

AGENDA

Kaizen, Technology & Communications Committee

June 7th, 2016 – 6:30 pm

Committee Members: Brian Abbott - (Chair)
Don Braceland
Diane LeBold

Department Head: Bill Mann

1. Comments, suggestions, petitions by residents in attendance regarding items not on the agenda.
2. Document Management Project Update
3. Discuss Community Initiatives Draft Policy – webpage
4. Discuss the draft BYOB ordinance
5. Discuss “Community Voice” module for the website
6. Discuss “Ban The Box” initiative
7. Discuss “Time Machine Tours App”
8. Discuss renewal of Eclat and Chester County Running Store Leases
9. Discuss authorizing an RFP for the Borough Engineering Services
10. Discuss May Minutes
11. Other Business

**BOROUGH OF WEST CHESTER
CHESTER COUNTY, PENNSYLVANIA**

ORDINANCE NO. __-2016

**AN ORDINANCE AUTHORIZED BY THE BOROUGH OF WEST
CHESTER HOME RULE CHARTER AMENDING THE CODE OF
THE BOROUGH OF WEST CHESTER BY ADDING A NEW
CHAPTER 90B TITLED "RESTAURANT - BYOB"**

AND NOW, this ____ day of _____, 2016, it is hereby ENACTED and ORDAINED by the Council of the Borough of West Chester, Chester County, Commonwealth of Pennsylvania, as follows:

Section 1. The Code of the Borough of West Chester is amended by adding a new Chapter 90B titled "Restaurant-BYOB" as attached hereto.

Section 2. Severability. If any sentence, clause, section, term or provision of this amendatory ordinance and Chapter 90B is for any reason determined by a court possessed of subject-matter jurisdiction to be invalid or unenforceable, the determination shall not affect or impair any of the remaining sentences, clauses, sections, terms or provisions of Chapter 90B. It is here declared to be the intent of the Council of the Borough of West Chester that this amendatory ordinance and Chapter 90B would have been enacted without the illegal or unenforceable sentence, clause, section, term or provisions.

Section 3. Repealer. All Ordinances and parts of ordinances inconsistent herewith are hereby repealed to the extent of the inconsistency.

Section 4. Effective Date. This Ordinance shall be effective thirty one (31) days from the date of enactment.

ENACTED and ORDAINED this ____ day of _____, 2016, by the Council of the Borough of West Chester.

BOROUGH OF WEST CHESTER
BOROUGH COUNCIL

ATTEST:

By: _____
Ellen B. Koopman, Council President

Michael A. Cotter, Borough Secretary

Chapter 90B. Restaurant-BYOB

§ 90B-1. Purpose and findings.

A. The purpose of this Chapter is to promote and protect the safety, health and well-being of the people of the Borough of West Chester and their property by establishing requirements for the operation of restaurants and other establishments permitting patrons to bring onto the premises and consume alcoholic beverages, defined herein as a "BYOB Facility"

B. The Pennsylvania Liquor Code, Act of April 12, 1951, P.L. 90, as amended, does not regulate the licensing or operation of restaurants and businesses that allow patrons to bring their own alcoholic beverages onto the business premises for consumption. The regulations of this Chapter are not preempted by the Liquor Code and are necessary and proper pursuant to the police power of the Borough of West Chester.

§ 90B-2 Definitions

For the purposes of this Chapter, the following definitions shall apply:

ALCOHOLIC BEVERAGES - Any liquor or brewed or malt beverage as defined by the Liquor Code of the Commonwealth of Pennsylvania, Act of April 12, 1951, P.L. 90, Article I, Section 101 et seq., as amended, 47 P.S. §1-101, as amended.

BYO and/or BYOB – an acronym meaning "bring your own bottle," "bring your own beer," "bring your own beverage," "bring your own bag," or "bring your own booze." The practice of an individual bringing any alcoholic beverage to an establishment or property from another location for the purpose of consumption by either themselves or others.

BYOB PERMIT – a permit issued by the Borough of West Chester authorizing a business to operate as a BYOB Facility within the Borough in accordance with the regulations set forth herein.

BYOB FACILITY or FACILITY or PREMISES – any for-profit or non-profit business facility, such as a restaurant, eating place, lounge, theater, dance venue, entertainment venue or club, not licensed by the Pennsylvania Liquor Control Board, wherein individuals, members, patrons or customers, 21 years of age and older, may consume alcoholic beverages which have been carried onto the premises by the individuals, members, patrons or customers and/or are provided by the business facility to the individuals, members, customers or patrons without charge. Such facility may or may not require payment of any entry fee, cover charge or membership fee. In order to be authorized to permit BYOB and to obtain a BYOB Permit, such facility must comply with all of the specific regulations, standards and requirements of this Chapter.

CODES DEPARTMENT – Borough of West Chester Department of Building, Housing and Codes Enforcement.

PERSON - Any individual, joint venture, association, club, company, partnership, corporation, business trust limited liability company or other entity or organization of any kind or description.

§ 90B-3 BYOB Facility permit required.

It shall be unlawful for any person to erect, construct, operate or maintain a BYOB Facility without first applying for and obtaining a BYOB Permit as provided in this Chapter.

§ 90B-4 Permit application for a BYOB Facility.

- A. Any person who shall desire to continue to operate a BYOB Facility existing on the effective date of this Chapter or open and operate a new BYOB Facility in the Borough shall make application for a BYOB Permit (the applicant) in writing to the Codes Department. The BYOB Permit shall be effective from the date of issuance until the end of the calendar year in which the permit is issued. Such application shall be accompanied by such application fee as required by a schedule of fees established by and amended from time to time by resolution of Borough Council. Such application shall be made annually on or before December 1 of each year upon forms provided by the Codes Department and shall set forth and include the following:
- (1) The name, telephone number, and electronic and postal address of the applicant.
 - (2) The physical address of the BYOB Facility.
 - (3) A scaled plan specifying the precise location of the area where alcoholic beverages will be permitted to be consumed on the Premises.
 - (4) The written consent of the property owner where the BYOB Facility is located to make application for the permit, if different than the applicant.
 - (5) An agreement of indemnity and a certificate of liability insurance naming the Borough as an additional insured, as required by §90B-5.
 - (6) The indoor seating capacity of the BYOB Facility.
 - (7) Authorization by the applicant to permit access by the Codes Department to make inspections during regular business hours and authorization for access to the books and records of the BYOB Facility to determine compliance with this Chapter.
 - (8) Such other information as may be required from time to time by the Borough.
- B. No action shall be taken on any application for a BYOB Permit under this section until the application has been completed in its entirety and the application fee. There shall be no proration of fees under this subsection for BYOB Permits effective for part of a calendar year.
- C. Prior to the issuance of a BYOB Permit, the Codes Department shall conduct an inspection to verify compliance with all requirements of this Chapter.
- D. The BYOB Permit must be laminated or framed and prominently displayed at or near the main entrance of the Facility.
- E. A BYOB Permit may be revoked by the Codes Department if it is determined that the

Facility is in violation of any regulation or standard of this Chapter.

§ 90B-5 Indemnification of Borough; insurance.

The applicant shall execute an agreement in form and substance satisfactory to the Borough whereby the applicant shall save, indemnify, defend and keep harmless the Borough of West Chester, its elected and appointed officials, officers, employees, contractors and agents from and against any and all actions, suits, demands, payments, costs and charges for and by reason of the existence of the BYOB-Facility and all damages to persons or property resulting from or in any manner caused by the presence, location, use and operation of such BYOB-Facility or by the acts or omissions of the employees or agents of the applicant in connection with such BYOB-Facility. The applicant/property owner must obtain and maintain in force at all times the Facility is in operation a broad form general liability insurance policy with minimum coverage of \$2 Million per occurrence which names the Borough as an additional insured.

§ 90B-6 Specific regulations and standards applicable to BYOB Facilities.

Every BYOB Facility shall comply with the following regulations and standards:

- a. The BYOB Facility must derive 70% or more of its annual gross revenue from the sale of food and non-alcoholic beverages for consumption on the premises.
- b. The BYOB Facility shall comply with and remain in compliance with all applicable laws, codes and regulations and have in effect all necessary permits, including but not limited to the Borough construction codes, Borough Property Maintenance Code, Borough Zoning Ordinance and regulations of the Chester County Health Department.
- c. The BYOB Facility shall have paid in full and be up to date on all taxes, fees and fines due and owing to the Borough.
- d. A BYOB Facility must be located in the Town Center or Commercial Service Zoning Districts.
- e. No alcohol may be consumed in the BYOB Facility between the hours of 11 PM and 11 AM the following day.
- f. Any entertainment shall be limited to the interior of the Facility and shall not be audible from any public street or sidewalk or adjacent property.
- g. Gambling of any type, lotteries, and gambling devices are prohibited on the Premises.
- h. Alcoholic beverages may not be consumed on the Premises by persons under twenty-one (21) years old.

- i. Alcoholic beverages may not be consumed outdoors, except for a BYOB Facility holding a valid restaurant-café permit issued under Chapter 90A.
- j. No alcoholic beverages may be served to or consumed by any adult seated at a bar, booth or table where a person under 18 years of age is seated, unless the person is accompanied by a parent or legal guardian, and is properly supervised.
- k. The consumption of alcoholic beverages at the BYOB Facility by visibly intoxicated persons is prohibited.
- l. Business owners and employees shall not be visibly intoxicated at the BYOB Facility.
- m. Alcoholic beverages shall not be offered as a prize for any activity conducted at the BYOB Facility.
- n. A BYOB Facility shall not be located within 300 feet of any church, hospital, charitable institution, school or public playground.
- o. Owners, managers and employees of a BYOB Facility who have contact with customers must successfully complete the PLCB Responsible Alcohol Management Program within 6 months from the issuance of the BYOB Permit or within 6 months of initial employment by the Facility.
- p. If required by the Department of Building, Housing and Codes Enforcement during the permitting process, the applicant shall install, operate and continuously maintain video surveillance equipment at the Facility.

§ 90B-7 Applicability.

This Chapter applies to any BYOB Facility existing on the effective date of this Chapter and any proposed BYOB Facility in the Borough. The BYOB Permit required by this Chapter shall be obtained by any existing BYOB establishments in the Borough within 60 days of the effective date of this Chapter. Any BYOB establishment existing on the effective date of this Chapter located outside the Town Center or Commercial Service Zoning Districts or within 300 feet of any church, hospital, charitable institution, school or public playground may continue to operate, but shall obtain a BYOB Permit and comply with all other regulations and standards of this Chapter. If said existing BYOB establishment outside the Town Center or Commercial Service Districts or within 300 feet of any church, hospital, charitable institution, school or public playground shall cease operations for a period of 30 consecutive days, it shall no longer be permitted.

§ 90A-8. Additional rules and regulations.

The Borough may, from time to time, promulgate additional rules or regulations it deems necessary to effectuate the purposes of this Chapter.

§ 90A-9. Violations and penalties.

Any person who violates or permits the violation of any provision of this Chapter shall, upon conviction thereof in a summary proceeding brought before a District Justice, be guilty of a summary offense and shall be subject to the payment of a fine, not less than \$50 for the first offense, not less than \$100 for the second and subsequent offense and not more than \$1,000 plus the costs of prosecution. Upon default of payment thereof, the defendant may be sentenced to imprisonment in the Chester County prison for a period of not more than 30 days. Each section or provision of this chapter that is violated shall constitute a separate offense and each day in which a violation of this Chapter is found to exist shall constitute a separate offense, each of which violations shall be punishable by a separate fine imposed by the District Justice in the amounts stated hereinabove.



A project of Legal Services
For Prisoners with Children

Ban the Box Campaign for Non-profit Organizations and Foundations

Frequently Asked Questions for Staff and Boards of Directors

What is the Ban the Box Campaign?

The Ban the Box Campaign was initiated by All of Us or None to end structural discrimination against people with conviction and incarceration histories, primarily in the areas of hiring and housing policy. The Campaign asks employers to remove questions regarding conviction histories from their employment applications and to adopt hiring practices that give applicants a fair chance. For more details on the Campaign, [click here](#).

Why does the campaign refer to discrimination against people with conviction histories as structural discrimination?

We know this is structural discrimination because it is so pervasive, and affects everyone with a conviction history. The question about past convictions appears on applications for employment, housing, public benefits, college admissions, loans, and opportunities for volunteer service. Because people of color are disproportionately arrested, convicted, and incarcerated, employers' use of arrest or conviction history has a disparate impact on those communities. The Ban the Box Campaign seeks to break this vicious cycle.

What do existing Ban the Box reforms look like?

Nine states and over 50 local governments have implemented Ban the Box reforms in multiple ways. For example, Newark, New Jersey, has prohibited all employers and all housing providers from inquiring about an applicant's conviction records until that candidate has been found "otherwise qualified" for the job or housing. Philadelphia requires all employers (public and private, including City contractors) to delay any background check until a candidate has been selected for the position, and received a "conditional offer" of employment. The City of Boston and the City of Oakland do background checks only for jobs with unsupervised contact with finances, or vulnerable populations (elderly, youth, disabled people). For a comprehensive review of Ban the Box reforms around the country [click here](#).

What do Ban the Box reforms look like for non-profit organizations?

Hiring procedures vary within non-profit organizations, according to size and purpose. Many organizations don't ask about prior convictions on job applications, which is a [best practice recommended by the U.S. Equal Employment Opportunities Commission \(EEOC\)](#). Many social justice non-profit organizations already implement affirmative action policies to ensure race and class diversity within their staff, sometimes to better serve a client base, or to better fulfill a purpose. Ban the Box reforms in non-profit organizations would mean instituting fair hiring practices to include formerly-incarcerated people in your pool of potential employees.

What specific steps can we take to insure that we don't discriminate against people with conviction histories?

- Remove any question regarding conviction history from your organization's job application, unless a background check is required by statute.
- Consider that the job may not require a background check.
- Limit background checks to positions requiring unsupervised contact with finances or vulnerable people (youth, elderly, disabled).
- Postpone any background check until a finalist candidate has been selected.
- If a background check is required for the position by statute, supply the job candidate with a copy of the background report. Allow that person to correct any inaccuracies.
- Consider only convictions directly related to the responsibilities of the position, as required by Federal and state law. Do an individualized assessment of whether or not circumstances connected to a prior conviction may be repeated.
- Allow the finalist to explain the circumstances of the conviction, and to offer evidence of his or her rehabilitation.

What other pro-active steps can we take to welcome people with records into our organization?

