

## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this or the "**Lease**"), made effective this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between World Revivals Inc., d/b/a Faith City Family Church ("**Landlord**"), having an address at 179 Stanton Christiana Road, Newark, DE 19702, and Delaware Design-Lab High School ("**Tenant**"), having an address at 818 N. Market Street, Wilmington DE 19801.

In consideration of the premises and the covenants, conditions and rents hereinafter set forth, the parties agree as follows:

1. LEASED PREMISES AND TERM.

A. Leased Premises-Phase 1. For the portion of the Initial Term (as hereafter defined) commencing on the Commencement Date (as hereafter defined) and expiring on June 30, 2016 Landlord does hereby lease, demise and let to Tenant, and Tenant does hereby lease, take and accept from Landlord, the premises consisting of a 28,000 square foot portion ("**Phase 1**") of the building commonly known as the "School Building" (the "**Building**" or "**School Building**") which is located on the parcel of real property in Newark, New Castle County, State of Delaware, having a street address of 181 Stanton Christiana Road on Tax Parcel No. 09-024.00-004 (the "**Property**") and more particularly described as Phase 1 on Exhibit "A" attached hereto.

B. Leased Premises-Phase 2. For the portion of the Term commencing on July 1, 2016 and continuing for the remainder of the Term (as hereafter defined) including all Renewal Terms, if exercised, Landlord does hereby lease, demise and let to Tenant, and Tenant does hereby lease, take and accept from Landlord, the premises consisting of 35,000 square feet constituting the entire Building other than the sanctuary ("**Phase 2**") as more particularly described as Phase 2 on Exhibit "A" attached hereto.

C. Improvements and Personal Property. Tenant shall also have the non-exclusive use of (i) any and all improvements located in or serving Phase 1 and Phase 2 as applicable, including but not limited to all heating, air conditioning and ventilation systems, plumbing and electrical systems, lighting fixtures, permanent cabinetry, bathroom fixtures, boiler room, and any other fixtures and systems of a permanent nature (the "**Improvements**"); (ii) all furniture and other personal property as described in Exhibit "B" attached hereto (the "**Personal Property**") (the portions of the Building leased by Tenant in Phase 1 and Phase 2 together with the Improvements and Personal Property being herein referred to as the "**Leased Premises**").

D. Conditions, Limitations and Exclusions. Tenant's use of the Leased Premises hereunder, shall be subject, however, to the following conditions, limitations and exclusions:

(1) Landlord reserves the right to use the All-Purpose Room on the first floor of the Building on Wednesday and Sunday evenings (after \_\_\_\_\_ p.m.) by

providing Tenant with a minimum of ten (10) days prior written notice. Landlord may use the All-Purpose Room at other times for “special events” including, without limitation, weddings and funerals provided, however, that Landlord shall give Tenant at least thirty (30) days’ notice prior thereto. For purposes of this Lease, the term “special events” shall mean weddings, funerals, and other events of similar significance, but shall not include impromptu or informal gatherings or events of lesser magnitude. In all instances under this Lease, Landlord and Tenant agree to work together in good faith to minimize disruptions to their respective operations.

(2) The paved area adjacent to the main School Building entrance and the ground surrounding the School Building may be used for child play at the Tenant’s discretion.

(3) Tenant shall have exclusive use of the school entrance, hallways, parking and other common areas in the Building during the week (Monday through Friday). On the weekends and in the evenings (after \_\_\_\_\_ p.m.), the School Building entrance, hallways, and other common areas in the School Building and the parking areas shall be in common with Landlord. Landlord and Tenant each covenant and agree at all times to respect each other’s respective rights to and in the Leased Premises, Building and Property as set forth in this Lease.

(4) In addition, Landlord reserves the right, to use the entire Building for special events on Saturdays, Sundays or evenings after \_\_\_\_\_ p.m. when Tenant’s school is not in session; provided, however, that Landlord shall give Tenant thirty (30) days written notice prior to such use. In the event that the date of such special event is unknown or is less than thirty (30) days away, Landlord shall give Tenant as much notice as is practicable and reasonable under the circumstances and Tenant reserves the right to deny access.

E. Conditions, Limitations and Exclusions of Landlord. The use of all or any portion of the Leased Premises by Landlord, Landlord’s agents, servants, employee, vendors, invitees and guests (collectively, “Landlord Parties”, and each a “Landlord Party”) shall be subject to the following conditions, limitations and exclusions:

(1) Landlord shall, immediately following the conclusion of any use of all or any portion of the Leased Premises, as may be permitted in accordance with this Lease, return the space to the condition it was in prior to Landlord’s taking possession, which shall include removing any and all personal property of such Landlord Party and cleaning the space. In the event that Landlord fails to take such action, Tenant shall have the right, but is not required, to take such action on Landlord’s behalf and Landlord shall immediately reimburse Tenant for all costs incurred by Tenant as a result thereof. Any use of all or any portion of the Leased Premises, Building or Property by Landlord Parties shall be conducted in such a manner so as to limit the disturbance to Tenant’s operation of the Permitted Use in same.

(2) In addition to any insurance required to be maintained by Landlord pursuant to this Lease, any Landlord Party using the Leased Premises shall

maintain liability, property and such other insurance as would customarily be required for the activity being conducted by the Landlord Party in the Leased Premises, including, but not limited to, alcoholic beverage liability insurance.

(3) Landlord hereby agrees to indemnify and hold Tenant and Tenant's agents, servants, employees, members, managers and officers harmless from, all claims for damage to person or property (including loss or interruption of business) resulting from any fire, accident, or occurrence or condition in or upon the Leased Premises, sustained by any party, arising from any use of the Building, Leased Premises or Property by a Landlord Party or any breach or default on the part of Landlord or a Landlord Party in the performance of any covenant or agreement on the part of Landlord to be performed pursuant to the terms of this Lease. In case of any action or proceeding brought against Tenant, or Tenant's agents, servants, employees, shareholders, directors, members, managers or officers, by reason of any such claim, upon notice from Tenant, Landlord covenants to defend such action or proceeding at its own cost and expense by counsel of Tenant's own selection or counsel otherwise reasonably satisfactory to Landlord. This indemnification shall survive the expiration or earlier termination of this Lease.

F. Tenant Contingency. The effectiveness of this Lease and the obligations of both Landlord and Tenant hereunder are contingent upon the Tenant enrolling, no later than April 1, 2015 (the "**Contingency Date**"), a minimum of 240 students (or such number of students as may be approved by the Delaware Department of Education (the "**DDOE**")) in the school which it plans to operate in Phase 1 during the fall semester of 2015 as required in order to retain its charter by the DDOE. If the foregoing contingency is not satisfied and Tenant so notifies Landlord no later than 5 days after the Contingency Date, then this Lease shall become null and void, the First Month's Rent and Security Deposit (as hereafter defined) shall be returned to Tenant, together with any interest accrued thereon, within five (5) days following Landlord's receipt of Tenant's notice and Landlord and Tenant shall be released from all further liability under this Lease. Notwithstanding the foregoing, Tenant shall also have the option to terminate this Lease on five (5) days written notice to Landlord if Tenant shall have failed to obtain any certificate of occupancy required by the DDOE, or meet any other requirements of the DDOE prior to June 30, 2015.

