



COMMERCIAL REAL ESTATE SERVICES

June 15, 2015

Jeff Shahan, Partner
SB Real Estate, LLC
3501 Silverside Road, Suite 210
Concord Plaza - Naamans Building
Wilmington, DE 19810

Re: 170 Lukens Drive Riveredge Industrial Park

Jeff, thank you for your continued assistance and guidance as we work our way through the process of demonstrating the sincere interest of Family Foundations Academy as it relates to your client's two buildings at 160 and 170 Lukens Drive in Riveredge Industrial Park. Our client is very seriously interested in moving their school to these two buildings. The facts of life, however, are that the school currently has two real estate obligations, one is a fee interest and one in leasehold. It is the desire of FFA to move their Elementary School classes from the building in New Castle to your client's building in Riveredge. FFA's current financial obligations will not allow them to take on the lease obligation of both of the buildings in Riveredge Industrial Park. The fact of the matter is that the DOE will very possibly not allow them to take on the financial burden of both of the buildings. You might recall that was a problem the last time we reached a similar point in discussions.

Family Foundations Academy does want both 160 and 170 Lukens Drive for their long term school campus and they are willing to commit in writing to taking the second building at the beginning of the 2016 – 2017 school year.

I have been authorized by the leadership of Family Foundations Academy to offer this letter of Intent covering the basic business points under which a lease could be drafted. They are positioned to act quickly and ask that you do everything in your power to keep this matter moving forward in a timely fashion.

Proposal

LOCATION: 170 Lukens Drive Riveredge Industrial Park

SIZE: 44,663 square feet

TERM: 6 years

RENT: Year 1 - \$10.50/sq ft, net of utilities and janitorial and trash removal

ESCALATION: 2.5% per year

POSSESSION: July 1st, 2015 or sooner if available.

RENT
COMMENCEMENT: October 1, 2015

RENEWAL OPTION: Three renewal terms of 5 years each

EXPANSION
COMMITMENT: FFA will commit to taking building 2 (160 Lukens Drive) under the same possession, occupancy, economic concessions, lease and rent commencement dates on July 1 2016. They would like to be able to take the building sooner if all circumstances permit that expansion.

PURCHASE
OPTION: FFA would prefer to have the option to purchase the building at the point in time that their financial position can justify that option, but they understand the Owner's reluctance to do that, so they are willing to proceed as long as there is a guarantee that they will be granted the first option to purchase the two buildings if and when the Owner decides to sell them.

TENANT
IMPROVEMENTS: The Owner will take care of the necessary building repairs including, but not necessarily limited to, bringing the building to full ADA compliance and correcting the leaks and repairing the areas where water leakage has damaged interior ceilings and finishes.

It is further understood that the Owner will be responsible for all structural components of the building, as well as the roof maintenance, repair and replacement. The Tenant will maintain all of the mechanical equipment through maintenance Service Contracts, and will be responsible for

repairs up to \$500.00 per occurrence. The Tenant will require a statement from the current service provider that all of the mechanical equipment is in good working order.

CONTINGENCIES: there are several contingencies which are required to finalize This commitment. They include –

- The location and facility being approved by the DOE
- The City of New Castle zoning permits the intended use
- The building is fully ADA compliant
- Any other City, County, State, DOE or DeIDOT requirements being met

NON-BINDING: This proposal is for discussion purposes only and is not binding on either party. Only the execution and delivery of a mutually satisfactory lease document can obligate the parties involved.

TIME IS OF THE ESSENCE: The terms and conditions of this lease proposal, as set forth above, shall remain in effect until End of Business May 28, 2015. After that date this proposal shall become null and void.



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If the Owner of the subject property agrees with the content hereof, please have them sign in the designated area below, and return a fully executed copy to me.

It will help all parties if you could include a copy of the Owner's lease form when you return the executed LOI. We are all working on a tight schedule and the next critical DOE date is June 8th.

Thank you for your cooperation and attention to this matter. I shall look forward to hearing from you.

Sincerely,

Pete Davison, SIOR, CCIM
302.792.1301 x. 223
pd@jacksoncross.com

AGREED and AFFIRMED:

By: Vincent N. Gregg, MM

Print: VINCENT N GREGG

By: _____

Print: _____

Date: 6-15-15

Witness: [Signature]