- Create opportunities for community service at your organization by offering people positions on your Board of Directors and providing meaningful volunteer work. Community service helps people heal after the experience of jail or prison. Please welcome people coming home from incarceration into your organization and back into the community.
- Remove any questions about past convictions from the application for potentially serving on your Board of Directors, and from your volunteer information form, unless required by law.
- Seek out community service partnerships with halfway houses and treatment centers.
- Identify programs in your area that provide employment placement services and training for formerly incarcerated people, and collaborate with them when you search for new employees.
- Check area universities and community colleges to find out if they have any internship programs serving students with conviction histories and collaborate with them.

Can we take the Fair Chance Hiring Pledge before we have actually completed or implemented the steps recommended in the pledge?

Yes! By taking the pledge your organization affirms it supports the Ban the Box Campaign and will take action to implement fair hiring and volunteer policies in your workplace.

Will Ban the Box reforms create liability problems for my organization?

Liability for negligent hiring is often cited as the reason to conduct a background check during the hiring process. Such lawsuits are actually extremely rare. Court precedent has found that an employer will be protected against a negligent hiring lawsuit if: 1) a written application was used; 2) work and personal references were checked; and 3) an interview was conducted. A background check is not required for an employer to be protected against liability.

What Does the EEOC Say About Arrest & Conviction Records?

In April 2012, Ban the Box supporters successfully advocated with the Equal Employment Opportunities Commission (EEOC) to win a clarification and affirmation of their [Enforcement Guidance on Consideration of Arrest or Conviction Records in Employment Decisions](#). This Guidance requires employers to: 1. Consider only convictions directly related to job responsibilities and 2. Conduct an individualized assessment of the circumstances of any conviction and whether an applicant is likely to commit the same crime again. This EEOC Guidance makes discrimination based on conviction records a violation of Federal employment law. Because people of color are disproportionately arrested, convicted, and incarcerated, employers' use of arrest or conviction history has a disparate impact on those communities, and is therefore prohibited by Title VII of the 1964 Civil Rights Act.

What if my organization serves vulnerable populations (youth, elderly, disabled people)? We are required by law to conduct background checks of employees, but want to be welcoming and inclusive in our policies.

For people with records to have a fair chance at employment, it's important for employers to know how and when to consider past convictions. A background check may be required by law as a tool to assess what risk (if any) a potential employee may pose to the people you serve. If a background check is required by law, it's still possible for any employer to conduct this check after an employee has been found otherwise qualified, or after a conditional offer of employment has been made. EEOC guidelines prohibit employers from considering convictions that are not directly-related to job responsibilities in the position sought. These guidelines urge employers to conduct an individualized assessment of how recent a conviction may be, and to consider evidence of rehabilitation of the applicant. Any blanket ban on hiring people with past convictions is illegal. These model policies allow an employer to fulfill the requirements of the law for background checks to be conducted, while considering past convictions fairly and in compliance with state and federal law.

What are the benefits of including people with past convictions among our staff, Board, and volunteers?

- Most organizations want the best qualified people working on their staff. Eliminating a conviction history check unless required by law or because of job responsibilities, broadens the pool of highly skilled candidates for any job.
- Most past convictions are not directly related to jobs sought, and people deserve the chance to be judged based on their qualifications, not their past convictions. Discrimination stops many people with conviction records from securing jobs; once they find a job, most are exceptionally hard workers, determined to keep their employment.
- Our social justice non-profits can be an example of fair hiring practices for other private employers, thus increasing general employment opportunity for people with conviction records.
- Building on past successes at increasing diversity among staff and Boards, non-profit organizations and foundations can now address the impact of the disproportionate incarceration of people of color. Including people with past convictions or histories of incarceration on Boards and among volunteers brings diversity of viewpoints into any non-profit organization.
- This practice may actually increase the accountability of a non-profit to the people it serves, and may improve the quality of services delivered.

How does my organization take the pledge?

It's simple, just return to the home page of [this site](#) and fill out the form in the center of the page.

For more information: go to www.bantheboxcampaign.org



MEMORANDUM

TO: Borough Council
Mayor Carolyn Comitta

FROM: Michael A. Cotter, Borough Manager

DATE: 3 June 2016

RE: Commercial Property Leases for Eclat and The Running Store

Recommendation:

That the terms remain triple net for each lessee; that the rent per square foot be based on the fair market value per square foot for similar premises in West Chester; and that the rents escalate each subsequent year based upon agreed upon regional commercial real-estate data source. All other terms to remain consistent with the existing agreement, subject to editorial review and current laws.

Background:

The Borough leases two (2) storefront spaces in the High Street frontage of the Bicentennial Garage: One to Eclat, a producer of fine chocolates, and the second to The Running Store ("TRS"), a retail running supply operation.

The lease for TRS expired at the end of 2016, and has been month to month since then. The lease for Eclat expires at the end of 2017. Both tenants have indicated that they would like to remain in the spaces and renew (TRS) and extend (Eclat) their leases.

Each lease is a triple net lease, which is a lease agreement that designates the lessee (the tenant) as being solely responsible for all of the costs relating to the asset being leased in addition to the rent fee applied under the lease. The structure of this type of lease requires the lessee to pay for net real estate taxes on the leased asset, net building insurance and net common area maintenance. The lessee has to pay the net amount of three types of costs, which how this term got its name.

The Borough has, in the past assessed fair market value rents on a per square foot basis for each lessee. Rents increased at an approximate 4% rate each subsequent year of the lease.

Should the Borough decide to:

- A. Renew the TRS lease; and
- B. Extend the Eclat lease

I recommend that it be on similar terms going forward.

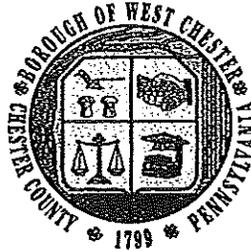
The solicitor is currently reviewing the form of lease for any inconsistencies, necessary language revisions, etc. FMV rates will be determined by contacting 2-3 area commercial relators familiar with similar space, and averaging their data. The Borough will investigate the cost of repairs it is responsible for under the current and proposed terms of the lease, and will report to Council on that cost at its July meetings.

BOROUGH COUNCIL

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DICK YODER
Mayor

ERNIE B. McNEELY
Borough Manager

Borough of West Chester Pennsylvania

April 16, 2009

Mr. Kevin Kelly
Chester County Running Store
24-B S. High Street
West Chester, PA 19382

Dear Kevin,

I am writing to acknowledge receipt of your March 4, 2009 correspondence exercising your option to extend your lease at 24 S. High Street for an additional five years.

We are pleased you have elected to remain at the location for an additional five years beginning September 1, 2009. The terms and conditions are already detailed in the lease agreement.

We look forward to the ongoing relationship with you and if you have any questions, feel free to contact me.

Sincerely,

Ernie B. McNeely
Borough Manager

EBM/jkb

cc Council
Mayor

Chester County Running Store
24B South High street
West Chester, PA 19382
610-696-0115

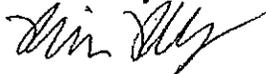
March 4, 2009

Dear Ernie;

The Chester County Running Store is interested in picking up our option for the 24B South High Street property. We would like to stay in that location for five more years.

Thanks,

Kevin Kelly



AGREEMENT OF LEASE

by and between

BOROUGH OF WEST CHESTER

and

CHESTER COUNTY RUNNING STORE, LLC

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (hereinafter referred to as "this Lease"), made this 15 day of July, 2004, by and between THE BOROUGH OF WEST CHESTER, 401 East Gay Street, West Chester, Pennsylvania 19380, a governmental entity existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "Landlord"), and CHESTER COUNTY STORE, LLC, 119 East Lancaster Avenue, Downingtown, Pennsylvania 19335, a Pennsylvania limited liability company (hereinafter referred to as "Tenant").

WITNESSETH, THAT FOR AND IN CONSIDERATION of the mutual entry into this Lease by the parties hereto, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord all of those certain premises containing approximately 1,474 square feet on the ground floor of the Bicentennial Garage, located at 20 South High Street, West Chester, Pennsylvania (the "Building"), as crosshatched and outlined on a plat attached hereto as Exhibit "A" (hereinafter referred to as the "Leased Premises"). The Leased Premises, the remainder of the Building, the land on which the Building is located, all appurtenances thereto, all parking facilities and any other improvements related to the Building are hereinafter referred to collectively as the "Property".

SUBJECT TO THE OPERATION AND EFFECT of any and all instruments and matters of record or in fact,

UPON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

SECTION 1. TERM.

1.1 Effective Date. This Lease shall become effective upon the date that this Lease is executed by both Landlord and Tenant (the "Effective Date").

1.2 Initial Term. The initial term of this Lease (the "Initial Term") shall commence on August 1, 2004 (the "Commencement Date"). The Initial Term of this Lease shall extend until 11:59 p.m., August 31, 2009. Notwithstanding the commencement date of the Initial Term of this Lease, the commencement date for payment of "Rent", as hereinafter defined, is September 1, 2004.

1.3 Option Terms. Tenant shall have the right to renew this Lease for one (1) additional five (5) year term (the "Option Term") at the Rent set forth in Section 2 of this Lease and otherwise upon the same terms and conditions. If Tenant provides Landlord with written notice of Tenant's intent to lease the Leased Premises for the Option Term on or before 180 days prior to the expiration of the Initial Term, the Option Term will commence at 12:00 a.m. on September 1, 2009. If Tenant fails to give timely notice of its

intent to renew this Lease for the Option Term, the Lease shall terminate automatically at the end of the Initial Term.

1.4 Term. The Initial Term together with the Option Term will hereinafter be referred to as the "Term".

1.5 Termination. This Lease shall terminate at the end of the Initial Term or the Option Term, as the case may be, without the necessity of any notice. The Tenant shall at its expense, at the expiration of the Initial Term or the Option Term or any earlier termination of this Lease, (a) promptly surrender to the Landlord possession of the Leased Premises and the Storage Area, as defined in Section 20.3 of this Lease, (including any fixtures or other improvements) in good order and repair (ordinary wear and tear excepted) and broom clean, (b) remove therefrom the Tenant's signs, goods and effects and any machinery, trade fixtures and equipment which are used in conducting the Tenant's trade or business and which are not owned by the Landlord, and (c) repair any damage to the Leased Premises, the Storage Area or the Building caused by such removal.

1.6 Holding Over. If the Tenant shall be in possession of the Leased Premises after the expiration of the Initial Term or the Option Term, after obtaining the Landlord's written consent thereto, such occupancy shall be deemed to be under a month-to-month tenancy, which shall continue until either party hereto notifies the other in writing, by at least thirty (30) days, that the notifying party elects to terminate such tenancy at the end of such thirty (30) day period, in which event such tenancy shall so terminate. If the Tenant continues to occupy the Leased Premises after this Lease is terminated or expires without having obtained the Landlord's written consent thereto, without altering or impairing any of the Landlord's rights under this Lease or applicable law or implying any right to remain in possession, the Tenant hereby agrees to pay to the Landlord as rent for the Leased Premises until the Tenant surrenders possession of the Leased Premises a monthly rental sum equaling one hundred twenty five percent (125%) of the amount of the monthly rental payable in the most current Lease Year.

SECTION 2. RENT.

2.1 Amount. As rent for the Leased Premises, the Tenant shall pay to the Landlord the following:

(a) The Tenant shall pay "Base Rent" to the Landlord during the Initial Term of this Lease in the following amounts:

2009 Year 1 - \$23,584.00 (\$16.00 per sq. ft.) per Lease Year; \$1,965.33 per month.

2010 Year 2 - \$24,527.36 (\$16.64 per sq. ft.) per Lease Year; \$2,043.95 per month.

month. 2011 Year 3 - \$25,500.20 (\$17.30 per sq. ft.) per Lease Year; \$2,125.01 per

month. 2012 Year 4 - \$26,532.00 (\$18.00 per sq. ft.) per Lease Year; \$2,211.00 per

month. 2013 Year 5 - \$27,593.28 (\$18.72 per sq. ft.) per Lease Year; \$2,299.44 per

(b) The Tenant shall pay "Base Rent" to the Landlord during the Option Term of this Lease in the following amounts:

month. 2014 Year 6 - \$27,593.28 (\$18.72 per sq. ft.) per Lease Year; \$2,299.44 per

month. Year 7 - \$28,421.08 (\$19.28 per sq. ft.) per Lease Year; \$2,368.42 per

month. Year 8 - \$28,421.08 (\$19.28 per sq. ft.) per Lease Year; \$2,368.42 per

month. Year 9 - \$29,273.21 (\$19.86 per sq. ft.) per Lease Year; \$2,439.48 per

per month. Year 10 - \$29,273.21 (\$19.86 per sq. ft.) per Lease Year; \$2,439.48

(c) The Base Rent calculation is based upon 1,474 square feet of leased space.

(d) The Tenant shall pay all other additional sums, payments and charges of any kind or nature whatsoever which Tenant is obligated to pay under this Lease (collectively, "Additional Rent").

(e) The terms Base Rent and Additional Rent shall be hereinafter collectively referred to as "Rent".

2.2 Lease Year. The term "Lease Year" means (a) the period commencing on the Commencement Date and terminating on the day immediately preceding the first (1st) anniversary of the Commencement Date, and (b) each successive period of twelve (12) calendar months thereafter during the Initial Term or the Option Term.

2.3 When Due and Payable.

(a) The Base Rent for any Lease Year shall be due and payable in twelve (12) consecutive, equal monthly installments, in advance, beginning on the

Commencement Date and continuing thereafter on the first day of each successive calendar month during each Lease Year.

(b) Any Additional Rent accruing under any provision of this Lease shall, except as is otherwise set forth herein, be due and payable when the installment of the Base Rent next falling due after such Additional Rent accrues, becomes due and payable, unless the Landlord makes written demand upon the Tenant pursuant the terms of this Lease for payment thereof at any earlier time, in which event such Additional Rent shall be due and payable within thirty (30) days of the date Tenant receives such demand or invoice for payment.

(c) Each payment of Rent shall be made promptly when due, without any deduction or setoff whatsoever and without demand, except as otherwise expressly set forth herein. If the Tenant shall fail to pay the Rent within five (5) days after such Rent is due, Tenant shall pay to the Landlord as Additional Rent a late charge in the amount of five percent (5%) of the Rent then due. Any payment made by the Tenant to the Landlord on account of Rent may be credited by the Landlord to the payment of any Rent then past due before being credited to Rent currently falling due. Any such payment which is less than the amount of Rent then due shall constitute a payment made on account thereof, the parties hereto hereby agreeing that the Landlord's acceptance of such payment (whether or not with or accompanied by an endorsement or statement that such lesser amount or the Landlord's acceptance thereof constitutes payment in full of the amount of Rent then due) shall not alter or impair the Landlord's rights hereunder to be paid all of such amount then due, or in any other respect.