G. Landlord Contingency. The effectiveness of this Lease and the obligations of both Landlord and Tenant hereunder are also contingent upon the Landlord entering into, no later than the Contingency Date, a termination agreement with the existing tenant in the Building, the Delaware Academy of Public Safety and Security ("**DAPPS**") pursuant to which DAPPS agrees to terminate its existing lease as of a date prior to the Commencement Date upon terms and conditions acceptable to Landlord. Landlord shall send Tenant written notice as soon as such termination agreement has been fully executed. If the foregoing contingency is not satisfied, Landlord shall notify Tenant of such within five (5) days after the Contingency Date, and this Lease shall become null and void, Landlord shall return the First Month's Rent and Security Deposit (together with any interest accrued thereon) to Tenant within five (5) days thereafter and Landlord and Tenant shall be released from all further liability under this Lease.

H. Term. The initial term (the "**Initial Term**") of this Lease shall commence on the date that Tenant is delivered exclusive possession of the Leased Premises, vacant and in broom clean condition (the "**Commencement Date**"). If the Commencement Date does not occur by May 15, 2015, Tenant shall receive two (2) days of free rent for each one (1) day of delay, which rent credit shall be applied to the first month in which Tenant is required to pay Rent hereunder. If the Commencement date has not occurred by [\_\_\_\_], 2015, Tenant shall have the right to terminate this Lease on three (3) days' notice to Landlord, whereupon Tenant shall be released from all further liability hereunder. Unless earlier terminated or renewed pursuant to the terms of this Lease, the Lease shall automatically expire on June 30, 2020 without further notice or demand.

I. Early Termination. Tenant shall have a one-time right to terminate the Term of this Lease as of June 30, 2017 ("**Early Termination Date**"). In order to exercise such right Tenant shall notify Landlord (such notice being referred to herein as the "**Termination Notice**") thereof no later than September 30, 2016 and pay to Landlord on or before the Early Termination Date the unamortized leasing commissions and legal fees incurred by Landlord to Patterson Woods and Associates ("**Broker**") in connection with this Lease, which shall not exceed \$50,000. The amount of such unamortized costs shall be determined by Landlord and shall be based on an amortization schedule coinciding with the Initial Term. Calculations for same shall be delivered to Tenant within fifteen (15) days following Landlord's receipt of the Termination Notice. If Tenant fails to send a timely Termination Notice or fails to make the required timely payment, this termination right shall be deemed to have been waived by Tenant. If Tenant properly exercises its early termination right, Tenant shall vacate the Leased Premises on or before the Early Termination Date, this Lease shall expire on the Early Termination Date and upon return of the Security Deposit in accordance with **Section 2F** of this Lease, Landlord and Tenant shall be relieved of all further obligations hereunder except for those obligations which by their terms are intended to survive the expiration of this Lease.

J. Renewal Options. Tenant shall have the option (the "**Renewal Options**") to renew the Term of this Lease for one (1) five (5) year renewal term and one (1) additional ten (10) year renewal term under and subject to the following terms and conditions:

(1) The first renewal term (the "**First Renewal Term**") shall be for a five (5) year period commencing on the day immediately following the expiration date of the Initial Term and unless earlier terminated, expiring at midnight on the day immediately preceding the fifth (5th) anniversary thereof. The second renewal term (the "**Second Renewal Term**") shall be for a ten (10) year period commencing on the day immediately following the expiration date of the First Renewal Term and unless earlier terminated, expiring at midnight on the day immediately preceding the tenth (10<sup>th</sup>) anniversary thereof. The First Renewal Term and the Second Renewal Term are collectively referred to as the "**Renewal Terms**". The Initial Term and the Renewal Terms shall collectively be referred to as the "**Term**". If Tenant fails to exercise any

Renewal Option, all subsequent Renewal Options shall be null and void and of no further force and effect.

(2) Tenant must exercise each Renewal Option, if at all, by written notice to Landlord delivered at least nine (9) months prior to the expiration date of the then current Term of this Lease, time being of the essence.

(3) As conditions to Tenant's valid exercise of each Renewal Option, at the time Tenant delivers its notice of election to exercise the applicable Renewal Option to Landlord, this Lease shall be in full force and effect, Tenant shall not have assigned this Lease or sublet any portion of the Leased Premises (except to a Permitted Assignee (as such terms is defined herein)), and Tenant shall not be in default in the performance of any of its obligations hereunder.

(4) Each Renewal Term shall be on the same terms and conditions as apply during the Initial Term of this Lease, except that the Rent shall be as set forth in **Section 2B** of this Lease.

(5) Except for the specific Renewal Options set forth above, there shall be no further privilege of renewal.

2. RENT.

A. Initial Term. During the Initial Term Tenant covenants and agrees to pay to Landlord, without notice, demand, deduction or setoff, at the address indicated in the introductory paragraph of this Lease or such other place as Landlord shall from time to time direct, the monthly rent ("**Rent**") as follows. The Rent shall be payable on the first of each month and, to the extent applicable, shall be prorated for any partial months.

Lease Period	Square Footage	Annual Rent per Square Foot	Monthly Installment	Gross Rent
Commencement Date - July 31, 2015	28,000	\$0.00	\$0.00	\$0.00
Aug. 1, 2015- June 30, 2016	28,000	\$8.00	\$18,666.67	\$224,000.00
July 1, 2016- June 30, 2017	35,000	\$8.25	\$24,062.50	\$288,750.00
July 1, 2017- June 30, 2018	35,000	\$8.50	\$24,791.67	\$297,500.00
July 1, 2018- June 30, 2019-	35,000	\$8.75	\$25,520.83	\$306,250.00
July 1, 2019- June 30, 2020	35,000	\$9.00	\$26,250.00	\$315,000.00

B. Renewal Terms. If Tenant exercises the Renewal Option for the First Renewal Term, the Rent shall be increased as of July 1, 2020 to an annual rate of \$9.27 per square foot and shall continue to be increased by three percent (3%) as of each anniversary of July 1 throughout the duration of the First Renewal Term and if Tenant exercises the Renewal Option for the Second Renewal Term, the Rent shall be increased as of July 1, 2025 by three percent (3%) and shall continue to be increased by three percent (3%) as of each anniversary of July 1 throughout the duration of the Second Renewal Term.

C. No Abatement. Tenant covenants to pay when due, without any abatement, deduction or setoff, the Rent provided for herein, and, in the event of any non-payment thereof, Landlord shall have all the rights and remedies provided for herein or by law in the case of nonpayment of Rent.

D. Late Charge. Rent payments received by Landlord after the seventh (7th) calendar day after the date due shall be subject to a five (5%) percent late charge which shall be paid by Tenant to Landlord at the time when the past due Rent payment is paid.

E. First Month's Rent. Upon execution of this Lease, Tenant shall pay to Landlord the first month's rent in the amount of \$18,666.67 ("**First Month's Rent**") which shall be applied to the first month of Rent due and payable under this Lease.

