ANY SAID RENTAL AND/OR OTHER SUMS SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED AS WELL AFTER THE TERMINATION OR EXPIRATION OF THE TERM OF THIS LEASE.

(B) WHEN THIS LEASE OR TENANT'S RIGHT OF POSSESSION SHALL BE TERMINATED BY COVENANT OR CONDITION BROKEN, OR FOR ANY OTHER REASON, EITHER DURING THE TERM OF THIS LEASE, AND ALSO WHEN AND AS SOON AS SUCH TERM SHALL HAVE EXPIRED OR BEEN TERMINATED, TENANT HEREBY IRREVOCABLY AND UNCONDITIONALLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD AS ATTORNEY FOR TENANT AND ANY PERSONS CLAIMS THROUGH OR UNDER TENANT TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING THROUGH OR UNDER TENANT FOR THE RECOVERY BY LANDLORD OR POSSESSION OF THE LEASED PREMISES, FOR WHICH THIS LEASE SHALL BE SUFFICIENT WARRANT, WHEREUPON, IF LANDLORD SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED THE SAME SHALL BE DETERMINED, CANCELLED OR SUSPENDED AND POSSESSION OF THE PREMISES HEREBY DEMISED REMAIN IN OR BE RESTORED TO TENANT OR ANY PERSON CLAIMING THROUGH OR UNDER TENANT, LANDLORD SHALL HAVE THE RIGHT, UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON ANY SUBSEQUENT TERMINATION OR EXPIRATION OF THIS LEASE OR ANY RENEWAL OR EXTENSION HEREOF, OR OF TENANT'S RIGHT OF POSSESSION, AS HEREINBEFORE SET FORTH, TO CONFESS JUDGMENT IN EJECTMENT AS HEREINBEFORE SET FORTH ONE OR MORE ADDITIONAL TIMES TO RECOVER POSSESSION OF SAID LEASED PREMISES.

IN ANY ACTION OF OR FOR EJECTMENT OR FOR RENT OR OTHER SUMS, IF LANDLORD SHALL FIRST CAUSE TO BE FILED IN SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOMEONE ACTING FOR IT SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT, SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE OF SUCH FACTS: AND IF A TRUE COPY OF THIS LEASE (AND OF THE TRUTH OF THE COPY SUCH AFFIDAVIT SHALL BE SUFFICIENT EVIDENCE) BE FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM, OR PRACTICE TO THE CONTRARY NOTWITHSTANDING. TENANT UNCONDITIONALLY AND IRREVOCABLY RELEASES LANDLORD, AND ANY AND ALL ATTORNEYS WHO MAY APPEAR FOR TENANT, FROM ALL PROCEDURAL ERRORS IN ANY PROCEEDINGS TAKEN BY LANDLORD,

WHETHER BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS LEASE OR NOT, AND FROM ANY AND ALL LIABILITY THEREFOR.

TENANT AND LANDLORD HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS LEASE OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF TENANT OR LANDLORD. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LANDLORD'S ENTERING INTO THIS LEASE.

TENANT FURTHER UNCONDITIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO ANY NOTICES TO QUIT AS MAY BE SPECIFIED BY LAW IN ANY STATE, OR ANY SIMILAR OR SUCCESSOR PROVISION OF LAW, AND AGREES THAT FIVE DAYS NOTICE SHALL BE SUFFICIENT IN ANY CASE WHERE A LONGER PERIOD MAY BE STATUTORILY SPECIFIED.

Section 13.04: COST OF ENFORCEMENT

Tenant shall pay to Landlord, as additional rent upon demand, all of Landlord's reasonable incurred costs, charges and expenses including without limitation all reasonable incurred fees of counsel, agents and others retained by Landlord for the enforcement of Tenant's obligations under this Lease and also any such costs, charges, expenses or fees incurred by Landlord in any litigation in which Landlord, without Landlord's fault becomes involved or concerned by reason of this Lease or the relationship of Landlord and Tenant under this Lease.

Section 13.05: WAIVER OF NOTICE AND RIGHT OF REDEMPTION

13.05.01: With the exception of the notices specifically provided for in Section 12.01 of this Lease, Tenant waives all rights to legal notice whether provided by statute or common law and agrees that ten (10) days written notice of any proceedings to recover possession at any time shall be sufficient.