2.4 Where Payable. The Tenant shall pay the Rent, in advance, in lawful currency of the United States of America, to the Landlord by delivering or mailing it to the Landlord's address set forth in Section 17 of this Lease, or to such other address or in such other manner as the Landlord from time to time specifies by written notice to the Tenant. If the Tenant pays by mail, the Tenant agrees to mail the Rent in advance so that it will reasonably be received by the Landlord on or before the date on which the Rent is due.

2.5 Real Estate Taxes.

(a) Tenant shall pay as Additional Rent all real estate taxes and assessments whether general or special which may be levied or assessed against the Leased Premises by any lawful authority (hereinafter referred to collectively as "Taxes") for each Lease Year or portion thereof during the Term of this Lease.

(b) A copy of the real estate tax bills or assessment bills submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of real estate taxes and/or assessments levied or assessed against the Property to which such bill relates. If Landlord should receive a refund of any such real estate taxes or assessments, the Tenant will share proportionately in same, after deduction for all of Landlord's out-of-pocket expenses in obtaining any such refund. Landlord's and Tenant's obligations under this Section shall survive the expiration of this Lease. No taxes, assessments, fees or

charges referred to in this Section specifying Tenant's obligation to pay taxes on its personal property located in the Leased Premises shall be considered as taxes under the provisions of this Lease.

(c) Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation in the Leased Premises as well as upon its trade fixtures, leasehold improvements, merchandise and other personal property in or upon the Leased Premises.

2.6 Utilities, Etc.

(a) The Tenant shall pay as Additional Rent all costs and expenses incurred by Landlord with respect to the following which relate solely to the Leased Premises: utilities, alarm systems, insurance (as set forth in Section 4), removal of garbage, trash and debris, janitorial services, maintenance, water, sewer and repair or replacement of lighting facilities.

(b) The Tenant shall pay as Additional Rent Tenant's proportionate share (as mutually agreed by Landlord and Tenant) of all costs and expenses incurred by Landlord with respect to the following which relate to the Building: utilities, alarm systems, insurance (as set forth in Section 4), removal of garbage, trash and debris, janitorial services, maintenance, repair or replacement of lighting facilities.

SECTION 3. USE OF LEASED PREMISES. The Leased Premises may be used for purposes relating to the operation of a running store and for no other purpose whatsoever unless such use is approved by the Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION 4. INSURANCE AND INDEMNIFICATION.

4.1 Insurance to be Maintained by Tenant and Landlord.

(a) The Tenant shall provide insurance as follows:

(1) Tenant shall maintain at its expense, throughout the Term, insurance against loss or liability in connection with bodily injury, death, property damage or destruction, occurring within the Leased Premises or arising out of the use thereof by the Tenant or its agents, employees, officers, subtenants, invitees, visitors and guests, under one or more policies of general public liability insurance having such limits as to each as are reasonably required by the Landlord from time to time, but in any event of not less than (a) One Million (\$1,000,000.00) Dollars for bodily injury to or death of any one person during any one occurrence, (b) Three Million (\$3,000,000.00) Dollars for bodily injury to or death of all persons in any one occurrence, and (c) Five Hundred Thousand (\$500,000.00) Dollars for property damage or destruction during any one occurrence. Each such policy shall (a) name as the insureds thereunder, as their interests may appear, the Landlord and the Tenant (and, at the Landlord's request, any Mortgagee), (b) by its

terms, be considered primary and non-contributory with respect to any other insurance carried by the Landlord or its successors and assigns to the extent of the liabilities assumed by Tenant in Section 4.2(b) herein, (c) by its terms, be cancellable or materially altered only on at least fifteen (15) days prior written notice to the Landlord (and, at the Landlord's request, any such Mortgagee), and (d) be issued by an insurer of recognized responsibility licensed to issue such policy in Pennsylvania, and rated at least A- by Best's Key Rating Guide for Property Liability.

(2) Before the commencement of this Lease, the Tenant shall deliver to the Landlord a certificate of each such policy (or at the Landlord's option, a certificate thereof), and (b) at least twenty (20) days before any such policy expires, the Tenant shall deliver to the Landlord a certificate of a replacement policy therefor; provided that so long as such insurance is otherwise in accordance with the provisions of this Section, the Tenant may carry any such insurance under a blanket policy covering the Leased Premises for the risks and in the minimum amounts specified in Section 4.1.1(a), in which event the Tenant shall deliver to the Landlord two (2) insurer's certificates therefor in lieu of an original or a copy thereof, as aforesaid.

(b) During the Term of this Lease, Landlord shall self-insure or, at its option, carry insurance, at its sole cost and expense, upon the Building and all improvements therein against loss or damage by fire and such other risks as are commonly covered by endorsement commonly known as "all risk" coverage in an amount of not less than 100% of the full replacement value thereof and shall maintain comprehensive public liability insurance in such amounts as it currently carries. Landlord shall maintain such insurance with responsible insurance companies authorized to do business in the Commonwealth of Pennsylvania.

4.2 Liability of Parties.

(a) Subject to the limitation of liability and immunity afforded Landlord under the governmental immunity provisions of 42 Pa. C.S.A. (the "Governmental Immunity Provisions"), the Landlord (a) shall be responsible for, and shall indemnify and hold harmless the Tenant against and from any and all liability arising out of any injury to or death of any person or damage to any property, occurring anywhere upon the Property (including without limitation the "Leased Premises"), if, only if and to the extent that such injury, death or damage is caused by any act or omission of the Landlord or its agents, officers or employees, but (b) shall not be responsible for or be obligated to indemnify or hold harmless the Tenant against or from any liability for any such injury, death or damage occurring anywhere upon the Property (including the Leased Premises), (i) by reason of the Tenant's occupancy or use of the Leased Premises or any other portion of the Property, or (ii) because of fire, windstorm, act of God or other cause unless caused by such act or omission of the Landlord, as aforesaid.

(b) Excluding those situations in which the Landlord is obligated to indemnify and hold harmless the Tenant under the provisions of Section 4.2(a), the Tenant shall be responsible for, and shall defend, indemnify and hold harmless the

Landlord against and from any and all liability or claim of liability arising out of (a) Tenant's use, occupancy, conduct, operation or management of the Leased Premises during the Term, or (b) any act or omission of the Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees during the Term, or (d) any injury to or death of any person or damage to any property occurring on the Leased Premises during the Term, but only if caused by an act or omission of the Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees. Without limiting the foregoing, the Tenant shall be responsible for any damage that Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees cause to any of the Property's and/or Building's finishes.

4.3 Nothing in this Section 4 is intended to waive Landlord's governmental immunity under the Governmental Immunity Provisions, and to the extent that the provisions of this Section are inconsistent with the provisions of the Governmental Immunity Provisions, the Governmental Immunity Provisions shall control.

SECTION 5. IMPROVEMENTS TO LEASED PREMISES.

5.1 By Landlord. Landlord shall bear the expense of providing and constructing, at Landlord's expense, the improvements described in Exhibit "B", which is attached hereto and incorporated herein (the "Landlord Improvements").

5.2 Tenant Improvements.

(a) Excepting any improvements required to be made by Landlord under the terms of this Lease, Tenant shall be responsible, at Tenant's expense, to construct and install all improvements required by Tenant or by applicable building codes for Tenant's use and occupancy of the Leased Premises (the "Tenant Improvements"). The Tenant shall cause detailed working drawings of the Tenant Improvements to be prepared at Tenant's expense in accordance with all applicable governmental and quasi-governmental codes and regulations (the "Tenant Working Drawings") and shall deliver such working drawings to Landlord prior to a date mutually agreed upon by Tenant and Landlord to facilitate the solicitation of bids for the Tenant Improvements. Within five (5) days after Tenant provides Landlord with the Tenant Working Drawings, Landlord shall approve or disapprove the Tenant Working Drawings in the exercise of its reasonable judgment.

(b) After the Tenant Improvements are installed, Tenant shall not make any alteration, addition or improvement to the Leased Premises without first obtaining the Landlord's written consent thereto (which, in the case of non-structural alterations, additions and improvements only, shall not unreasonably be withheld). If the Landlord consents to any such proposed alteration, addition or improvement, it shall be made at the Tenant's sole expense (and the Tenant shall hold the Landlord harmless from any cost incurred on account thereof), and at such time and in such manner as not unreasonably to interfere with the use and enjoyment of the remainder of the Property by any tenant thereof or other person.

5.3 Quality of Improvements. Any improvements made to the Leased Premises or the Property by either party hereto shall be made only in a good and workmanlike manner, and in accordance with all applicable building codes and other laws.

5.4 Mechanics' Liens. The Tenant shall (a) immediately after it is filed or claimed, have released (by bonding or otherwise) any mechanics', materialmens' or other lien filed or claimed against the Leased Premises or the Property, by reason of labor or materials provided for the Tenant or any of its contractors or subcontractors (other than labor or materials provided by the Landlord pursuant to the provisions of this Lease), or otherwise arising out of the Tenant's use or occupancy of the Leased Premises or any other portion of the Property, and (b) defend, indemnify and hold harmless the Landlord against and from any and all liability, claim of liability or expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees) incurred by the Landlord on account of any such lien or claim. Nothing in the provisions of this Lease shall be deemed in any way (a) to constitute the Landlord's consent or request, express or implied, that any contractor, subcontractor, laborer or materialman provide any labor or materials for any alteration, addition, improvement or repair to any or all of the Leased Premises or the Property, or (b) to give the Tenant any right, power or authority to contract for or permit to be furnished any service or materials, if doing so would give rise to the filing of any mechanics' or materialmens' lien against the Leased Premises or the Property, or (c) to evidence the Landlord's consent that the Leased Premises or the Property be subjected to any such lien.

5.5 Fixtures. Any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Leased Premises by the Landlord or the Tenant shall, immediately on the completion of their installation, become the Landlord's property without payment therefor by the Landlord, except that (a) any machinery, equipment or fixtures installed by the Tenant at no expense to the Landlord and used in the conduct of the Tenant's trade or business (rather than to service the Leased Premises or the Property generally) shall remain the Tenant's property, and shall be removed by the Tenant at the end of the Initial Term or the Option Term (and any damage to the Leased Premises or the Property caused by such removal shall be repaired at the Tenant's expense), and (b) Landlord shall have the right to require Tenant to remove any improvements, repairs, alterations, property, machinery, equipment or fixtures that Landlord designates at the time of the installation thereof, and any damage to the Leased Premises or the Property caused by such removal shall be repaired at the Tenant's expense.

SECTION 6. MAINTENANCE AND SERVICES.

6.1 By Landlord. Landlord shall, at its expense, keep and maintain in good order, repair and condition, and replace, as reasonably necessary, any common areas and facilities of the Building and the structural portions of the Building (excluding the Tenant Improvements), including, but not limited to, the roof, exterior walls and facade, exterior windows (excepting windows in the Leased Premises), floor slabs, core walls, columns, elevators, public stairways and corridors, public lavatories, utility and mechanical

systems (including, without limitation, HVAC, plumbing, electrical, and gas) and all parking areas, driveways, walkways and landscaping (and with respect to paved areas, to perform snow and ice removal as required). Landlord shall (i) make all repairs within a reasonable time after the need arises; and (ii) use its best efforts not to interfere with Tenant's use of the Leased Premises or access thereto or egress therefrom.

6.2 Maintenance by Tenant. The Tenant, at its expense, shall maintain the Storage Area and the non-structural parts of the interior of the Leased Premises, including without limitation, the walls, the ceiling, the HVAC, the plumbing, the heating, the electrical and the gas systems, the signage and all windows, in good repair and condition, ordinary wear and tear excepted.

SECTION 7. LANDLORD'S RIGHT OF ENTRY. The Landlord and its agents shall be entitled to enter the Leased Premises at any time in the case of an emergency and at all other times during the Tenant's business hours upon at least 24 hours prior notice (a) to inspect the Leased Premises, (b) to exhibit the Leased Premises during the last nine (9) months of the Initial Term or the Option Term to any existing or prospective tenant or Mortgagee thereof, (c) to make any alteration, improvement or repair to the Building or the Leased Premises which is the responsibility of Landlord under this Lease, or (d) for any other reasonable purpose relating to the operation or maintenance of the Property; provided that the Landlord shall use reasonable efforts to avoid thereby interfering with the Tenant's use and enjoyment thereof.

SECTION 8. FIRE AND OTHER CASUALTIES.

8.1 Damage to Leased Premises. If the Leased Premises shall be damaged by fire or other casualty then, unless otherwise agreed by Landlord and Tenant, Landlord and Tenant will restore the Leased Premises in accordance with their original Tenant fit-up and construction obligations set forth in Sections 5.1 and 5.2 of this Lease. If such an event occurs during the last year of the Initial Term of the Lease or the Option Term, Landlord or Tenant shall have the option to terminate this Lease to be exercised by notice to the respective party and given not more than thirty (30) days from the date of such damage. All repairs and restorations of the Leased Premises shall be promptly commenced by the parties, and the parties will diligently proceed with their restoration and repair obligations hereunder. All such repairs and replacements shall be made in a good and workmanlike manner and in accordance with all applicable building codes and other laws.

8.2 Proportionate Percentage Rent. In the event that the Leased Premises are totally destroyed, Tenant's Rent shall completely abate from the date of the destruction until such time as the Leased Premises is repaired and ready for occupancy. In the event of a partial destruction or damage whereby Tenant shall be deprived of the occupancy and use of only a portion of the Leased Premises, then the Base Rent shall be equitably apportioned according to the area of the Leased Premises which is unusable, until such time as the Leased Premises are repaired or restored as provided in Section 8.1.

SECTION 9. CONDEMNATION.

9.1 Right to Award. If any or all of the Leased Premises are taken by the exercise of any power of eminent domain or are conveyed to or at the direction of any governmental entity under a threat of any such taking (each of which is hereinafter referred to as a "Condemnation"), the Landlord and Tenant shall share in the amounts from the condemning authority thereunder in any such proceeding or as consideration for such conveyance, based on their relative interests in the Property, provided however, Tenant may make a separate claim for moving expenses and the value of the Tenant Improvements which have been paid by Tenant.

9.2 Effect of Condemnation.

(a) If (i) all of the Leased Premises are taken by a Condemnation, or (ii) any part of the Leased Premises is taken by a Condemnation and the remainder thereof is insufficient for the reasonable operation therein of the Tenant's business, or (iii) any of the Building is taken by a Condemnation and, in the Landlord's reasonable opinion, it would be impractical to restore the remainder thereof, or (iv) it would be impractical to continue to operate the remainder of the Leased Premises thereafter in the reasonable opinion of Tenant, then, in any such event, the Term shall terminate on the date on which possession of so much of the Leased Premises as is taken by such Condemnation is taken by the condemning authority thereunder, and all Rent payable under the terms of this Lease shall be apportioned and paid to such date.