F. Security Deposit. To secure the performance by Tenant of its obligations hereunder, Tenant shall also deposit with Landlord at the time of the execution of this Lease, the sum of \$18,666.67 (the "**Security Deposit**") in cash or other form acceptable to Landlord, the receipt of which is hereby acknowledged, on the understanding: (a) that the Security Deposit or any portion thereof, following any applicable notice and cure period, may be applied to the curing of any event of default that may arise hereunder, without prejudice to any other remedies which Landlord may have, and upon such application, Tenant shall pay Landlord on demand such amount which shall be added to the Security Deposit so the same will be restored to its original amount; (b) that should this Lease be assigned by Landlord, and upon receipt by Tenant of evidence that the Security Deposit shall be held in accordance with this Lease, the Security Deposit or any balance thereof may be turned over to Landlord's assignee in which event Tenant hereby releases Landlord from any and all liability with respect to the Security Deposit; (c) in the event of bankruptcy or other creditor-debtor proceedings against Tenant, all security shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings; (d) that Landlord or its agents shall not be obligated to hold the Security Deposit as a separate account but shall be required to deposit the Security Deposit in an interest bearing account; and (e) that if Tenant shall faithfully perform all of its obligations under this Lease, the Security Deposit, or any then remaining balance thereof as well as any interest

accrued, shall be returned to Tenant within thirty (30) days after the expiration of the Term.

### 3. LIENS OR ENCUMBRANCES.

Tenant shall not allow or permit the Leased Premises or any improvements thereon to become subject to any lien, charge or encumbrances, and shall indemnify and hold Landlord harmless against any and all such liens, charges and encumbrances arising from acts or omissions of Tenant or those under Tenant's control. This Section shall not be construed as consent on the part of Landlord to any such lien, charge or encumbrance or for Tenant to perform any work or alterations on the Premises.

### USE AND CONDITION OF LEASED PREMISES.

A. Permitted Use. Tenant shall use and occupy the Leased Premises for: A Charter School authorized by the State of Delaware and all uses incidental thereto, including but not limited to school events, theater productions and exhibitions (collectively, the “**Permitted Use**”). Landlord shall obtain, prior to Tenant taking possession of the Leased Premises, and maintain throughout the Term, a certificate of occupancy or the township equivalent (a “**CO**”) which permits Tenant to engage in the Permitted Use. Tenant shall obtain and maintain all required permits, authorizations or licenses (collectively, the “**Permits**”), other than the CO, now or hereinafter required to conduct or operate the Permitted Use, all to be at Tenant's sole cost and expense. No Landlord Party shall engage in any act or omission that would revoke, suspend or otherwise impair the status or result in the termination of any of the Permits or the CO. Landlord agrees to indemnify, defend and hold Tenant and Tenant’s agents, servants, employees, students, members, managers and officers harmless for any and all damages resulting from any such suspension, impairment, revocation or termination. Landlord shall deliver the Leased Premises free of all Hazardous Materials (as defined below).

B. Prohibited Use. Neither Tenant nor Landlord shall make or permit to be made any use of the Leased Premises which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or which may be unreasonably dangerous to life, limb or property or which may invalidate or increase the premium cost of any policy of insurance carried by Landlord or Tenant on the Leased Premises or which will suffer or permit the Leased Premises to be used in any manner which would permit anything to be brought into or kept therein which, in the reasonable judgment of Landlord, would in any way impair or tend to impair the character, reputation or appearance of the Leased Premises or which would threaten the safety of the Leased Premises or any of its occupants.

C. Waste and Hazardous Material. Tenant shall not store, handle, treat, dispose of, discharge, or produce Waste (as hereinafter defined) anywhere in, on, under or above the Leased Premises.

(1) In consideration of Landlord's entering into this Lease, Tenant covenants that Tenant will not knowingly engage in or permit any party

(including, without limitation, all subtenants, as hereinafter defined) to engage in the storage, placement, handling, treatment, discharge, generation, production, transportation, disposal, or incorporation or use in, on, under or above the Leased Premises (collectively "**Treatment**") of any Waste, waste products, radioactive waste, polychlorinated biphenyls, Asbestos (as that term is hereinafter defined), toxic or any other waste, product, substance or material defined as hazardous under any federal, state, or local law, ordinance, or by any governmental authority other than Permitted Waste (as defined below) or any waste, product, substance or material which is regulated or monitored by any federal, state, or local environmental law, ordinance, or any governmental authority, or any waste, product, substance or material whose use, storage, handling, treatment, disposal, discharge, or production is likewise regulated or monitored (collectively "**Waste**") on the Leased Premises or in any manner which affects the Leased Premises. The term "Waste" as used herein shall specifically exclude "Permitted Waste" provided the requirements set forth in this **Section 4C** are complied with in all respects.

Notwithstanding the foregoing, Tenant may generate and temporarily store such commercial products and materials as are routinely used in a manner incident to and reasonably necessary for the management, operation, occupancy, maintenance, use, improvement, construction, repair or alteration of the Leased Premises or any improvements thereon in connection with the Permitted Use including, by way of example and not limitation, cleaning solvents, copy machine toner, paint and typewriter correction fluid, the contents of which might technically constitute a violation of the terms of this **Section 4C** ("**Permitted Waste**") upon and subject to all of the following requirements:

(a) Tenant shall comply with all "Directives" (as that term is hereinafter defined) with respect to its use, generation and temporary storage of such Permitted Waste;

(b) Any such use, generation and temporary storage by Tenant shall not require a license, permit, or any other governmental or regulatory approval;

(c) Any such use, generation and temporary storage by Tenant shall not be a material violation of Tenant's or Landlord's property and all risk insurance policies, or cause any cancellation or material limitation of any insurance policy or insurance coverages by which the Leased Premises is insured, or give rise to any material increase in premium;

(d) All Permitted Waste and its generation and temporary storage on the Leased Premises by Tenant remain subject to all other requirements set forth in this **Section 4C**;

(e) Intentionally Deleted.

(f) All Permitted Waste when discarded by Tenant shall be collected on a regular basis by an appropriately licensed commercial or

municipal waste disposal company in accordance with all legal requirements and Directives. In the event of the failure to meet the foregoing conditions as to any Permitted Waste, such Permitted Waste shall no longer be deemed permitted, and shall constitute "Waste" under the terms of this **Section 4C**. Tenant further covenants that Tenant and Tenant's use of the Leased Premises will at all times comply with and conform to the requirements of this **Section 4C**, and all laws, statutes, ordinances, rules, regulations, orders and all notices of any violation of the foregoing (collectively "**Directives**") of all governmental and regulatory authorities, with respect to the Treatment of any Waste brought onto the Leased Premises by Tenant; provided, however, that with respect to any orders and notices, Landlord shall have provided copies of same to Tenant.

(2) In the event that:

(a) Tenant knowingly has caused or permitted any spill in, on, under, above or affecting the Leased Premises, or

(b) any spill or any Waste has occurred in, on, under or above the Leased Premises during the Term as a result of Tenant's actions or omissions, then Tenant shall take or cause to be taken all of the following actions promptly after learning of such spill:

(i) notify Landlord, as provided herein;

(ii) take all steps necessary or desirable to cause any permitted subtenant of Tenant to comply with the terms of this Lease with respect to any obligation to clean up any such spill and any contamination related to such spill;

(iii) fully clean up any spill caused by Tenant, and repair any damage to the Leased Premises caused thereby, in compliance with all applicable governmental requirements;

(iv) allow Landlord to monitor and inspect all cleanup and restoration related to such spill; and

(3) Landlord is given the right, but not the obligation, to inspect and monitor the Leased Premises and Tenant's use of the Leased Premises, at any and all reasonable times to confirm Tenant's compliance with the terms of this **Section 4C**.