13.05.02: Tenant waives all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any reasons as provided in this Lease.

Section 13.06: CUMULATIVE REMEDIES

All of the remedies hereinbefore given to Landlord and all rights and remedies given to it by law and equity shall be cumulative and concurrent. No determination hereof or the taking or recovering of Leases Premises shall deprive Landlord of any of its remedies or actions against Tenant for rent or any and all other sums due at the time or which, under the terms hereof, would in the future have become due if there had been no determination, nor shall the bringing of any action for rent or for breach or default under any term, condition or covenant, or the resort to any other remedy herein provided for the recovery of rent, be construed as a waiver of the right to obtain possession of the Leased Premises.

Section 13.07: LANDLORD'S RIGHT TO ENFORCE STRICTLY

Any law, usage or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce all terms, conditions and covenants hereof in strict accordance herewith, notwithstanding any conduct or custom on the part of Landlord in refraining from so doing at any time or times. Further, the failure of Landlord at any time or times to enforce its rights hereunder strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to any specific term, condition or covenant hereof, or as having in any way or manner modified the same.

ARTICLE XIV - MISCELLANEOUS PROVISIONS

Section 14.01: RELATIONSHIP OF THE PARTIES

The relationship of the Parties under this Lease is solely that of Landlord and Tenant and shall in no way be construed as a partnership, joint venture, or other joint enterprise.

Section 14.02: LANDLORD

The word "Landlord" when used in this Lease shall mean the owner from time to time of the Landlord's interest in this Lease. If the interest or estate of Landlord in Leased Premises shall terminate by operation of law or by a sale of the Leased Premises or by execution or foreclosure sale or for any other reason, or if any third party becomes entitled to collect and receive rent under this Lease, then Landlord shall be released and relieved from all liability thereafter under this Lease.

Section 14.03: TENANT

The word "Tenant" used in this Lease shall mean every person or party named as Tenant in this Lease. Any notice given as provided in Section 14.15 shall bind all such parties and it shall have the same force as if given to all of them. The use of the neuter singular pronoun to refer to Landlord and Tenant shall be deemed a proper reference to either of them whether an individual, a partnership or any form of joint venture.

Section 14.04: ACCOUNT AND SATISFACTION

No acceptance by Landlord of any amount less than the monthly rent and other payments stipulated to be due under this Lease shall be deemed to be other than a payment on account of the earliest such rent or other payments then due or in arrears nor shall any endorsement or statement on any check or letter accompanying any such payment be deemed an Accord and Satisfaction.

Section 14.05: HOLDING OVER

Any holding over after the expiration of the term of this Lease, with the written consent of Landlord, shall at Landlord's sole option be construed to be a tenancy either from month to month or from year to year at the rent and other payments herein specified and shall otherwise be subject to all of the conditions, covenants and agreements of this Lease. If Tenant shall hold over without the written consent of Landlord after the termination of this Lease for any reason whatsoever, Tenant shall pay as liquidated damages and not as a penalty (to compensate Landlord for loss of rents and inability to relet the Leased Premises) an amount equal to twice the prorated Minimum Rent, plus all other charges, for the period during which such Holding Over continues, but the acceptance of such amount by Landlord shall be without prejudice to any other rights or remedies of Landlord at law or in equity or under this Lease.

Section 14.06: RECORDING

Tenant shall not record this Lease without the prior written consent of Landlord. If requested by Landlord a memorandum or short-form lease in form specified by Landlord shall be executed by Tenant.

Section 14.07: ENTIRE AGREEMENT

This Lease and the Exhibits attached hereto sets for the Entire Agreement between the Parties and there are no other agreements expressed or implied, oral or written, except as herein set forth. This Agreement may not be amended, altered or changed except in writing executed by both of the parties hereto.

Section 14.08: CAPTIONS

The Captions, Section numbers, Article numbers and Index appearing in this Lease are inserted only for the convenience of the Parties and shall not in any way affect the meaning or intent of any portion of this Lease.