(b) If there is a Condemnation and the Initial Term or the Option Term does not terminate pursuant to the foregoing provisions of this Section, the operation and effect of this Lease shall be unaffected by such Condemnation, except that the Base Rent and any Additional Rent payable under the provisions of Section 2 shall be reduced in proportion to the square footage of floor area, if any, of the Leased Premises taken by such Condemnation.

9.3 Liability of Landlord. If there is a Condemnation, the Landlord shall have no liability to the Tenant on account of any (a) interruption of the Tenant's business upon the Leased Premises, (b) diminution in the Tenant's ability to use the Leased Premises, or (c) other injury or damage sustained by the Tenant as a result of such Condemnation.

9.4 Tenant's Waiver. The Landlord shall be entitled to conduct any such Condemnation proceeding and any settlement thereof, except for any separate claim made by Tenant against such condemnor.

SECTION 10. ASSIGNMENT AND SUBLETTING.

10.1 Consent Required. The Tenant hereby acknowledges that the Landlord has entered into this Lease because of the Tenant's financial strength, goodwill, ability and expertise and that, accordingly, this Lease is one which is personal to the

Tenant, and agrees for itself and its successors and assignees in interest hereunder that it will not assign this Lease or any of its rights under this Lease, as to all or any portion of the Leased Premises or otherwise, make or permit any voluntary or involuntary total or partial sale, lease, sublease, assignment, conveyance, license, mortgage, pledge, encumbrance or other transfer of any or all of the Leased Premises or the occupancy or use of any or all of the Leased Premises, permit any person or entity to occupy all or any portion of the Leased Premises unless the same is an agent or employee of Tenant (each of which is hereinafter referred to as a "Transfer") (including, by way of example rather than of limitation, (a) any sale at foreclosure or by the execution of any judgment of any or all of the Tenant's rights hereunder, or (b) any Transfer by operation of law) without first obtaining the Landlord's express written consent thereto (which consent shall not be unreasonably withheld or delayed and, if given, shall not constitute a consent to any subsequent such Transfer, whether by the person hereinabove named as "the Tenant" or by any such transferee, but shall not be deemed to have been given by the Landlord's acceptance of the payment of Rent after such Transfer occurs, with or without the Landlord's knowledge, or by any other act or failure to act by the Landlord, other than the giving of such express, written consent, as aforesaid). Tenant may assign this Lease or sublet the Leased Premises, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all of the assets of Tenant's business as a going concern, provided, that (i) the assignee of subtenant assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Leased Premises remains unchanged.

10.2 No Consent Required.

(a) Tenant may sublease or sublicense a portion of the Leased Premises to the West Chester Business Improvement District upon terms and conditions consistent with the terms and conditions of this Lease. In addition, Tenant may permit individuals or entities to conduct business in the Leased Premises as business partners of Tenant so long as the business of such individuals or entities is related to Tenant's business.

(b) Tenant may assign this Lease or sublet the Leased Premises, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all of the assets of Tenant's business as a going concern, provided, that (i) the assignee of subtenant assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Leased Premises remains unchanged.

SECTION 11. REPRESENTATIONS AND WARRANTIES. The Landlord represents and warrants to the Tenant as follows:

11.1 The Landlord is a political subdivision of the Commonwealth of Pennsylvania and has all requisite partnership power and authority to own, lease and operate the Leased Premises.

11.2 This Lease is the valid and binding obligation of the Landlord enforceable in accordance with its terms.

11.3 The Tenant represents and warrants to the Landlord as follows:

(a) The Tenant is a limited liability company duly formed and in good standing in the Commonwealth of Pennsylvania.

(b) This Lease is the valid and binding obligation of the Tenant enforceable in accordance with its terms.

SECTION 12. SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.

12.1 Subordination. This Lease shall be subject and subordinate to the lien, operation and effect of each mortgage, deed of trust, or other similar instrument of encumbrance heretofore or hereafter covering any or all of the Leased Premises (and each renewal, modification, consolidation, replacement or extension thereof) (each of which is herein referred to as a "Superior Mortgage"), all automatically and without the necessity of any action by either party hereto. Landlord shall provide to Tenant copies of all Superior Mortgages entered into in the future.

12.2 Attornment and Non-Disturbance. The Tenant shall, promptly at the request of the Landlord or the holder of any Mortgage (herein referred to as a "Mortgagee"), execute, enseat, acknowledge and deliver such further instrument or instruments

(a) reasonably necessary to evidence such subordination as such Mortgagee deems necessary or desirable, and

(b) (at such Mortgagee's request) attorning to such Mortgagee, provided that such Mortgagee agrees with the Tenant that such Mortgagee will, in the event of a foreclosure of any such mortgage or deed of trust (or termination of any such ground lease) or the acceptance of deed in lieu of foreclosure take no action to interfere with the Tenant's rights hereunder, except on the occurrence of an Event of Default.

12.3 Subordination of Mortgage. Anything contained in the provisions of this Section to the contrary notwithstanding, any Mortgagee may at any time subordinate the lien of its Mortgage to the operation and effect of this Lease without obtaining the Tenant's consent thereto, by giving the Tenant written notice thereof, in which event this Lease shall be deemed to be senior to such Mortgage without regard to their respective dates of execution, delivery and/or recordation among the land records of Chester County,

and thereafter such Mortgagee shall have the same rights as to this Lease as it would have had, were this Lease executed and delivered before the execution of such Mortgage.

SECTION 13. TENANT DEFAULT.

13.1 Definition. As used in the provisions of this Lease, each of the following events shall constitute, and is hereinafter referred to as, an "Event of Default" by Tenant:

(a) if the Tenant fails (i) to pay any Base Rent, Additional Rent or other sum which it is obligated to pay by any provision of this Lease, when and as due and payable hereunder and without demand therefor, or (ii) to perform any of its other obligations under the provisions of this Lease; or

(b) if the Tenant (i) applies for or consents to the appointment of a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or any arrangement with creditors, or seeks to take advantage of any insolvency law and the same is not dismissed within ninety (90) days thereafter, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against the Tenant in any bankruptcy, reorganization or insolvency proceeding; or

(c) if (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Tenant a bankrupt or an insolvent, approving a petition seeking such a reorganization or appointing a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets, or (ii) there otherwise commences as to the Tenant or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than ninety (90) consecutive days after any stay thereof expires.

13.2 Notice of Default.

(a) On the occurrence of an Event of Default by Tenant, the Landlord shall not exercise any right or remedy on account thereof which it holds under any provision of this Lease or applicable law unless and until the Landlord has given written notice thereof to the Tenant.

(b) An Event of Default by Tenant shall not be deemed to occur until the following:

(1) If such Event of Default consists of a failure to pay money, five (5) business days after Tenant's receipt of Landlord's written notice of such failure to pay; or

(2) If such Event of Default consists of something other than a failure to pay money, thirty (30) days after the date Tenant receives Landlord's written notice of such default, or, if and only if such Event of Default is not reasonably curable within such period of thirty (30) days and Tenant diligently and in good faith to begin to cure such Event of Default, such period will be extended for an additional sixty (60) day period.

(c) Anything contained in the provisions of this Lease to the contrary notwithstanding, no such notice of default shall be required to be given, in any emergency situation in which, in the Landlord's reasonable judgment, it is necessary for the Landlord to act to cure such Event of Default without giving such notice, in which event Landlord's remedy shall be limited to Landlord's right to cure and recovery of costs of such cure.

13.3 Landlord's Rights on Occurrence of Tenant Event of Default.

(a) On the occurrence of any Event of Default by Tenant, the Landlord may:

(1) Re-enter and repossess any or all of the Leased Premises and any or all improvements thereon and additions thereto; and/or

(2) Declare the entire balance of the Rent for the remainder of the Initial Term or the Option Term, as applicable, due, which amount shall be discounted to present value using a discount rate of ten percent (10%); and/or

(3) Terminate this Lease by giving written notice of such termination to the Tenant, which termination shall be effective as of the date of such notice or any later date therefor specified by the Landlord therein; and/or

(4) In the Landlord's own name (but either (i) as agent for the Tenant, if this Lease has not then been terminated, or (ii) for the benefit of the Tenant, if this Lease has then been terminated), relet any or all of the Leased Premises, for any or all of the remainder of the Initial Term or the Option Term (or, if this Lease has then been terminated, for any or all of the period which would, but for such termination, have constituted the remainder of the Initial Term or the Option Term) or for a period exceeding such remainder, on such terms and subject to such conditions as are acceptable to the Landlord in its sole and absolute discretion (including, by way of example rather than of limitation, the alteration of any or all of the Leased Premises in any manner which, in the Landlord's judgment, is necessary or desirable as a condition to or otherwise in connection with such reletting, and the allowance of one or more concessions or "free-rent" or reduced-rent periods), and collect and receive the rents therefor. Anything contained in the provisions of this Lease or applicable law to the contrary notwithstanding, (i) the Landlord shall not have any duty or obligation to relet any or all of the Leased Premises as the result of any Event of Default, or any liability to the Tenant or any other person for any failure to do so or to collect any rent or other sum due from any such reletting; (ii) the

Tenant shall have no right in or to any surplus which may be derived by the Landlord from any such reletting, in the event that the proceeds of such reletting exceed any Rent, installment thereof or other sum owed by the Tenant to the Landlord hereunder; and (iii) the Tenant's liability hereunder shall not be diminished or affected by any such failure to relet or the giving of any such initial or other concessions or "free-rent" or reduced rent periods in the event of any such reletting. In the event of any such reletting, the Tenant shall pay to the Landlord, at the time and in the manner specified by the provisions of Section 2 (unless the Landlord has elected to accelerate Rent under Section 13.3(a)(2), (i) the installments of the Base Rent and any Additional Rent accruing during such remainder (or, if this Lease has then been terminated), damages equaling the respective amounts of such installments of the Base Rent and any Additional Rent which would have accrued during such remainder, had this Lease not been terminated), less any monies received by the Landlord with respect to such remainder from such reletting of any or all of the Leased Premises, plus (ii) the reasonable cost to the Landlord of any such reletting (including, by way of example rather than of limitation, any attorneys' fees, leasing or brokerage commissions, repair expenses and the expense of any other reasonable and necessary actions taken in connection with such reletting), plus (iii) any other sums for which the Tenant is liable under the provisions of Section 13.3(b); and/or

(5) Cure such Event of Default in any other reasonable manner; and/or

(6) Confess judgment against Tenant for sums due and owing under the terms of this Lease in accordance with the provisions of Section 13.3(c); and/or

(7) Confess judgment against Tenant for possession of the Leased Premises in accordance with the provisions of Section 13.3(d); and/or

(8) Pursue any combination of such remedies and/or any other right or remedy available to the Landlord on account of such Event of Default under this Lease or at law or in equity; and/or

(b) On the occurrence of an Event of Default, the Tenant shall, immediately on its receipt of a written demand therefor from the Landlord, reimburse the Landlord for (i) all out-of-pocket expenses (including, by way of example rather than of limitation, any and all repossession costs, management expenses, operating expenses, reasonable legal expenses and reasonable attorneys' fees) incurred by the Landlord (a) in curing or seeking to cure any Event of Default and/or (b) in exercising or seeking to exercise any of the Landlord's rights and remedies under the provisions of this Lease and/or at law or in equity on account of any Event of Default, and/or (c) otherwise arising out of any Event of Default, plus (ii) interest on all such expenses, at the rate of ten percent (10%) per annum, all of which expenses and interest shall be Additional Rent and shall be payable by the Tenant immediately on demand therefor by the Landlord.

(c) CONFESSION OF JUDGMENT/MONEY.

(1) THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF AUTHORITY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST TENANT. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST TENANT, TENANT, FOLLOWING CONSULTATION WITH (OR DECISION NOT TO CONSULT) SEPARATE COUNSEL FOR TENANT AND WITH KNOWLEDGE OF THE LEGAL EFFECT HEREOF, HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TENANT HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE INCLUDING, WITHOUT LIMITATION, A HEARING PRIOR TO GARNISHMENT AND ATTACHMENT OF THE TENANT'S BANK ACCOUNT AND OTHER ASSETS. TENANT ACKNOWLEDGES AND UNDERSTANDS THAT BY ENTERING INTO THIS LEASE CONTAINING A CONFESSION OF JUDGMENT CLAUSE THAT TENANT IS VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY GIVING UP ANY AND ALL RIGHTS, INCLUDING CONSTITUTIONAL RIGHTS, THAT TENANT HAS OR MAY HAVE TO NOTICE AND A HEARING BEFORE JUDGMENT CAN BE ENTERED AGAINST TENANT AND BEFORE TENANT'S ASSETS, INCLUDING, WITHOUT LIMITATION, ITS BANK ACCOUNTS, MAY BE GARNISHED, LEVIED, EXECUTED UPON AND/OR ATTACHED. TENANT UNDERSTANDS THAT ANY SUCH GARNISHMENT, LEVY, EXECUTION AND/OR ATTACHMENT SHALL RENDER THE PROPERTY GARNISHED, LEVIED, EXECUTED UPON OR ATTACHED IMMEDIATELY UNAVAILABLE TO TENANT. IT IS SPECIFICALLY ACKNOWLEDGED BY TENANT THAT LANDLORD HAS RELIED ON THIS WARRANT OF ATTORNEY AND THE RIGHTS WAIVED BY TENANT HEREIN IN RECEIVING THIS LEASE.