(a) Tenant shall dispose of sewage from the Leased Premises via connection to the sanitary sewer system of New Castle County.

(b) Tenant shall not discharge pollutants into or adjacent to any water of the State of Delaware within the meaning of any applicable water quality act, statute, or ordinance, or the Federal Water Pollution Control Act of 1972.

(c) All refuse, trash, and Waste from or relating to the Leased Premises and Tenant's use thereof shall be collected on a regular basis by an appropriately licensed commercial or municipal waste disposal company, in accordance with all Directives. Tenant covenants to take all steps appropriate to cause the foregoing representations to remain true in all material respects throughout the Term and further agrees promptly to notify Landlord in the event that any of the representations set forth in this **Section 4C** are no longer true in any material respect at any time.

(4) Notwithstanding anything contrary in this Lease, Tenant shall not be liable for any costs, loss, liability, damage or expense arising from or in connection with the clean-up of a contamination not caused, directly or indirectly, by Tenant or its agents, employees, contractors, representatives or invitees. Landlord shall indemnify, defend, save and hold harmless Tenant for all claims for damages (including reasonable legal fees incurred by Tenant as a result thereof) stemming from the release of any Hazardous Materials, Waste or spills on the Leased Premises before or during the Term of this Lease which are not caused by Tenant.

D. Tenant acknowledges and agrees to accept the Leased Premises in "as is" condition, without any representation or warranties by or from Landlord of any kind whatsoever including, without limitation, its use or fitness for a particular purpose, except as otherwise expressly provided herein.

#### 4. ALTERATIONS AND IMPROVEMENTS.

Tenant covenants that it will at no time or times make any alterations, improvements or changes of any kind to the Leased Premises without first submitting the plans thereof and securing the prior written consent of Landlord, which consent may be withheld or conditioned at Landlord's discretion; provided, however, that Landlord's consent shall not be required for minor cosmetic alterations (such as painting and replacing flooring) or alterations or improvements required by Law for Tenant's Permitted use, which Tenant may engage in with prior notice to Landlord. All improvements, alterations, replacements and building service equipment made or installed by or on behalf of Tenant and permanently affixed to the Leased Premises shall immediately upon completion or installment thereof be and become the property of Landlord without payment therefor by Landlord.

#### 5. REPAIRS AND MAINTENANCE; SECURITY; UTILITIES.

A. To the extent not necessitated by the acts or omissions, negligence or willful misconduct of a Landlord Party, Tenant covenants throughout the Term, at its sole cost and expense, to maintain in good order and repair the interior of the Leased Premises, and to maintain and replace when necessary, all window and door glass, and to make all ordinary and necessary repairs to the Leased Premises, including without limitation all electrical, plumbing, heating, air conditioning and other mechanical systems serving the Leased Premises as well as glass, windows, doors, window sashes or frames and door frames in or appurtenant to the Leased Premises; to keep the Leased Premises in a safe, clean and sanitary condition; to provide for the removal of trash and rubbish; and

to surrender the Leased Premises at the end of the Term in as good condition as when received except for ordinary wear and use. Tenant shall contract and pay for all janitorial services which it requires in the Leased Premises.

B. Landlord further covenants throughout the Term, to maintain in good order and repair the outside grounds of the Leased Premises, to repair all paved/concrete and unpaved parking lots and walkways; to maintain all landscaping, trees, shrubs plantings and flowerbeds; to promptly clear snow and ice from all paved and concrete surfaces; to maintain property and liability insurance with respect to the Building and Property in such amounts as are commercially reasonable and otherwise in accordance with the terms of this Lease; to pay for water and sewer charges; to replace, as needed, all electrical, plumbing, heating, air conditioning and other mechanical systems serving the Leased Premises; and to provide such other common area services as Landlord may in its reasonable discretion deem to be appropriate. Tenant shall pay as additional Rent for seventy percent (70%) of all such costs incurred by Landlord for the foregoing items (the “**Operating Expenses**”), except as may be provided below, from and after the Commencement Date. From time to time, but no more than once in any thirty (30) day period, Landlord shall invoice Tenant for its share of such costs which invoices shall be accompanied by evidence of the costs incurred. Tenant shall pay such invoices within thirty (30) days following receipt of such invoice for the same. The following shall not be included in Operating Expenses:

(1) Depreciation, interest and principal payments on mortgages, ground rents, trust deeds and other debt costs, if any, on the Building and/or on the Property as well as any penalties and interest thereon;

(2) Costs of capital improvements;

(3) Any reserves;

(4) Leasing commissions, legal fees, advertising, space planning expenses, and renovation costs incurred in procuring or retaining tenants;

(5) Costs, fines or penalties incurred because Landlord violated any governmental rule or authority;

(6) Costs incurred to correct violations existing on the Commencement Date of any law, rule, order or regulation affecting the Building or Property beyond those costs incurred in order to maintain the Building and those areas of the Property directly serving the Building in a state of compliance with any such law, rule, order or regulation and any sums paid by Landlord for any fines or penalties as a result of any such violation;

(7) Costs of any items or services for which Landlord is reimbursed by a third party;

(8) Costs incurred in connection with sales, financing, refinancing, mortgaging, selling or change of ownership of the Building or Property;

(9) Costs incurred due to a breach by Landlord of the terms and conditions of this Lease or any other lease;

(10) Overhead and profit increment paid to subsidiaries or affiliates of Landlord, or to any party as a result of a non-competitive selection process, for management or other services on or to the Building or for supplies or other materials, to the extent that the costs of such services, supplies or materials exceed the costs that would have been paid had the services, supplies or materials been provided by unaffiliated parties on a competitive basis;

(11) Costs of repairs, restoration, replacements or other work occasioned by (1) fire, windstorm or other casualty insured by Landlord (whether such destruction be total or partial) and paid by insurance required to be carried by Landlord under this Lease or by insurance then carried by Landlord, (2) the exercise by governmental authorities of the right of eminent domain, whether such taking be total or partial, (3) the gross negligence or intentional tort of Landlord, Landlord Party, or any subsidiary or affiliate of Landlord, or any representative, employee or agent of same (including the costs of any deductibles paid by Landlord);

(12) Costs incurred by Landlord as a result of any litigation against any other tenant in the Building or a Landlord Party; and

(13) Costs incurred by Landlord to comply with the terms of Section 1.E. hereof.

C. Tenant shall also reimburse Landlord as additional Rent for seventy percent (70%) of all costs incurred by Landlord for electricity consumed in or appurtenant to the Building and one hundred percent (100%) of all such costs to the extent that they exceed \$60,000 for any twelve (12) month period commencing on the Commencement Date. From time to time, but no more than once in any thirty (30) day period, Landlord shall invoice Tenant for its share of such costs which invoices shall be accompanied by evidence of the costs incurred. Tenant shall pay such invoices within thirty (30) days after receipt thereof.