Section 14.09: PARTIAL INVALIDITY AND CONSTRUCTION

The Sections of this Lease are intended to be severable. If any Section or provision of this Lease shall be held to be unenforceable by any Court of competent jurisdiction, this Lease shall be construed as though such Section had not been included in it. If any Section or provision of this Lease shall be subject to two constructions, one of which would render such Section or provision invalid, then such Section shall be given that construction which would render it valid.

Section 14.10: SUCCESSORS

The provisions of this Lease shall be binding upon the respective parties hereto and their respective heirs, administrators, successors and assigns provided that this provision shall not be deemed the consent by Landlord to any subletting or assignment by Tenant except as herein specifically provided.

Section 14.11: CONTENTS OF LEASE

This Lease consists of pages one (1) through sixteen (16) inclusive, and Exhibit "A", all of which are attached hereto and made a part hereof.

Section 14.12: ATTORNEY ADVICE

Tenant unconditionally, unequivocally and irrevocably acknowledges, warrants, and represents that Tenant had ample opportunity to have this Lease Agreement reviewed by an attorney of Tenant's sole choice prior to Tenant executing this Lease.

Section 14.13: REAL ESTATE AGENT'S COMMISSION

For obtaining the tenant, Landlord hereby agrees to pay RC Commercial Realty, L.L.C. a fee of six percent (6%) of the gross monthly rental paid by the Tenant during this lease, and for any renewals or expansions. Each commission is earned by, and payable to, Agent without demand by Landlord upon each monthly rental payment by Tenant. It is expressly understood and agreed that RC Commercial Realty, is acting as Agent only, and will in no event be held liable to either party for the fulfillment or non-fulfillment of any term(s) or covenant(s) of this Agreement, or for damages for the performance or non-performance thereof or for any action of proceedings that may be taken by the Landlord against the Tenant or the Tenant against the Landlord.

Section 14.14: UTILITIES AND EXPENSES

Tenant is responsible for payment of electric expense, heating fuel and snow removal. Landlord pays the water and sewer utility and monthly security monitoring fee, in the Leased Premises. Tenant is responsible for Tenant's own cleaning and trash removal.

SECTION 14.15: TERMINATION NOTICE

Tenant agrees to provide Landlord ninety (90) days written notice of Tenant's intent to enter into a new Lease or vacate the Leased Premises prior to the ending date of the Lease as described in Section 1.02.01. In the event such notice is not given and Tenant vacates the Leased Premises, Tenant shall pay rent in an amount equal to the last three (3) months rent in addition to any other additional rent provided in the Lease.

Section 14.16: PROPORTIONATE SHARE

For all purposes of this Lease Tenant's pro rate by area part of the entire building "Proportionate Share", shall be approximately 17.68% or $\frac{4,880}{27,200}$ (the "Proportionate Share").

Section 14.17: Notices

All notes or demands required or permitted to be given or served by either party under this Lease shall be deemed to have been given or served only if in writing forwarded by registered or certified mail, or by recognized overnight delivery service which provides proof of delivery, postage prepaid, and addressed as follows:

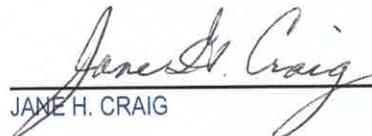
To Landlord at: 720 East Palisade Ave., Suite 103, Englewood Cliffs, NJ 07632

To Tenant at: 1606-E Manning Blvd., Levittown, PA 19057

Such addresses may be changed by either Party only by written notice delivered as above provided to the other Party. If Landlord or any mortgagee shall so request of Tenant, Tenant shall send such mortgagee a copy of any notice thereafter sent to Landlord.

IN WITNESS WHEREOF, the parties hereto have executed and agree to be bound by this Lease Agreement the day and year first above written.

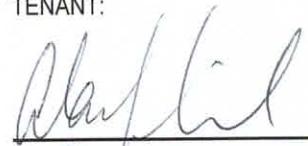
LANDLORD:


Jane H. Craig

WITNESS / ATTEST:

By: _____

TENANT:


Alan Diamond

Branch Manager
Auto-Chlor System

WITNESS / ATTEST:

By: _____

Exhibit “A”