(2) UPON AND FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT, TENANT HEREBY JOINTLY AND SEVERALLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD OR THE PROTHONOTARY OR CLERK OF ANY COUNTY IN THE COMMONWEALTH OF PENNSYLVANIA, OR IN ANY JURISDICTION WHERE PERMITTED BY LAW OR THE CLERK OF ANY UNITED STATES DISTRICT COURT, TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT HEREUNDER AND ENTER AND CONFESS JUDGMENT AGAINST TENANT OR ANY OF THEM IN FAVOR OF LANDLORD FOR SUCH SUMS AS ARE DUE OR MAY BECOME DUE HEREUNDER, TOGETHER WITH COSTS OF SUIT AND ACTUAL COLLECTION COSTS INCLUDING, WITHOUT LIMITATION, ACTUAL REASONABLE ATTORNEYS' FEES NOT TO EXCEED FIVE PERCENT (5%) OF THE FOREGOING SUMS THEN DUE AND OWING BUT IN NO EVENT LESS THAN \$2,000, WITH OR WITHOUT DECLARATION, WITHOUT PRIOR NOTICE, WITH RELEASE OF ALL PROCEDURAL ERRORS, EXCEPT DEFECTS IN NOTICE OR SERVICE OF PROCESS, AND WITH THE RIGHT TO ISSUE EXECUTIONS FORTHWITH. TO THE EXTENT PERMITTED BY LAW, TENANT WAIVES THE RIGHT OF INQUISITION ON ANY REAL ESTATE LEVIED ON, VOLUNTARILY CONDEMNS THE SAME, AUTHORIZES THE PROTHONOTARY OR

CLERK TO ENTER UPON THE WRIT OF EXECUTION THIS VOLUNTARY CONDEMNATION AND AGREES THAT SUCH REAL ESTATE MAY BE SOLD ON A WRIT OF EXECUTION; AND ALSO WAIVES ANY RELIEF FROM ANY APPRAISEMENT, STAY OR EXEMPTION LAW OF ANY STATE NOW IN FORCE OR HEREAFTER ENACTED. TENANT FURTHER WAIVES THE RIGHT TO ANY NOTICE AND HEARING PRIOR TO THE EXECUTION, LEVY, ATTACHMENT OR OTHER TYPE OF ENFORCEMENT OF ANY JUDGMENT OBTAINED HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO BE NOTIFIED AND HEARD PRIOR TO THE GARNISHMENT, LEVY, EXECUTION UPON AND ATTACHMENT OF TENANT'S BANK ACCOUNTS AND OTHER PROPERTY. IF A COPY OF THIS LEASE VERIFIED BY AFFIDAVIT OF ANY OFFICER OF LANDLORD SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL THEREOF AS A WARRANT OF ATTORNEY, ANY PRACTICE OR USAGE TO THE CONTRARY NOTWITHSTANDING. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY SINGLE EXERCISE THEREOF, BUT SHALL CONTINUE AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS LANDLORD SHALL FIND IT NECESSARY AND DESIRABLE AND AT ALL TIMES UNTIL FULL PAYMENT OF ALL AMOUNTS DUE HEREUNDER. LANDLORD MAY CONFESS ONE OR MORE JUDGMENTS IN THE SAME OR DIFFERENT JURISDICTIONS FOR ALL OR ANY PART OF TENANT'S OBLIGATIONS ARISING HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT TO WHICH TENANT IS A PARTY, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME OBLIGATIONS. IN THE EVENT THAT ANY JUDGMENT CONFESSED AGAINST TENANT IS STRICKEN OR OPENED UPON APPLICATION BY OR ON BEHALF OF TENANT FOR ANY REASON, LANDLORD IS HEREBY AUTHORIZED AND EMPOWERED TO AGAIN APPEAR FOR AND CONFESS JUDGMENT AGAINST TENANT FOR ANY PART OR ALL OF THE OBLIGATIONS DUE AND OWING UNDER THIS LEASE, AS HEREIN PROVIDED.

(d) CONFESSION OF JUDGMENT/EJECTMENT. FOR THE PURPOSE OF OBTAINING POSSESSION OF THE LEASED PREMISES FOLLOWING ANY EVENT OF DEFAULT BY TENANT, TENANT IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR TENANT, AS WELL AS FOR THE PERSONS CLAIMING UNDER, BY, OR THROUGH TENANT, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER, BY, OR THROUGH TENANT, IN FAVOR OF LANDLORD FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE LEASED PREMISES, FOR WHICH THIS LEASE (OR A COPY THEREOF VERIFIED BY AFFIDAVIT) SHALL BE SUFFICIENT WARRANT; WHEREUPON A WRIT OF POSSESSION OF THE LEASED PREMISES MAY BE ISSUED FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT STAY OF EXECUTION, TENANT HEREBY RELEASING AND AGREEING TO RELEASE LANDLORD AND ANY SUCH ATTORNEY FROM ALL PROCEDURAL ERRORS AND DEFECTS WHATSOEVER IN ENTERING SUCH ACTION OR JUDGMENT OR IN

CAUSING SUCH WRIT OR PROCESS TO BE ISSUED OR IN ANY PROCEEDING THEREON OR CONCERNING THE SAME, PROVIDED THAT LANDLORD SHALL HAVE FILED IN SUCH ACTION AN AFFIDAVIT MADE ON TENANT'S BEHALF SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF SUCH JUDGMENT ACCORDING TO THE TERMS OF THIS LEASE, OF WHICH FACTS SUCH AFFIDAVIT SHALL BE PRIMA FACIE EVIDENCE. IT IS HEREBY EXPRESSLY AGREED THAT IF FOR ANY REASON AFTER ANY SUCH ACTION HAS BEEN COMMENCED, THE SAME SHALL BE DISCONTINUED, MARKED SATISFIED OF RECORD, OR TERMINATED, OR POSSESSION OF THE LEASED PREMISES REMAIN IN OR BE RESTORED TO TENANT OR ANYONE CLAIMING UNDER, BY, OR THROUGH TENANT, LANDLORD MAY, WHEREVER AND AS OFTEN AS LANDLORD SHALL HAVE THE RIGHT TO TAKE POSSESSION AGAIN OF THE LEASED PREMISES, BRING ONE OR MORE FURTHER ACTIONS IN THE MANNER HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE LEASED PREMISES AND TO CONFESS JUDGMENT THEREIN AS HEREINABOVE PROVIDED, AND THE AUTHORITY AND POWER ABOVE GIVEN TO ANY SUCH ATTORNEY SHALL EXTEND TO ALL SUCH FURTHER ACTIONS IN EJECTMENT AND CONFESSION OF JUDGMENT THEREIN AS HEREINABOVE PROVIDED.

SECTION 14. LANDLORD DEFAULT.

14.1 Definition. As used in the provisions of this Lease, each of the following events shall constitute, and is hereinafter referred to as, an "Event of Default" by Landlord:

(a) If the Landlord fails (i) to pay any sum which it is obligated to pay by any provision of this Lease, when and as due and payable hereunder and without demand therefor, or (ii) to perform any of its other obligations under the provisions of this Lease; or

(b) If the Landlord (i) applies for or consents to the appointment of a receiver, trustee or liquidator of the Landlord or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or any arrangement with creditors, or seeks to take advantage of any insolvency law and the same is not dismissed within ninety (90) days thereafter, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against the Landlord in any bankruptcy, reorganization or insolvency proceeding; or

(c) If (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Landlord a bankrupt or an insolvent, approving a petition seeking such a reorganization or appointing a receiver, trustee or liquidator of the Landlord or of all or a substantial part of its assets, or (ii) there otherwise commences as to the Landlord or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order,

judgment, decree or proceeding continues unstayed for more than ninety (90) consecutive days after any stay thereof expires.

14.2 Notice of Default.

(a) On the occurrence of an Event of Default by Landlord, the Tenant shall not exercise any right or remedy on account thereof which it holds under any provision of this Lease or applicable law unless and until the Tenant has given written notice thereof to the Landlord.

(b) An Event of Default by Landlord shall not be deemed to occur until the following:

(1) If such Event of Default by Landlord consists of a failure to pay money, five (5) days after Landlord receives Tenant's written notice of such failure to pay; or

(2) If such Event of Default by Landlord consists of something other than a failure to pay money, thirty (30) days after Landlord receives Tenant's written notice of such default, or, if and only if such Event of Default by Landlord is not reasonably curable within such period of thirty (30) days and Landlord diligently and in good faith to begins to cure such default, such period will be extended for an additional sixty (60) day period.

(c) Anything contained in the provisions of this Lease to the contrary notwithstanding, no such notice of an Event of Default shall be required to be given, in any emergency situation in which, in the Tenant's reasonable judgment, it is necessary for the Tenant to act to cure such Event of Default without giving such notice, in which event Tenant's remedy shall be limited to Tenant's right to cure and recovery of costs of such cure.

14.3 Tenant's Rights on Occurrence of Landlord Event of Default.

(a) On the occurrence of any Event of Default by Landlord, the Tenant shall have the right to terminate the Lease and shall have additional rights and remedies available to it under this Lease and at law and equity. In addition on the occurrence of an Event of Default by Landlord, the Landlord shall, immediately on its receipt of a written demand therefor from the Tenant, reimburse the Tenant for all expenses reasonably incurred by the Tenant in curing or seeking to cure any Event of Default and/or in exercising or seeking to exercise any of the Landlord's rights and remedies under the provisions of this Lease and/or at law or in equity on account of any Event of Default, plus interest on all such expenses, at the lesser of the rate of ten percent (10%) per annum, all of which expenses and interest shall be payable by the Landlord immediately on demand therefor by the Tenant.

SECTION 15. ESTOPPEL CERTIFICATE. The Tenant or the Landlord shall from time to time, within ten (10) business days after being requested to do so by the other party or any Superior Mortgagee, execute, enseat, acknowledge and deliver to the other party (or, at the other party's request, to any existing or prospective purchaser, transferee, assignee or Mortgagee of any or all of the Leased Premises, any interest therein or any of the Landlord's or Tenant's rights under this Lease) an instrument in recordable form certifying (a) that this Lease is unmodified and in full force and effect (or, if there has been any modification ,thereof, that it is in full force and effect as so modified, stating therein the nature of such modification); (b) as to the dates to which the Base Rent and any Additional Rent and other charges arising hereunder have been paid; (c) as to the amount of any prepaid Rent or any credit due to the Tenant hereunder; (d) that the Tenant has accepted possession of the Leased Premises, and the date on which the Term commenced; (e) as to whether, to the best knowledge, information and belief of the signer or such certificate, the Landlord or the Tenant is then in default in performing any of its obligations hereunder (and, if so, specifying the nature of each such default); and (f) as to any other fact or condition reasonably requested by such addressee; and (g) acknowledging and agreeing that any statement contained in such certificate may be relied upon by any such addressee.

SECTION 16. QUIET ENJOYMENT. Subject to the provisions of this Lease, the Landlord hereby covenants that the Tenant, on paying Rent and performing the material covenants in this Lease, shall peaceably and quietly hold and enjoy, throughout the Initial Term and the Option Term, (a) the Leased Premises, and (b) such rights as the Tenant may hold hereunder with respect to the remainder of the Property.

SECTION 17. NOTICES. All notices required or desired to be given to either of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, return receipt requested, or by a nationally recognized overnight courier service to such party at its address set forth below.

Landlord: Borough of West Chester
401 East Gay Street
West Chester, Pennsylvania 19380
Attention: Ernie B. McNeely, Borough Manager

Tenant: Chester County Running Store, LLC
119 East Lancaster Avenue
Downingtown, Pennsylvania 19335

Such notice shall be deemed to be received if delivered personally or two (2) business days after the date mailed if sent by certified or registered mail, return receipt requested or one (1) day after deposited with a nationally recognized overnight courier service in time for next day delivery, provided such next day delivery is not a Saturday, Sunday or holiday. Any notice of any change in such address shall also be given in the manner set forth

above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

SECTION 18. PRE-PAID RENT. Tenant agrees to deposit the sum of One Thousand Nine Hundred Sixty Five Dollars and Thirty Three Cents (\$1,965.33) with Landlord at the time of the execution of this Lease which shall be used by Landlord to pay, on the Commencement Date, Tenant's first month's rent as due and payable under the terms of Section 2 of this Lease.

SECTION 19. SECURITY DEPOSIT.

19.1 Tenant agrees to deposit the sum of One Thousand Nine Hundred Sixty Five Dollars and Thirty Three Cents (\$1,965.33) as a security deposit (the "Security Deposit") with Landlord at the time of the execution of this Lease. The Security Deposit shall be held by Landlord as security for Tenant's full and faithful performance of the terms and conditions of this Lease.

19.2 Landlord may apply all or any part of the Security Deposit to cure any Event of Default of Tenant, and in such event, Tenant shall deposit with Landlord the amount applied to cure such Event of Default immediately upon notice from Landlord of the nature and the amount of the application. Failure to deposit such additional funds shall constitute a Tenant Event of Default under this Lease.

19.3 Landlord shall return the Security Deposit to Tenant, minus any amounts deducted pursuant to subparagraph 18.2 above, no later than thirty (30) days after Tenant surrenders possession of the Leased Premises to Landlord. The Security Deposit shall be returned to the address provided by Tenant to Landlord for such purpose, or, if no such address was left, the Tenant's last-known address.

SECTION 20. COMPLIANCE WITH LAWS.

20.1 Tenant Compliance. Tenant shall, at its expense, comply with all federal, state, county and municipal laws, ordinances and regulations pertaining to the installation of the Improvements and the use and occupancy of the Leased Premises and the Storage Area.

20.2 Landlord's Compliance. Landlord shall comply with, at its expense, or cause to be complied with all federal, state, county and municipal laws, orders, ordinances and regulations with respect to the portions of the Property, excluding the Leased Premises.

SECTION 21. GENERAL.

21.1 License For Parking. During the Initial Term and the Option Term, Landlord hereby grants to the Tenant a license to use (and to permit its officers, directors,

agents, employees and invitees to use in the course of conducting business at the Leased Premises) three (3) Landlord designated parking spaces in the Building at no additional cost to the Tenant. This license shall automatically expire without notice at the end of the Initial Term or the Option Term, as applicable.

21.2 Continuous Operation Hours. Tenant covenants and agrees that Tenant shall open for business on the Commencement Date and shall continuously operate and conduct its business in the Leased Premises in the manner provided by this Lease.

21.3 License For Storage Space. During the Initial Term and the Option Term, Landlord hereby grants to the Tenant a license to use in the course of conducting business at the Leased Premises an area for storage adjacent to the Leased Premises which shall be mutually acceptable to Landlord and Tenant (the "Storage Area"). The license for use of the Storage Area shall automatically expire without notice to Tenant upon the expiration or termination of this Lease.

21.4 Effectiveness. The furnishing of the form of this Lease shall not constitute an offer and this Lease shall become effective upon and only upon its execution by delivery to each party hereto.

21.5 Complete Understanding. This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in the provisions of this Lease. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein.

21.6 Amendment. This Lease may be amended by and only by an instrument executed and delivered by each party hereto.

21.7 Waiver. The Landlord shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by the Landlord in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Without limiting the generality of the foregoing, no action taken or not taken by the Landlord under the provisions of this Section or any other provision of this Lease (including, by way of example rather than of limitation, the Landlord's acceptance of the payment of Rent after the occurrence of any Event of Default) shall operate as a waiver of any right to be paid a late charge or of any other right or remedy which the Landlord would otherwise have against the Tenant on account of such Event of Default under the provisions of this Lease or applicable law (the Tenant hereby acknowledging

that, in the interest of maintenance of good relations between the Landlord and the Tenant, there may be instances in which the Landlord chooses not immediately to exercise some or all of its rights on the occurrence of an Event of Default).

21.8 Waiver of Jury Trial. Each party hereto hereby waives any right which it may otherwise have at law or in equity to a trial by jury in connection with any suit or proceeding at law or in equity brought by the other against the waiving party or which otherwise relates to this Lease, as a result of an Event of Default or otherwise.