D. Landlord agrees at Landlord's sole cost to make all necessary repairs replacements, or alterations to the foundation, roof, exterior walls, structural columns, beams and any other structural components of the Building; and to maintain, repair or replace, if necessary, the rooftop heating, ventilation and/or air conditioning units serving the Leased Premises. Landlord's liability shall be limited to the cost of making such repairs, replacements or alterations. Notwithstanding the foregoing, if any such repairs or alterations or replacements are made necessary by reason of repairs, installations, alterations, additions or improvements made by Tenant or anyone claiming under Tenant, by reason of the fault or negligence of Tenant or anyone acting under Tenant, by reason of a default in the performance or observance of any provisions of this Lease on the part of Tenant to be performed or observed, or by reason of any special use to which the Leased Premises may be put by Tenant beyond the Permitted Use, Tenant shall make all such repairs or alterations as may be necessary.

E. Security access codes and keys to the Leased Premises will be provided exclusively to individuals designated by Landlord and Tenant to each other.

F. Any statement or invoice furnished to Tenant by Landlord under the provisions of this **Section 6** shall constitute a final determination as between Landlord and Tenant as to the expenses and costs set forth therein due from Tenant for the period represented thereby, unless Tenant, within one hundred eighty (180) days after such statement/invoice is furnished, shall give a notice to Landlord that it disputes the correctness thereof, specifying in detail the basis for such assertion. Pending resolution of such dispute, Tenant shall pay all disputed amounts in accordance with the statement/invoice furnished by Landlord. Landlord agrees, upon prior written request, during normal business hours to make available for Tenant's inspection, at Landlord's offices, Landlord's books, records and such other information as Tenant reasonably requests that are relevant to any items in dispute. If, within twenty (20) days after such inspection, Tenant notifies Landlord in writing that Tenant still disputes such expense or cost, then an appropriate adjustment shall be made between the parties, unless Landlord disputes the findings of Tenant's inspection, in which event Landlord and Tenant shall select an independent accountant to resolve such dispute. The costs of such independent accountant shall be borne by the non-prevailing party after the completion of the audit, as determined by the independent accountant. If the actual amount of the cost or expense in dispute is determined to have been overstated by Landlord by more than five percent (5%), then Landlord shall pay the reasonable fees of Tenant's audit.

6. LIABILITY INSURANCE. Tenant shall procure and maintain at its own expense, insurance of the type and with the minimum limits hereinafter set forth.

A. Worker's Compensation:

Minimum Limits:

Worker's Compensation: ----- Statutory Benefits

Employers' Liability: -----\$1,000,000.00

B. Comprehensive General Liability - Including coverage for contractual liability assumed by Tenant and coverage for premises operations:

Minimum Limits:

Bodily Injury:-----\$2,000,000 per occurrence  
\$2,000,000 aggregate.

Property Damage:-----\$2,000,000 each occurrence  
\$2,000,000 aggregate

C. Umbrella Liability - Providing limits which, in addition to the primary limits described in **Section 7B** above, shall total, a minimum of \$5,000,000 per occurrence and \$5,000,000 annual aggregate. This coverage may be subject to a retained

limit of \$10,000 per occurrence for those losses it covers which are not covered by the policy obtained in accordance with **Section 7B**.

All policies described in this **Section 7** shall name Landlord as an Additional Insured.

D. Waiver of Subrogation - Tenant waives and releases on behalf of itself and its insurer(s), by subrogation or otherwise, all claims against the Landlord resulting from risks covered under all policies of fire and extended coverage insurance that are procured and maintained by Tenant (or which are required to be maintained by Tenant pursuant to the terms hereof) with respect to Tenant's property. Tenant agrees, within a reasonable period of time after the execution hereof but in all events no later than thirty (30) days prior to the Commencement Date, to give each insurance company which has issued to it policies of fire and extended coverage insurance, written notice of the terms of the waivers contained in this **Section 7D** and to have the insurance policies properly endorsed to reflect such waivers.

E. Certificate of Insurance - Tenant shall furnish to Landlord before occupying the Leased Premises, certificates of insurance indicating (a) type and amount of insurance required by the above Subparagraphs (collectively, the "**Insurance Coverage**"), (b) insurance company or companies carrying said coverage, (c) effective and/or expiration dates of policies, (d) insurer waives its right of subrogation in favor of Landlord as requested, if not permitted to do so prior to a loss without consent of insurer(s), (e) that Landlord is an Additional Insured, and (f) that Landlord be advised thirty (30) days in advance of any material change in coverage and/or policy limits and/or intent to cancel. As a material obligation under this Lease, the Tenant (so long as this Lease is in effect) shall cause to be provided to Landlord at least fifteen (15) days prior to the expiration of any such Insurance Coverage, a certificate indicating such insurance continues to remain in effect, accompanied by a payment receipt.

## 7. DAMAGE OR DESTRUCTION.

A. If during the Term, the Leased Premises are less than 25% damaged by fire or other casualty, but not to the extent that Tenant, in Landlord's reasonable judgment, is prevented from carrying on the Permitted Use on the Leased Premises, Landlord shall promptly restore the Leased Premises to their condition immediately prior to the casualty, but only to the extent of insurance proceeds recovered.

B. If during the Term the Leased Premises are more than 25% destroyed or so damaged by fire or other casualty and Tenant, in Landlord's reasonable judgment, is prevented from carrying on the Permitted Use on the Leased Premises, Landlord shall have the option either to restore the Leased Premises to their condition immediately prior to the casualty or to terminate this Lease. Such option shall be exercised by Landlord by written notice to Tenant within thirty (30) days after receiving written notice from Tenant of the casualty.

If Landlord chooses to restore the Leased Premises, it shall prepare or cause to be prepared a reasonable estimate of the time needed to restore the Leased Premises to their condition immediately prior to the casualty. Such estimate shall accompany the written notice to Tenant. If the time period indicated in the notice exceeds one hundred fifty (150) days, Tenant may terminate this Lease within ten (10) days of receipt of Landlord's notice.

If the restoration period is less than the period indicated above or if Tenant agrees to a period in excess of one hundred fifty (150) days, then Landlord shall promptly commence such repair work and diligently proceed to complete the same.

Rent shall be equitably abated for any period that the Leased Premises or any portion thereof is destroyed or damaged to the extent that Tenant is substantially prevented from carrying on the Permitted Use on the Leased Premises (or such portion thereof as applicable).

#### 8. COMPLIANCE WITH REGULATIONS, ETC.

Tenant covenants throughout the Term at its sole cost and expense to comply promptly with all laws, codes, ordinances, administrative and court orders and directives, rules and regulations which have the force of law, whether now in effect or hereafter promulgated, applicable to Tenant's use and occupancy of the Leased Premises including but not limited to The Americans With Disabilities Act (collectively "Laws"); however Tenant shall have the right to contest the applicability and/or validity of any of the above at Tenant's sole expense so long as by reason of such action, the Leased Premises would not be in danger of forfeiture or loss and Landlord shall not be subject to criminal or civil prosecution or such prosecution shall be stayed or suspended pending such action taken by Tenant. Notwithstanding the foregoing, Tenant shall not be required to replace any Building systems or replace or alter any structural or capital improvements that may be required by a change in any Law. Landlord represents that the Building and the Permitted Use comply with all Laws as of the Commencement Date.

#### 9. CONDEMNATION.

A. If during the Term, all or a substantial part of the Leased Premises shall be taken by eminent domain, then at the option of Tenant or Landlord (such election to be given in writing to the other within ten (10) days following receipt of notice of such taking), this Lease shall terminate, and the Rent shall be apportioned to and abated from and after, the date of the taking. Tenant shall have no right to participate in any award or damages for such taking (except as set forth in **sub-section D** hereof) and hereby assigns all of its right, title and interest therein to Landlord. For purposes of this **Section 10**, "a substantial part of the Leased Premises" shall mean a taking which renders Tenant, in Landlord's reasonable judgment, unable to carry on the Permitted Use on the Leased Premises.

B. If during the Term, less than a substantial part of the Leased Premises shall be taken by eminent domain, this Lease shall remain in full force and effect according to its terms; and Tenant shall have no right to participate in any award or damages for such taking and hereby assigns all of its right, title and interest therein to Landlord, provided that Landlord shall at its expense promptly make such repairs and improvements as shall be necessary to restore the Leased Premises to substantially the same efficiency as before the taking. Should the condemnation be effected without a cancellation of this Lease, there shall be an appropriate reduction in Rent commensurate with the area so taken.

C. For the purpose of this **Section 10**, "taken by eminent domain" or "taking under the power of eminent domain" shall include a negotiated sale or lease and transfer of possession to a condemning authority under bona fide threat of condemnation for public use, and Landlord alone shall have the right to negotiate with the condemning authority and conduct and settle all litigation connected with the condemnation. As herein above used, the words "award of damage" shall, in the event of such sale or settlement, include the purchase or settlement price of any such negotiated transfer. Landlord shall immediately forward to Tenant upon receipt any notice of a taking or condemnation of the Building, the Property or any portion thereof.

D. Nothing herein shall be deemed to prevent Tenant from claiming, negotiating, and receiving from the condemning authority, if legally payable, compensation for damages for Tenant's loss of business, business interruption and/or removal and relocation, provided such compensation in no way reduces the amount of compensation payable to Landlord.

E. If during the Term, more than 25% of the Building or Property shall be taken by eminent domain, then at the option of Tenant (to be given in writing to Landlord within ten (10) days following notice of such taking), this Lease shall terminate, and the Rent shall be apportioned to and abated from and after, the date of the taking.

#### 10. LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS.

If Tenant shall fail to perform any covenant or duty required of it by this Lease or by law, Landlord shall, after ten (10) days' notice to Tenant and expiration of any applicable notice and cure period, have the right (but not the duty) to enter the Leased Premises, if necessary, to perform the same without further notice, and the cost thereof shall be deemed to be additional Rent.

#### 12. COVENANTS OF LANDLORD.

A. Landlord warrants that the Building and Leased Premises are in compliance with applicable laws as to Hazardous Materials (as hereinafter defined); are in compliance with all applicable laws and regulations relating to health and safety; are free from all orders and notices of violations by any public or quasi-public authority and free from complaints or reports of violations noted on, existing in, or filed with any federal, state, county, municipal or other authority, and, to Landlord's knowledge are free

from any Hazardous Materials as of the date hereof. “**Hazardous Materials**” shall mean any toxic or hazardous waste, pollutant, or substance, including, without limitation, asbestos, PCBs, petroleum products and by-products, substances defined or listed as hazardous substances or toxic substances or similarly defined in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq.; the Resource Conservation Recovery Act, 42 U.S.C. § 6901, et seq.; the Clean Water Act, 33 U.S.C. § 1251, et seq.; and the Clean Air Act, 42 U.S.C. § 7401, et seq.; together with all regulations to the foregoing, and any hazardous or toxic substance or pollutant now or hereafter regulated under any federal, state or local environmental law, regulation or ordinance, including those yet to be enacted, as all of such laws and regulations may be amended from time to time. Landlord agrees to save and hold harmless, including providing a legal defense and indemnity, the Tenant for any cost and damages incurred by Tenant as a result of any claims asserted by any person(s) or entity(ies) for any claims arising from Landlord’s failure to abide by the provisions of this **Section 12(A)** or stemming from the presence of Hazardous Materials in, on or under the Property which were not caused by Tenant. This obligation shall survive termination of this Lease.

B. Landlord covenants and agrees that it shall without demand (1) pay all real estate taxes, school taxes, and county taxes, if any; (2) maintain the Premises in accordance with **Section 6** hereunder; (3) comply with all laws and regulations (except to the extent Tenant has assumed responsibility therefor in accordance with this Lease); (4) fulfill all other obligations set forth in this Lease and otherwise ensure that so long as the Tenant shall pay the Rent as aforesaid and perform the covenants and agreements herein contained on its part to be performed, the Tenant shall peaceably hold and enjoy the said Leased Premises without hindrance or interruption by the Landlord or by any other person or persons acting under or through the Landlord.

### 13. INDEMNIFICATION

A. Unless any of the same shall be caused solely by the negligence or willful misconduct of a Landlord Party or Landlord's members, managers, directors, officers, shareholders, agents, servants, and employees, then Landlord and Landlord's agents, servants, employees, members, managers and officers shall not be liable for, and Tenant hereby agrees to indemnify and hold Landlord and Landlord's agents, servants, employees, members, managers and officers harmless from, all claims for damage to person or property (including loss or interruption of business) resulting from any fire, accident, or occurrence or condition in or upon the Leased Premises, sustained by any party arising from Tenant's occupation and use of the Leased Premises or from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or from any act or negligence of Tenant, its agents, servants, employees, students or invitees in or about the Leased Premises. In case of any action or proceeding brought against Landlord, or Landlord's agents, servants, employees, shareholders, directors, members, managers or officers, by reason of any such claim, upon notice from Landlord, Tenant covenants to defend such action or proceeding at its own cost and expense by counsel of Landlord's

own selection or counsel otherwise reasonably satisfactory to Landlord. This indemnification shall survive the expiration or earlier termination of this Lease.

Tenant acknowledges and agrees that if Landlord shall be a religious entity, joint venture, corporation, limited liability company, tenancy in common, firm or partnership (general or limited), there shall be no personal liability on such entity or on the members of such joint venture, corporation, limited liability company, tenancy in common, firm or partnership in respect of any of the covenants or conditions of this Lease; rather, Tenant shall look solely to Landlord's interest in the Leased Premises (including insurance or condemnation proceeds and sale proceeds) for the collection of any judgment (or enforcement or any other judicial process) requiring the payment of money by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed or performed by Landlord and no other property or assets of Landlord or any of its affiliates shall be subject to levy, execution or other enforcement procedures for the satisfaction of any obligation due Tenant or its successors or assigns.

B. Unless any of the same shall be caused solely by the negligence of Tenant, Tenant's members, managers, directors, officers, shareholders, agents, servants, and employees, Tenant and Tenant's agents, servants, employees, members, managers and officers shall not be liable for, and Landlord hereby agrees to indemnify and hold Tenant and Tenant's agents, servants, employees, members, managers and officers harmless from, all claims for damage to person or property (including loss or interruption of business) resulting from any fire, accident, or occurrence or condition in or upon the Leased Premises, sustained by any party, arising from Landlord's use of the Building or Leased Premises or from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed pursuant to the terms of this Lease, or from any act or negligence of Landlord, its agents, servants, employees, shareholder, members, managers officers or invitees in or about the Leased Premises. In case of any action or proceeding brought against Tenant, or Tenant's agents, servants, employees, shareholders, directors, members, managers or officers, by reason of any such claim, upon notice from Tenant, Landlord covenants to defend such action or proceeding at its own cost and expense by counsel of Tenant's own selection or counsel otherwise reasonably satisfactory to Tenant. This indemnification shall survive the expiration or earlier termination of this Lease.