21.9 Severability. No determination by any court, governmental body or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

21.10 Rules and Regulations. The Landlord shall have the right to prescribe reasonable rules and regulations (hereinafter referred to as the "Rules and Regulations") and governing their use and enjoyment of the Building and the remainder of the Property; provided that the Rules and Regulations shall not materially interfere with the Tenant's use and enjoyment of the Leased Premises, in accordance with the provisions of this Lease; and provided further that Tenant shall have consented to such Rules and Regulations. The Tenant shall adhere to the Rules and Regulations and shall cause its agents, employees, invitees, visitors and guests to do so. No Rules and Regulations are currently in effect. Landlord agrees to enforce such rules and regulations in a non-discriminatory manner as to all tenants in the Building.

21.11 Governing Law. This Lease shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania without reference to conflict of laws principles.

21.12 Guaranty. Robert Jones and Kevin Kelly shall guaranty and provide surety to Landlord for the performance of the obligations of Tenant under the terms of this Lease in accordance with the terms and conditions set forth in the Guaranty Agreement attached hereto as Exhibit "C" (the "Guaranty").

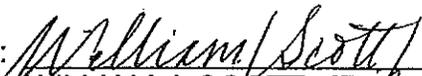
IN WITNESS WHEREOF, each party hereto has executed and ensealed this Lease or caused it to be executed and sealed on its behalf by its duly authorized representatives, the day and year first above written.

ATTEST:

BOROUGH OF WEST CHESTER



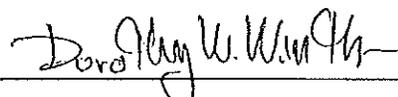
ERNIE B. McNEELY, Secretary

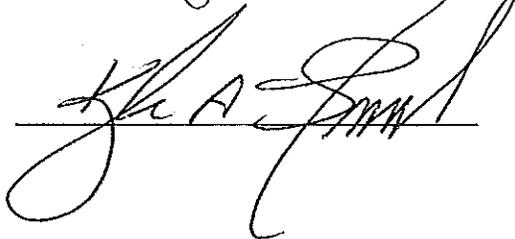
BY: 

WILLIAM J. SCOTT, JR., President,
Borough Council

WITNESS:

CHESTER COUNTY RUNNING STORE, LLC





BY: 

ROBERT JONES, Member

BY: 

KEVIN KELLY, Member

COMMONWEALTH OF PENNSYLVANIA:

SS

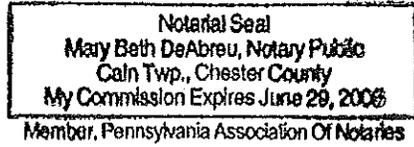
COUNTY OF CHESTER :

On this, the 15 day of July, 2004, before me, the undersigned officer, personally appeared ROBERT JONES, who acknowledged himself to be a Member of CHESTER COUNTY RUNNING STORE, LLC, and that he, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

MY COMMISSION EXPIRES:

Mary Beth DeAbreu
NOTARY PUBLIC



COMMONWEALTH OF PENNSYLVANIA:

SS

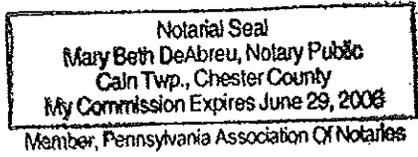
COUNTY OF CHESTER :

On this, the 15 day of July, 2004, before me, the undersigned officer, personally appeared KEVIN KELLY, who acknowledged himself to be a Member of CHESTER COUNTY RUNNING STORE, LLC, and that he, being authorized to do so, executed the within instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

MY COMMISSION EXPIRES:

Mary Beth DeAbreu
NOTARY PUBLIC



Michael A. Cotter

From: Christopher Curtin <c.curtin@eclatchocolate.com>
Sent: Tuesday, 3 May, 2016 10:38
To: Michael A. Cotter
Cc: James Jones; Don Braceland; Bill Scott; Hector Mojica
Subject: Eclat Chocolate Proposal

Hello Michael,

In the coming year, Eclat Chocolate plans to build out the shop to make it even more of a destination. Below I have outlined our proposal for our lease and construction plans. With these plans in mind, and the money that we will be putting into it, we want to ensure our longevity at our 24 S. High Street location.

In regards to the lease, we would like a 5-year lease at no increase starting August, 2017 until Aug, 2022. Then we would like an additional promise of a 5-year extension at no more than a 2% increased rate starting August, 2022 until August, 2027.

Improvements we plan to make:

- \$80,000 worth of enhancements
- New façade for the store front
- New interior design including the following:
 - o Sleek wood finishings
 - o Tile floor
 - o Reconstructing the wall and door separating the front and production
 - o New shelving

Current issues with the space:

- The drainage dip in the sidewalk outside the shop door from sewage repair 2 years ago
- HVAC issues
 - o Freezing in the summer
 - o Overheating in the winter
- Tired interior
 - o Chipped paint
 - o Worn shelving
 - o Old ceiling tiles
- Bathroom renovation

Many thanks,

Chris

Christopher Curtin
Éclat Chocolate
24 South High St.
West Chester, PA 19382
www.eclatchocolate.com
Facebook: Eclat Chocolate
Twitter: @eclat
Instagram: Eclat Chocolate

BOROUGH COUNCIL

Holly V. Brown
President

Cassandra L. Jones
Vice President

Charles A. Christy
Thomas P. Paxson
John A. Manion
Jordan C. Norley
Stephen A. Shinn



Municipal Building
401 East Gay Street
West Chester, Pa 19380

(610) 692-7574
Fax (610) 436-0009
www.west-chester.com

Carolyn T. Comitta
Mayor

Ernie B. McNeely
Borough Manager

Borough of West Chester Pennsylvania

July 10, 2013

Christopher Curtin
ECLAT Chocolate
24 S. High Street
West Chester Pa. 19382

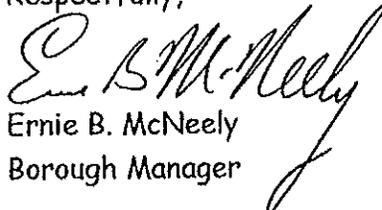
Dear Chris,

Your intent to exercise your option to extend your lease at 24 S. High Street was somewhat unclear in July 2012 so I appreciate your letter of June 10, 2013 clarifying that you definitely have exercised that option. By this correspondence I am formally acknowledging that you have exercised your option to extend your term to August 31, 2017 in accord with the terms of the lease agreement. We are glad you choose to remain a tenant in our facility.

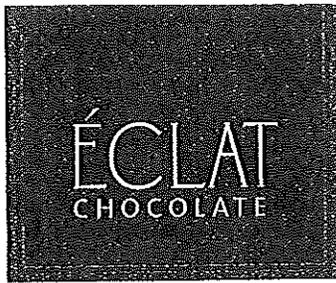
With respect to negotiation of an extension beyond August 31, 2017 it may be a bit early to start that discussion. Discussing appropriate rental rates now so far in advance may not be fair to either yourself or West Chester Borough. That said you are of course free and welcome to make a specific proposal at any time but I would think that late 2014 or early 2015 might give us both a better handle on market rates and conditions that should apply beyond August 2017.

If you have any questions as always feel free to contact me.

Respectfully,


Ernie B. McNeely
Borough Manager

CC: D. Kapp



June 10, 2013

Ernie B. McNeely
Borough Manager
Borough of West Chester
401 East Gay Street
West Chester, PA 19380

Dear Ernie,

I am writing in regards to our property lease for 24 South High Street that was approved and signed in June 2009. It was my understanding that we had renewed the lease for the additional five (5) year term last summer. Please accept this letter documenting that intention.

Please let us know when an appropriate time would be to negotiate terms beyond the current lease in place that will end August 31, 2017. We would be interested in extending our term with a concession in rental payments. We love our location but are reaching some capacity limits, which make stepped rental payments less attractive.

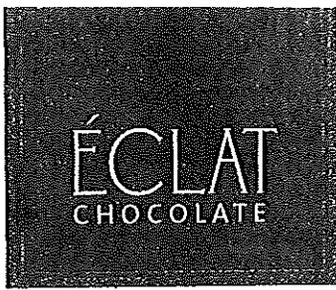
Thank you for your help in this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Chris Curtin", is written over a faint, larger version of the same signature.

Christopher Curtin
Éclat Chocolate

cc: K.Mulholland



Ernie B. McNeely
Borough Manager
West Chester Borough

3/21/09

Dear Ernie,

I would like to submit to you and to Borough Council my suggestions in the rental contract.

I would like to propose a three-year lease period with a five-year extension after the three years have passed. The reasoning is, we are very happy with our location and we want to stay in West Chester but we are not sure what economic conditions will come our way in the next three years. We assume that in three years everyone will be able to better see where the economy is and we can then accept a longer lease at that time. We are not asking for a decrease on rent or any other provisions, we would only like to be cautious in the next three years and request a slightly shorter lease.

Best Regards,

Christopher Curtin

A handwritten signature in black ink, appearing to read "Chris Curtin", is written below the printed name.

AGREEMENT OF LEASE

by and between

BOROUGH OF WEST CHESTER

and

CONFISERIE CURTIN ET COMPANION, INC.

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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (hereinafter referred to as "this Lease"), made this 8th day of July, 2004, by and between THE BOROUGH OF WEST CHESTER, 401 East Gay Street, West Chester, Pennsylvania 19380, a governmental entity existing under the laws of the Commonwealth of Pennsylvania (hereinafter referred to as "Landlord"), and CONFISERIE CURTIN ET COMPANION, INC., 22 Applebough Lane, Rose Valley, Pennsylvania 19063, an adult individual (hereinafter referred to as "Tenant").

WITNESSETH, THAT FOR AND IN CONSIDERATION of the mutual entry into this Lease by the parties hereto, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto, the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord all of those certain premises containing approximately 1,474 square feet on the ground floor of the Bicentennial Garage, located at 20 South High Street, West Chester, Pennsylvania (the "Building"), as crosshatched and outlined on a plat attached hereto as Exhibit A (hereinafter referred to as the "Leased Premises"). The Leased Premises, the remainder of the Building, the land on which the Building is located, all appurtenances thereto, all parking facilities and any other improvements related to the Building are hereinafter referred to collectively as the "Property".

SUBJECT TO THE OPERATION AND EFFECT of any and all instruments and matters of record or in fact,

UPON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

SECTION 1. TERM.

1.1 Effective Date. This Lease shall become effective upon the date that this Lease is executed by both Landlord and Tenant (the "Effective Date").

1.2 Initial Term. The Initial term of this Lease (the "Initial Term") shall commence on August 1, 2004 (the "Commencement Date"). The Initial Term of this Lease shall extend until 11:59 p.m., August 31, 2009. Notwithstanding the commencement date of the Initial Term of this Lease, the commencement date for payment of "Rent", as hereinafter defined, is September 1, 2004.

1.3 Option Terms. Tenant shall have the right to renew this Lease for one (1) additional five (5) year term (the "Option Term") at the Rent set forth in Section 2 of this Lease and otherwise upon the same terms and conditions. If Tenant provides Landlord with written notice of Tenant's intent to lease the Leased Premises for the Option Term on or before 180 days prior to the expiration of the Initial Term, the Option Term will

commence at 12:00 a.m. on July 1, 2009. If Tenant fails to give timely notice of its intent to renew this Lease for the Option Term, the Lease shall terminate automatically at the end of the Initial Term.

1.4 Term. The Initial Term together with the Option Term will hereinafter be referred to as the "Term".

1.5 Termination. This Lease shall terminate at the end of the Initial Term or the Option Term, as the case may be, without the necessity of any notice. The Tenant shall at its expense, at the expiration of the Initial Term or the Option Term or any earlier termination of this Lease, (a) promptly surrender to the Landlord possession of the Leased Premises and the Storage Area, as defined in Section 20.3 of this Lease, (including any fixtures or other improvements) in good order and repair (ordinary wear and tear excepted) and broom clean, (b) remove therefrom the Tenant's signs, goods and effects and any machinery, trade fixtures and equipment which are used in conducting the Tenant's trade or business and which are not owned by the Landlord, and (c) repair any damage to the Leased Premises, the Storage Area or the Building caused by such removal.

1.6 Holding Over. If the Tenant shall be in possession of the Leased Premises after the expiration of the Initial Term or the Option Term, after obtaining the Landlord's written consent thereto, such occupancy shall be deemed to be under a month-to-month tenancy, which shall continue until either party hereto notifies the other in writing, by at least thirty (30) days, that the notifying party elects to terminate such tenancy at the end of such thirty (30) day period, in which event such tenancy shall so terminate. If the Tenant continues to occupy the Leased Premises after this Lease is terminated or expires without having obtained the Landlord's written consent thereto, without altering or impairing any of the Landlord's rights under this Lease or applicable law or implying any right to remain in possession, the Tenant hereby agrees to pay to the Landlord as rent for the Leased Premises until the Tenant surrenders possession of the Leased Premises a monthly rental sum equaling one hundred twenty five percent (125%) of the amount of the monthly rental payable in the most current Lease Year.

SECTION 2. RENT.

2.1 Amount. As rent for the Leased Premises, the Tenant shall pay to the Landlord the following:

(a) The Tenant shall pay "Base Rent" to the Landlord during the Initial Term of this Lease in the following amounts:

Year 1 - \$23,584.00 (\$16.00 per sq. ft.) per Lease Year; \$1,965.33 per month.

Year 2 - \$24,527.36 (\$16.64 per sq. ft.) per Lease Year; \$2,043.95 per month.

Year 3 - \$25,500.20 (\$17.30 per sq. ft.) per Lease Year; \$2,125.01 per month.

Year 4 - \$26,532.00 (\$18.00 per sq. ft.) per Lease Year; \$2,211.00 per month.

Year 5 - \$27,593.28 (\$18.72 per sq. ft.) per Lease Year; \$2,299.44 per month.

(b) The Tenant shall pay "Base Rent" to the Landlord during the Option Term of this Lease in the following amounts:

Year 6 - \$27,593.28 (\$18.72 per sq. ft.) per Lease Year; \$2,299.44 per month.

Year 7 - \$28,421.08 (\$19.28 per sq. ft.) per Lease Year; \$2,368.42 per month.

Year 8 - \$28,421.08 (\$19.28 per sq. ft.) per Lease Year; \$2,368.42 per month.

Year 9 - \$29,273.21 (\$19.86 per sq. ft.) per Lease Year; \$2,439.48 per month.

Year 10 - \$29,273.21 (\$19.86 per sq. ft.) per Lease Year; \$2,439.48 per month.

(c) The Base Rent calculation is based upon 1,474 square feet of leased space.

(d) The Tenant shall pay all other additional sums, payments and charges of any kind or nature whatsoever which Tenant is obligated to pay under this Lease (collectively, "Additional Rent").