#### 14. DEFAULT PROVISIONS.

A. In the event Tenant fails to pay any installment of Rent within ten (10) days following the date it is due (an "Event of Default"), Landlord may elect to terminate this Lease by serving a written notice upon Tenant of Landlord's election to terminate this Lease upon a specified date, not less than fifteen (15) days after the day of serving of such notice. If such default shall not be corrected within such fifteen (15) day period, this Lease shall then expire on the date specified in such notice, as if that date were the expiration date.

B. In the event Tenant shall fail to comply with any other provision of this Lease within ten (10) days following the date so required (an "Event of Default"), Landlord may elect to terminate this Lease by serving a written notice upon Tenant of Landlord's election to terminate this Lease upon a specified date, not less than thirty (30) days after the day of serving of such notice. If such event of default shall not be corrected within such thirty (30) day period, this Lease shall then expire on the date specified; provided, however, that Tenant shall be given such additional time to cure said default as may be necessary if such default is not curable within thirty (30) days and Tenant is otherwise diligently trying to cure the same.

C. Each of the following additional events shall also be deemed an "event of default" by Tenant within the meaning of this **Section 14**: (a) the making of an assignment by Tenant for the benefit of its creditors; (b) the appointment of a receiver or trustee of all or part of Tenant's property; (c) the filing of a petition in bankruptcy voluntarily by Tenant; (d) the filing of a petition by or against Tenant for its reorganization or for an arrangement under any bankruptcy law or other law; or (e) the filing of or petition by Tenant to effect a composition or an extension of time to pay its debts; provided that if an event referred to in sub-**sections C and D** above shall have been involuntary on the part of Tenant, Tenant shall have ninety (90) days to discharge the receiver or trustee or dismiss the petition after the appointment or filing.

D. In the event that this Lease is terminated in the manner provided for in this **Section 14**, by court proceedings or otherwise, Landlord or Landlord's agents, servants or representatives may, at any time after written notice to Tenant and the notice and cure periods set forth in this **Section 14**, reenter and resume possession of the Leased Premises, or any part thereof, and remove all persons and property therefrom, to the extent permissible under applicable law, without being liable for any damages therefor. No reentry by Landlord shall be deemed to be an acceptance of a surrender of this Lease; and Tenant agrees that in the event this Lease is terminated in accordance with its provisions because of Tenant's default, Landlord's lien in and to this Lease and any improvement on or hereinafter placed on the Leased Premises and on any equity of Tenant in and to any furnishings, equipment, fixtures or any other personal property of Tenant located in the Leased Premises, shall forthwith attach, such lien being granted for the purposes of securing the performance of Tenant's obligation hereunder.

E. In case the Rent or any installment of Rent hereby agreed to be paid shall at any time be in default, Landlord shall have the right to distrain therefor, subject to the provisions of Distress for Rent under 25 Del. C. Ch. 63 of the Delaware Landlord/Tenant Code as amended from time to time.

F. Landlord, upon the happening of any of the events giving it the right to terminate this Lease, shall be entitled to the benefit of all of the provisions of law for the speedy recovery of lands and tenements under this Lease held over by Tenant that are now in force or may hereafter be enacted. In the event Landlord exercises any or all of its rights and remedies as permitted under this Section or **Section 15** herein below, Landlord shall also be entitled to recover from Tenant as part of any judgment or award

or other judicial action all of Landlord's costs and expenses, including but not limited to reasonable attorneys' fees.

#### 15. ADDITIONAL REMEDIES OF LANDLORD.

In the event that this Lease is terminated in the manner set forth in **Section 14** hereof, or by court proceedings or otherwise, Landlord may for its own account, relet the whole or any portion of the Leased Premises for any period equal to, greater than, or less than the remainder of the Term of this Lease for any sum which it may deem reasonable, to any tenants which it may deem suitable and satisfactory, and for any use and purposes which it may deem appropriate, but in no event shall Landlord be under any obligation to relet the Leased Premises for any purpose which Landlord may regard as injurious to the Leased Premises, or to any tenant which Landlord, in the exercise of reasonable discretion shall deem to be objectionable. In the event of a termination of the Lease pursuant to **Section 14** hereof, and whether or not the Leased Premises be relet, Landlord shall be entitled to recover from Tenant, and Tenant hereby agrees to pay to Landlord as damages, the following:

A. An amount equal to the amount of the Rent reserved under this Lease, less the rent, if any, collected by Landlord on reletting the Leased Premises, which shall be due and payable by Tenant to Landlord on the days on which the Rent herein reserved would have become payable under this Lease. Landlord shall not be entitled to accelerate Rent due hereunder in any circumstance.

B. In addition to the damages hereinbefore provided for in this **Section 15**, an amount equal to the cost (a) of restoring the Leased Premises to the condition in which Tenant has agreed to surrender it to Landlord and (b) of performing any other covenant herein contained which Tenant has agreed to but failed to perform, other than the covenant to pay Rent. The damages mentioned in this **subsection 15B** shall become immediately due and payable by Tenant to Landlord upon the termination of this Lease. Without any previous notice or demand, separate actions may be maintained by Landlord against Tenant from time to time and at any time to recover any damages which, at the commencement of any such action, have then or theretofore become due and payable to Landlord under this **Section 15**, without waiting until the end of the Term.

#### 16. ASSIGNMENT OF LANDLORD'S INTEREST.

If Landlord should ever assign this Lease or the Rents hereunder to a creditor as security for a debt, Tenant shall, after notice of such assignment and upon demand by Landlord or the assignee, pay all sums thereafter becoming due Landlord hereunder to the assignee (from and after the time Tenant is furnished with such assignee's address) and furnish such evidence of insurance coverages required hereunder as the assignee may reasonably require so as to protect the assignee's interest as it may appear and furnish such assurances to the assignee.

#### 17. ATTORNTMENT.

In the event the Leased Premises are sold at any foreclosure sale or sales, by virtue of any judicial proceedings, or otherwise, this Lease shall continue in full force and effect and Tenant agrees to attorn to and acknowledge the foreclosure purchaser or purchasers at such sale as "Landlord" hereunder and such successor-Landlord shall accept such attornment and recognize Tenant's rights and possession and use of the Leased Premises in accordance with the terms and conditions of this Lease.

18. SUBORDINATION.

This Lease shall be subject and subordinate to the lien of any present or future mortgage or mortgages upon the Leased Premises or any property of which the Leased Premises are a part, which are placed thereon by Landlord, irrespective of the time of execution or the time of recording of any such mortgage or mortgages. Provided that if Tenant is requested to execute a subordination agreement Tenant may require that as a condition thereto that in the event of foreclosure or other action taken under any mortgage by the holders thereof, this Lease and the rights of Tenant hereunder shall not be disturbed but shall continue in full force and effect so long as Tenant shall not be in default hereunder. Promptly after the execution of this Lease Landlord shall request from the holder of the existing mortgage upon the Leased Premises a Non-Disturbance, Subordination and Attornment Agreement (an "SNDA") in a form reasonably acceptable to Tenant. If Landlord shall fail to obtain such SNDA within twenty (20) days following the execution of this Lease by Landlord and Tenant, Tenant shall have the option to terminate the Lease on five (5) days written notice to Landlord. The word "mortgage" as used herein includes mortgages, deeds of trust or other similar instruments and modifications, extensions, renewals and replacements thereof and any and all advances thereunder. Landlord shall promptly request an SNDA from all future mortgagees.