(e) The terms Base Rent and Additional Rent shall be hereinafter collectively referred to as "Rent".

2.2 Lease Year. The term "Lease Year" means (a) the period commencing on the Commencement Date and terminating on the day immediately preceding the first (1st) anniversary of the Commencement Date, and (b) each successive period of twelve (12) calendar months thereafter during the Initial Term or the Option Term.

2.3 When Due and Payable.

(a) The Base Rent for any Lease Year shall be due and payable in twelve (12) consecutive, equal monthly installments, in advance, beginning on the Commencement Date and continuing thereafter on the first day of each successive calendar month during each Lease Year.

(b) Any Additional Rent accruing under any provision of this Lease shall, except as is otherwise set forth herein, be due and payable when the installment of the Base Rent next falling due after such Additional Rent accrues, becomes due and payable, unless the Landlord makes written demand upon the Tenant pursuant the terms of this Lease for payment thereof at any earlier time, in which event such Additional Rent shall be due and payable within thirty (30) days of the date Tenant receives such demand or invoice for payment.

(c) Each payment of Rent shall be made promptly when due, without any deduction or setoff whatsoever and without demand, except as otherwise expressly set forth herein. If the Tenant shall fail to pay the Rent within five (5) days after such Rent is due, Tenant shall pay to the Landlord as Additional Rent a late charge in the amount of five percent (5%) of the Rent then due. Any payment made by the Tenant to the Landlord on account of Rent may be credited by the Landlord to the payment of any Rent then past due before being credited to Rent currently falling due. Any such payment which is less than the amount of Rent then due shall constitute a payment made on account thereof, the parties hereto hereby agreeing that the Landlord's acceptance of such payment (whether or not with or accompanied by an endorsement or statement that such lesser amount or the Landlord's acceptance thereof constitutes payment in full of the amount of Rent then due) shall not alter or impair the Landlord's rights hereunder to be paid all of such amount then due, or in any other respect.

2.4 Where Payable. The Tenant shall pay the Rent, in advance, in lawful currency of the United States of America, to the Landlord by delivering or mailing it to the Landlord's address set forth in Section 17 of this Lease, or to such other address or in such other manner as the Landlord from time to time specifies by written notice to the Tenant. If the Tenant pays by mail, the Tenant agrees to mail the Rent in advance so that it will reasonably be received by the Landlord on or before the date on which the Rent is due.

2.5 Real Estate Taxes.

(a) Tenant shall pay as Additional Rent all real estate taxes and assessments whether general or special which may be levied or assessed against the Leased Premises by any lawful authority (hereinafter referred to collectively as "Taxes") for each Lease Year or portion thereof during the Term of this Lease.

(b) A copy of the real estate tax bills or assessment bills submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of real estate taxes and/or assessments levied or assessed against the Property to which such bill relates. If Landlord should receive a refund of any such real estate taxes or assessments,

the Tenant will share proportionately in same, after deduction for all of Landlord's out-of-pocket expenses in obtaining any such refund. Landlord's and Tenant's obligations under this Section shall survive the expiration of this Lease. No taxes, assessments, fees or charges referred to in this Section specifying Tenant's obligation to pay taxes on its personal property located in the Leased Premises shall be considered as taxes under the provisions of this Lease.

(c) Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation in the Leased Premises as well as upon its trade fixtures, leasehold improvements, merchandise and other personal property in or upon the Leased Premises.

2.6 Utilities, Etc.

(a) The Tenant shall pay as Additional Rent all costs and expenses incurred by Landlord with respect to the following which relate solely to the Leased Premises: utilities, alarm systems, insurance (as set forth in Section 4), removal of garbage, trash and debris, janitorial services, maintenance, water, sewer and repair or replacement of lighting facilities.

(b) The Tenant shall pay as Additional Rent Tenant's proportionate share (as mutually agreed by Landlord and Tenant) of all costs and expenses incurred by Landlord with respect to the following which relate to the Building: utilities, alarm systems, insurance (as set forth in Section 4), removal of garbage, trash and debris, janitorial services, maintenance, repair or replacement of lighting facilities.

SECTION 3. USE OF LEASED PREMISES. The Leased Premises may be used for purposes relating to the operation of a business trading as Eclat Chocolates and for no other purpose whatsoever unless such use is approved by the Landlord in writing, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION 4. INSURANCE AND INDEMNIFICATION.

4.1 Insurance to be Maintained by Tenant and Landlord.

(a) The Tenant shall provide insurance as follows:

(1) Tenant shall maintain at its expense, throughout the Term, insurance against loss or liability in connection with bodily injury, death, property damage or destruction, occurring within the Leased Premises or arising out of the use thereof by the Tenant or its agents, employees, officers, subtenants, invitees, visitors and guests, under one or more policies of general public liability insurance having such limits as to each as are reasonably required by the Landlord from time to time, but in any event of not less than (a) One Million (\$1,000,000.00) Dollars for bodily injury to or death of any one person during any one occurrence, (b) Three Million (\$3,000,000.00) Dollars for bodily

injury to or death of all persons in any one occurrence, and (c) Five Hundred Thousand (\$500,000.00) Dollars for property damage or destruction during any one occurrence. Each such policy shall (a) name as the insureds thereunder, as their interests may appear, the Landlord and the Tenant (and, at the Landlord's request, any Mortgagee), (b) by its terms, be considered primary and non-contributory with respect to any other insurance carried by the Landlord or its successors and assigns to the extent of the liabilities assumed by Tenant in Section 4.2(b) herein, (c) by its terms, be cancellable or materially altered only on at least fifteen (15) days prior written notice to the Landlord (and, at the Landlord's request, any such Mortgagee), and (d) be issued by an insurer of recognized responsibility licensed to issue such policy in Pennsylvania, and rated at least A- by Best's Key Rating Guide for Property Liability.

(2) Before the commencement of this Lease, the Tenant shall deliver to the Landlord a certificate of each such policy (or at the Landlord's option, a certificate thereof), and (b) at least twenty (20) days before any such policy expires, the Tenant shall deliver to the Landlord a certificate of a replacement policy therefor; provided that so long as such insurance is otherwise in accordance with the provisions of this Section, the Tenant may carry any such insurance under a blanket policy covering the Leased Premises for the risks and in the minimum amounts specified in Section 4.1.1(a), in which event the Tenant shall deliver to the Landlord two (2) insurer's certificates therefor in lieu of an original or a copy thereof, as aforesaid.

(b) During the Term of this Lease, Landlord shall self-insure or, at its option, carry insurance, at its sole cost and expense, upon the Building and all improvements therein against loss or damage by fire and such other risks as are commonly covered by endorsement commonly known as "all risk" coverage in an amount of not less than 100% of the full replacement value thereof and shall maintain comprehensive public liability insurance in such amounts as it currently carries. Landlord shall maintain such insurance with responsible insurance companies authorized to do business in the Commonwealth of Pennsylvania.

4.2 Liability of Parties.

(a) Subject to the limitation of liability and immunity afforded Landlord under the governmental immunity provisions of 42 Pa. C.S.A. (the "Governmental Immunity Provisions"), the Landlord (1) shall be responsible for, and shall indemnify and hold harmless the Tenant against and from any and all liability arising out of any injury to or death of any person or damage to any property, occurring anywhere upon the Property (including without limitation the "Leased Premises"), if, only if and to the extent that such injury, death or damage is caused by any act or omission of the Landlord or its agents, officers or employees, but (2) shall not be responsible for or be obligated to indemnify or hold harmless the Tenant against or from any liability for any such injury, death or damage occurring anywhere upon the Property (including the Leased Premises), (a) by reason of the Tenant's occupancy or use of the Leased Premises or any other portion of the

Property, or (b) because of fire, windstorm, act of God or other cause unless caused by such act or omission of the Landlord, as aforesaid.

(b) Excluding those situations in which the Landlord is obligated to indemnify and hold harmless the Tenant under the provisions of Section 4.2(a), the Tenant shall be responsible for, and shall defend, indemnify and hold harmless the Landlord against and from any and all liability or claim of liability arising out of (1) Tenant's use, occupancy, conduct, operation or management of the Leased Premises during the Term, or (2) any act or omission of the Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees during the Term, or (3) any injury to or death of any person or damage to any property occurring on the Leased Premises during the Term, but only if caused by an act or omission of the Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees. Without limiting the foregoing, the Tenant shall be responsible for any damage that Tenant or any of its agents, contractors, servants, employees, subtenants, licensees or invitees cause to any of the Property's and/or Building's finishes.

4.3 Nothing in this Section 4 is intended to waive Landlord's governmental immunity under the Governmental Immunity Provisions, and to the extent that the provisions of this Section are inconsistent with the provisions of the Governmental Immunity Provisions, the Governmental Immunity Provisions shall control.

SECTION 5. IMPROVEMENTS TO LEASED PREMISES.

5.1 By Landlord. Landlord shall bear the expense of providing and constructing, at Landlord's expense, the improvements described in Exhibit "B", which is attached hereto and incorporated herein (the "Landlord Improvements").

5.2 Tenant Improvements.

(a) Excepting any improvements required to be made by Landlord under the terms of this Lease, Tenant shall be responsible, at Tenant's expense, to construct and install all improvements required by Tenant or by applicable building codes for Tenant's use and occupancy of the Leased Premises (the "Tenant Improvements"). The Tenant shall cause detailed working drawings of the Tenant Improvements to be prepared at Tenant's expense in accordance with all applicable governmental and quasi-governmental codes and regulations (the "Tenant Working Drawings") and shall deliver such working drawings to Landlord prior to a date mutually agreed upon by Tenant and Landlord to facilitate the solicitation of bids for the Tenant Improvements. Within five (5) days after Tenant provides Landlord with the Tenant Working Drawings, Landlord shall approve or disapprove the Tenant Working Drawings in the exercise of its reasonable judgment.

(b) After the Tenant Improvements are installed, Tenant shall not make any alteration, addition or improvement to the Leased Premises without first

obtaining the Landlord's written consent thereto (which, in the case of non-structural alterations, additions and improvements only, shall not unreasonably be withheld). If the Landlord consents to any such proposed alteration, addition or improvement, it shall be made at the Tenant's sole expense (and the Tenant shall hold the Landlord harmless from any cost incurred on account thereof), and at such time and in such manner as not unreasonably to interfere with the use and enjoyment of the remainder of the Property by any tenant thereof or other person.

5.3 Quality of Improvements. Any improvements made to the Leased Premises or the Property by either party hereto shall be made only in a good and workmanlike manner, and in accordance with all applicable building codes and other laws.

5.4 Mechanics' Liens. The Tenant shall (a) immediately after it is filed or claimed, have released (by bonding or otherwise) any mechanics', materialmens' or other lien filed or claimed against the Leased Premises or the Property, by reason of labor or materials provided for the Tenant or any of its contractors or subcontractors (other than labor or materials provided by the Landlord pursuant to the provisions of this Lease), or otherwise arising out of the Tenant's use or occupancy of the Leased Premises or any other portion of the Property, and (b) defend, indemnify and hold harmless the Landlord against and from any and all liability, claim of liability or expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees) incurred by the Landlord on account of any such lien or claim. Nothing in the provisions of this Lease shall be deemed in any way (a) to constitute the Landlord's consent or request, express or implied, that any contractor, subcontractor, laborer or materialman provide any labor or materials for any alteration, addition, improvement or repair to any or all of the Leased Premises or the Property, or (b) to give the Tenant any right, power or authority to contract for or permit to be furnished any service or materials, if doing so would give rise to the filing of any mechanics' or materialmens' lien against the Leased Premises or the Property, or (c) to evidence the Landlord's consent that the Leased Premises or the Property be subjected to any such lien.

5.5 Fixtures. Any and all improvements, repairs, alterations and all other property attached to or otherwise installed as a fixture within the Leased Premises by the Landlord or the Tenant shall, immediately on the completion of their installation, become the Landlord's property without payment therefor by the Landlord, except that (a) any machinery, equipment or fixtures installed by the Tenant at no expense to the Landlord and used in the conduct of the Tenant's trade or business (rather than to service the Leased Premises or the Property generally) shall remain the Tenant's property, and shall be removed by the Tenant at the end of the Initial Term or the Option Term (and any damage to the Leased Premises or the Property caused by such removal shall be repaired at the Tenant's expense), and (b) Landlord shall have the right to require Tenant to remove any improvements, repairs, alterations, property, machinery, equipment or fixtures that Landlord designates at the time of the installation thereof, and any damage to the Leased Premises or the Property caused by such removal shall be repaired at the Tenant's expense. Notwithstanding the foregoing, if Tenant installs an epoxy floor or a tile floor with

Landlord's consent, Tenant shall not be required to remove such floor upon the termination of this Lease.

SECTION 6. MAINTENANCE AND SERVICES.

6.1 By Landlord. Landlord shall, at its expense, keep and maintain in good order, repair and condition, and replace, as reasonably necessary, any common areas and facilities of the Building and the structural portions of the Building (excluding the Tenant Improvements), including, but not limited to, the roof, exterior walls and facade, exterior windows (excepting windows in the Leased Premises), floor slabs, core walls, columns, elevators, public stairways and corridors, public lavatories, utility and mechanical systems (including, without limitation, HVAC, plumbing, electrical, and gas) and all parking areas, driveways, walkways and landscaping (and with respect to paved areas, to perform snow and ice removal as required). Landlord shall (i) make all repairs within a reasonable time after the need arises; and (ii) use its best efforts not to interfere with Tenant's use of the Leased Premises or access thereto or egress therefrom.

6.2 Maintenance by Tenant. The Tenant, at its expense, shall maintain the Storage Area and the non-structural parts of the interior of the Leased Premises, excepting the HVAC, in good repair and condition, ordinary wear and tear excepted.

SECTION 7. LANDLORD'S RIGHT OF ENTRY. The Landlord and its agents shall be entitled to enter the Leased Premises at any time in the case of an emergency and at all other times during the Tenant's business hours upon at least 24 hours prior notice (a) to inspect the Leased Premises, (b) to exhibit the Leased Premises during the last nine (9) months of the Initial Term or the Option Term to any existing or prospective tenant or Mortgagee thereof, (c) to make any alteration, improvement or repair to the Building or the Leased Premises which is the responsibility fo Landlord under this Lease, or (d) for any other reasonable purpose relating to the operation or maintenance of the Property; provided that the Landlord shall use reasonable efforts to avoid thereby interfering with the Tenant's use and enjoyment thereof.

SECTION 8. FIRE AND OTHER CASUALTIES.