19. NON-DISTURBANCE.

Landlord covenants and warrants to Tenant that Tenant, on paying the Rent provided for in this Lease and performing its covenants herein set forth, shall peaceably and quietly have, hold and enjoy the Leased Premises and all appurtenances thereon during the full term of this Lease.

20. FAILURE TO INSIST UPON STRICT PERFORMANCE.

The failure of either party to insist upon a strict performance of any of the terms, conditions and covenants herein contained shall not be deemed a waiver of any rights or remedies that either party may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained. This instrument may not be changed, modified or discharged, except by way of a written instrument, signed by all of the parties hereto.

21. SIGNS.

Landlord shall permit Tenant to erect reasonable facade signage on the front of the Stanton-Christiana side entrance to the School Building ("Entrance Signage"); provided, however, that the Entrance Signage and such other signage desired by Tenant

shall not be erected on the exterior of the School Building without the written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall at its sole cost and expense cause any such signs erected by Tenant to comply with all applicable federal, state, county or municipal laws, ordinances, regulations and rules of governmental agencies.

22. END OF TERM.

Upon the expiration or other termination of the Term, Tenant shall quit the Leased Premises and surrender same to Landlord, broom clean, in good order and condition, ordinary wear and tear excepted, and Tenant shall remove all of its personal property (except the Personal Property), including but not limited to equipment, supplies and furniture at such time.

23. SUCCESSORS AND ASSIGNS.

Except as herein above expressly otherwise provided, this Lease shall bind and inure to the benefit of the parties hereto and their respective heirs, executor, administrators, successors and assigns. Notwithstanding the foregoing, Tenant shall neither assign its interest in this Lease nor sublease all or any portion of the Leased Premises unless Tenant obtains Landlord's prior written consent which Landlord shall not unreasonably withhold. Notwithstanding the foregoing, Tenant may assign this Lease without Landlord's consent, upon notice to Landlord, to an entity that acquires more than fifty percent (50%) of Tenant's voting stock or assets or into which Tenant merges (any such entity being a "**Permitted Assignee**"). Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. Landlord shall be entitled to be reimbursed for reasonable legal fees and other costs which Landlord incurs in connection with a request by Tenant for consent to any sublet or assignment. Tenant shall be entitled to retain any and all profits or other consideration received by Tenant from any sublease or assignment of all or any portion of the Leased Premises.

24. NOTICES.

Any notice, consent, demand, bill, statement, or other communication required or permitted to be given hereunder must be in writing and may be given by personal delivery, overnight courier service or by certified mail, and if given by certified mail shall be deemed sufficiently given three (3) days after the time when deposited in United States Mail if sent by certified mail, addressed to Tenant at the Premises and at the address shown in the introductory paragraph of this Lease, or to Landlord at the address shown in the introductory paragraph of this Lease. Either party may, by notice to the other given pursuant to this Section, specify additional or different addresses for notice purposes. In addition to the methods defined above, notices required by this agreement may be sent by electronic means including by facsimile or email. A confirming email, or electronic response to a notice sent electronically may be considered as confirmation of receipt.

25. LANDLORD-TENANT CODE.

It is expressly understood and agreed that the Leased Premises is a "commercial unit" as defined by 25 Del. C. §6102 and that, to the extent permitted by law, this Lease shall not be governed by the provisions of the Delaware Residential Landlord-Tenant Code, 25 Del. C. §5101, et. seq.

26. TENANT ESTOPPEL CERTIFICATES.

Tenant shall within ten (10) days of written notice from Landlord execute, acknowledge and deliver to Landlord a statement in writing in such form as may reasonably be requested by a prospective purchaser of all or any portion of the Leased Premises or prospective lender as to which all or any portion of the Leased Premises or its leases may be assigned as security (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the Rent and other charges are paid in advance, if any, (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting-forth such further reasonable information with respect to this Lease of the Leased Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrance of all or any portion of the real property of which the Leased Premises are a part.

27. CAPTIONS AND HEADINGS.

The captions and headings throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

28. LANDLORD'S ACCESS TO LEASED PREMISES.

Tenant covenants and agrees to permit Landlord, its, agents, contractors, and representatives, upon reasonable prior notice to inspect and examine the Leased Premises from time to time and at any time. Any such entry and inspection shall be conducted in such a manner so as to limit the disturbance to Tenant's operation of the Permitted Use on the Leased Premises. Landlord shall promptly repair any damage caused by Landlord or a Landlord Party during any such period of access; provided, however, that if Landlord fails to promptly repair the same, Tenant may (but is not required to) repair the same on Landlord's behalf and Landlord shall immediately reimburse Tenant for such costs or Tenant may offset such amount against the Rent next due and payable hereunder.

29. NON-RECORDING.

Tenant shall not record this Lease in the office of any recorder or in any other office or place of public record. If Tenant shall record this Lease or cause or permit it to

be recorded, Landlord may, at Landlord's option, elect to treat such act as a breach of this Lease.

30. COMMISSIONS:

The parties hereto acknowledge and warrant to each other that neither has had any dealings with any broker or agent in connection with the negotiation or execution of this Lease other than Broker and each party agrees to indemnify the other against all costs, expenses, attorneys fees or other liability for commissions or other compensation or charges claimed by any broker or agent other than Broker claiming the same by, through or under said indemnifying party. The commissions to be paid to Broker are to be paid by Landlord per separate agreement between Landlord and Broker.

31. TENANT ACCESS. Tenant shall have access to the Leased Premises 24 hours a day, seven days a week, three hundred sixty-five days a year, subject to any rights of access by Landlord provided hereunder.

32. INTENTIONALLY DELETED.

33. SEVERABILITY.

In the event any portion of this Lease shall be held to be unenforceable or void, such determination shall not, in any event, affect the provisions and enforceability of the remainder of this Lease.

34. GOVERNING LAW.

This Lease shall be governed, construed and enforced in accordance with the laws of the State of Delaware.

35. ENTIRE AGREEMENT.

It is expressly understood and agreed by and between the parties hereto that this Lease, and any rider that may be attached hereto, set forth all the promises, agreements, conditions and understandings between Landlord and Tenant relative to the Leased Premises, and that there are no promises, agreements, conditions or understandings either oral or written, between them other than are herein set forth. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

{SIGNATURES ARE ON THE FOLLOWING PAGE.}

IN WITNESS WHEREOF, the respective parties hereto have duly executed this Lease, under seal, as of the date first above written.

Landlord: World Revivals Inc. d/b/a Faith City Family Church

By: \_\_\_\_\_ (S) \_\_\_\_\_ Date \_\_\_\_\_

Print: \_\_\_\_\_

Print Title: \_\_\_\_\_

Witness of Landlord Signature: \_\_\_\_\_

Tenant: Delaware Design-Lab High School

By: \_\_\_\_\_ (S) \_\_\_\_\_ Date \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Title: \_\_\_\_\_

Witness of Tenant Signature: \_\_\_\_\_