8.1 Damage to Leased Premises. If the Leased Premises shall be damaged by fire or other casualty then, unless otherwise agreed by Landlord and Tenant, Landlord and Tenant will restore the Leased Premises in accordance with their original Tenant fit-up and construction obligations set forth in Sections 5.1 and 5.2 of this Lease. If such an event occurs during the last year of the Initial Term of the Lease or the Option Term, Landlord or Tenant shall have the option to terminate this Lease to be exercised by notice to the respective party and given not more than thirty (30) days from the date of such damage. All repairs and restorations of the Leased Premises shall be promptly commenced by the parties, and the parties will diligently proceed with their restoration and repair obligations hereunder. All such repairs and replacements shall be made in a good

and workmanlike manner and in accordance with all applicable building codes and other laws.

8.2 Proportionate Percentage Rent. In the event that the Leased Premises are totally destroyed, Tenant's Rent shall completely abate from the date of the destruction until such time as the Leased Premises is repaired and ready for occupancy. In the event of a partial destruction or damage whereby Tenant shall be deprived of the occupancy and use of all or a portion of the Leased Premises, then the Base Rent shall be equitably apportioned according to the area of the Leased Premises which is unusable, until such time as the Leased Premises are repaired or restored as provided in Section 8.1.

SECTION 9. CONDEMNATION.

9.1 Right to Award. If any or all of the Leased Premises are taken by the exercise of any power of eminent domain or are conveyed to or at the direction of any governmental entity under a threat of any such taking (each of which is hereinafter referred to as a "Condemnation"), the Landlord and Tenant shall share in the amounts from the condemning authority thereunder in any such proceeding or as consideration for such conveyance, based on their relative interests in the Property, provided however, Tenant may make a separate claim for moving expenses and the value of the Tenant Improvements which have been paid by Tenant.

9.2 Effect of Condemnation.

(a) If (1) all of the Leased Premises are taken by a Condemnation, or (2) any part of the Leased Premises is taken by a Condemnation and the remainder thereof is insufficient for the reasonable operation therein of the Tenant's business, or (3) any of the Building is taken by a Condemnation and, in the Landlord's reasonable opinion, it would be impractical to restore the remainder thereof, or (4) it would be impractical to continue to operate the remainder of the Leased Premises thereafter in the reasonable opinion of Tenant, then, in any such event, the Term shall terminate on the date on which possession of so much of the Leased Premises as is taken by such Condemnation is taken by the condemning authority thereunder, and all Rent payable under the terms of this Lease shall be apportioned and paid to such date.

(b) If there is a Condemnation and the Initial Term or the Option Term does not terminate pursuant to the foregoing provisions of this Section, the operation and effect of this Lease shall be unaffected by such Condemnation, except that the Base Rent and any Additional Rent payable under the provisions of Section 2 shall be reduced in proportion to the square footage of floor area, if any, of the Leased Premises taken by such Condemnation.

9.3 Liability of Landlord. If there is a Condemnation, the Landlord shall have no liability to the Tenant on account of any (a) interruption of the Tenant's business upon the Leased Premises, (b) diminution in the Tenant's ability to use the Leased

Premises, or (c) other injury or damage sustained by the Tenant as a result of such Condemnation.

9.4 Tenant's Waiver. The Landlord shall be entitled to conduct any such Condemnation proceeding and any settlement thereof, except for any separate claim made by Tenant against such condemnor.

SECTION 10. ASSIGNMENT AND SUBLETTING.

10.1 Consent Required. The Tenant hereby acknowledges that the Landlord has entered into this Lease because of the Tenant's financial strength, goodwill, ability and expertise and that, accordingly, this Lease is one which is personal to the Tenant, and agrees for itself and its successors and assignees in interest hereunder that it will not assign this Lease or any of its rights under this Lease, as to all or any portion of the Leased Premises or otherwise, make or permit any voluntary or involuntary total or partial sale, lease, sublease, assignment, conveyance, license, mortgage, pledge, encumbrance or other transfer of any or all of the Leased Premises or the occupancy or use of any or all of the Leased Premises, permit any person or entity to occupy all or any portion of the Leased Premises unless the same is an agent or employee of Tenant (each of which is hereinafter referred to as a "Transfer") (including, by way of example rather than of limitation, (a) any sale at foreclosure or by the execution of any judgment of any or all of the Tenant's rights hereunder, or (b) any Transfer by operation of law) without first obtaining the Landlord's express written consent thereto (which consent shall not be unreasonably withheld or delayed and, if given, shall not constitute a consent to any subsequent such Transfer, whether by the person hereinabove named as "the Tenant" or by any such transferee, but shall not be deemed to have been given by the Landlord's acceptance of the payment of Rent after such Transfer occurs, with or without the Landlord's knowledge, or by any other act or failure to act by the Landlord, other than the giving of such express, written consent, as aforesaid). Tenant may assign this Lease or sublet the Leased Premises, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all of the assets of Tenant's business as a going concern, provided, that (i) the assignee of subtenant assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Leased Premises remains unchanged.

10.2 No Consent Required.

(a) Tenant may sublease or sublicense a portion of the Leased Premises to the West Chester Business Improvement District upon terms and conditions consistent with the terms and conditions of this Lease. In addition, Tenant may permit individuals or entities to conduct business in the Leased Premises as business partners of Tenant so long as the business of such individuals or entities is related to Tenant's business.

(b) Tenant may assign this Lease or sublet the Leased Premises, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all of the assets of Tenant's business as a going concern, provided, that (i) the assignee of subtenant assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Leased Premises remains unchanged.

SECTION 11. REPRESENTATIONS AND WARRANTIES. The Landlord represents and warrants to the Tenant as follows:

11.1 The Landlord is a political subdivision of the Commonwealth of Pennsylvania and has all requisite partnership power and authority to own, lease and operate the Leased Premises.

11.2 This Lease is the valid and binding obligation of the Landlord enforceable in accordance with its terms.

11.3 The Tenant represents and warrants to the Landlord as follows:

(a) The Tenant is a Pennsylvania corporation trading under the fictitious name of Eclat Chocolates.

(b) This Lease is the valid and binding obligation of the Tenant enforceable in accordance with its terms.

SECTION 12. SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.

12.1 Subordination. This Lease shall be subject and subordinate to the lien, operation and effect of each mortgage, deed of trust, or other similar instrument of encumbrance heretofore or hereafter covering any or all of the Leased Premises (and each renewal, modification, consolidation, replacement or extension thereof) (each of which is herein referred to as a "Superior Mortgage"), all automatically and without the necessity of any action by either party hereto. Landlord shall provide to Tenant copies of all Superior Mortgages entered into in the future.

12.2 Attornment and Non-Disturbance. The Tenant shall, promptly at the request of the Landlord or the holder of any Mortgage (herein referred to as a "Mortgagee"), execute, enseal, acknowledge and deliver such further instrument or instruments

(a) reasonably necessary to evidence such subordination as such Mortgagee deems necessary or desirable, and

(b) (at such Mortgagee's request) attorning to such Mortgagee, provided that such Mortgagee agrees with the Tenant that such Mortgagee will, in the event of a foreclosure of any such mortgage or deed of trust (or termination of any such ground lease) or the acceptance of deed in lieu of foreclosure take no action to interfere with the Tenant's rights hereunder, except on the occurrence of an Event of Default.

12.3 Subordination of Mortgage. Anything contained in the provisions of this Section to the contrary notwithstanding, any Mortgagee may at any time subordinate the lien of its Mortgage to the operation and effect of this Lease without obtaining the Tenant's consent thereto, by giving the Tenant written notice thereof, in which event this Lease shall be deemed to be senior to such Mortgage without regard to their respective dates of execution, delivery and/or recordation among the land records of Chester County, and thereafter such Mortgagee shall have the same rights as to this Lease as it would have had, were this Lease executed and delivered before the execution of such Mortgage.

SECTION 13. TENANT DEFAULT.

13.1 Definition. As used in the provisions of this Lease, each of the following events shall constitute, and is hereinafter referred to as, an "Event of Default" by Tenant:

(a) if the Tenant fails (1) to pay any Base Rent, Additional Rent or other sum which it is obligated to pay by any provision of this Lease, when and as due and payable hereunder and without demand therefor, or (2) to perform any of its other obligations under the provisions of this Lease; or

(b) if the Tenant (1) applies for or consents to the appointment of a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets, (2) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (3) makes an assignment for the benefit of its creditors, (4) files a petition or an answer seeking a reorganization or any arrangement with creditors, or seeks to take advantage of any insolvency law and the same is not dismissed within ninety (90) days thereafter, (5) performs any other act of bankruptcy, or (6) files an answer admitting the material allegations of a petition filed against the Tenant in any bankruptcy, reorganization or insolvency proceeding; or

(c) if (1) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Tenant a bankrupt or an insolvent, approving a petition seeking such a reorganization or appointing a receiver, trustee or liquidator of the Tenant or of all or a substantial part of its assets, or (2) there otherwise commences as to the Tenant or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than ninety (90) consecutive days after any stay thereof expires.

13.2 Notice of Default.

(a) On the occurrence of an Event of Default by Tenant, the Landlord shall not exercise any right or remedy on account thereof which it holds under any provision of this Lease or applicable law unless and until the Landlord has given written notice thereof to the Tenant.

(b) An Event of Default by Tenant shall not be deemed to occur until the following:

(1) If such Event of Default consists of a failure to pay money, five (5) business days after Tenant's receipt of Landlord's written notice of such failure to pay; or

(2) If such Event of Default consists of something other than a failure to pay money, thirty (30) days after the date Tenant receives Landlord's written notice of such default, or, if and only if such Event of Default is not reasonably curable within such period of thirty (30) days and Tenant diligently and in good faith to begin to cure such Event of Default, such period will be extended for an additional sixty (60) day period.

(c) Anything contained in the provisions of this Lease to the contrary notwithstanding, no such notice of default shall be required to be given, (i) in any emergency situation in which, in the Landlord's reasonable judgment, it is necessary for the Landlord to act to cure such Event of Default without giving such notice, in which event Landlord's remedy shall be limited to Landlord's right to cure and recovery of costs of such cure.

13.3 Landlord's Rights on Occurrence of Tenant Event of Default.

(a) On the occurrence of any Event of Default by Tenant, the Landlord may:

(1) Re-enter and repossess any or all of the Leased Premises and any or all improvements thereon and additions thereto; or

(2) Declare the entire balance of the Rent for the remainder of the Initial Term or the Option Term, as applicable, due, which amount shall be discounted to present value using a discount rate of ten percent (10%);

(3) Terminate this Lease by giving written notice of such termination to the Tenant, which termination shall be effective as of the date of such notice or any later date therefor specified by the Landlord therein; and/or

(4) In the Landlord's own name (but either (a) as agent for the Tenant, if this Lease has not then been terminated, or (b) for the benefit of the Tenant, if this Lease has then been terminated), relet any or all of the Leased Premises, for any or all of the remainder of the Initial Term or the Option Term (or, if this Lease has then been terminated, for any or all of the period which would, but for such termination, have constituted the remainder of the Initial Term or the Option Term) or for a period exceeding such remainder, on such terms and subject to such conditions as are acceptable to the Landlord in its sole and absolute discretion (including, by way of example rather than of limitation, the alteration of any or all of the Leased Premises in any manner which, in the Landlord's judgment, is necessary or desirable as a condition to or otherwise in connection with such reletting, and the allowance of one or more concessions or "free-rent" or reduced-rent periods), and collect and receive the rents therefor. Anything contained in the provisions of this Lease or applicable law to the contrary notwithstanding, (i) the Landlord shall not have any duty or obligation to relet any or all of the Leased Premises as the result of any Event of Default, or any liability to the Tenant or any other person for any failure to do so or to collect any rent or other sum due from any such reletting; (ii) the Tenant shall have no right in or to any surplus which may be derived by the Landlord from any such reletting, in the event that the proceeds of such reletting exceed any Rent, installment thereof or other sum owed by the Tenant to the Landlord hereunder; and (iii) the Tenant's liability hereunder shall not be diminished or affected by any such failure to relet or the giving of any such initial or other concessions or "free-rent" or reduced rent periods in the event of any such reletting. In the event of any such reletting, the Tenant shall pay to the Landlord, at the time and in the manner specified by the provisions of Section 2 (unless the Landlord has elected to accelerate Rent under Section 13.3(a)(2), (i) the installments of the Base Rent and any Additional Rent accruing during such remainder (or, if this Lease has then been terminated), damages equaling the respective amounts of such installments of the Base Rent and any Additional Rent which would have accrued during such remainder, had this Lease not been terminated), less any monies received by the Landlord with respect to such remainder from such reletting of any or all of the Leased Premises, plus (ii) the reasonable cost to the Landlord of any such reletting (including, by way of example rather than of limitation, any attorneys' fees, leasing or brokerage commissions, repair expenses and the expense of any other reasonable and necessary actions taken in connection with such reletting), plus (iii) any other sums for which the Tenant is liable under the provisions of Section 13.3(b); and/or

(5) Cure such Event of Default in any other reasonable manner; and/or

(6) Confess judgment against Tenant for sums due and owing under the terms of this Lease in accordance with the provisions of Section 13.3(c) and/or

(7) Confess judgment against Tenant for possession of the Leased Premises in accordance with the provisions of Section 13.3(d) and/or

(8) Pursue any combination of such remedies and/or any other right or remedy available to the Landlord on account of such Event of Default under this Lease or at law or in equity; and/or.

(b) On the occurrence of an Event of Default, the Tenant shall, immediately on its receipt of a written demand therefor from the Landlord, reimburse the Landlord for (a) all out-of-pocket expenses (including, by way of example rather than of limitation, any and all repossession costs, management expenses, operating expenses, reasonable legal expenses and reasonable attorneys' fees) incurred by the Landlord (i) in curing or seeking to cure any Event of Default and/or (ii) in exercising or seeking to exercise any of the Landlord's rights and remedies under the provisions of this Lease and/or at law or in equity on account of any Event of Default, and/or (iii) otherwise arising out of any Event of Default, plus (b) interest on all such expenses, at the rate of ten percent (10%) per annum, all of which expenses and interest shall be Additional Rent and shall be payable by the Tenant immediately on demand therefor by the Landlord.

(c) **CONFESSION OF JUDGMENT/MONEY.**

(1) **THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF AUTHORITY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST TENANT. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST TENANT, TENANT, FOLLOWING CONSULTATION WITH (OR DECISION NOT TO CONSULT) SEPARATE COUNSEL FOR TENANT AND WITH KNOWLEDGE OF THE LEGAL EFFECT HEREOF, HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TENANT HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE INCLUDING, WITHOUT LIMITATION, A HEARING PRIOR TO GARNISHMENT AND ATTACHMENT OF THE TENANT'S BANK ACCOUNT AND OTHER ASSETS. TENANT ACKNOWLEDGES AND UNDERSTANDS THAT BY ENTERING INTO THIS LEASE CONTAINING A CONFESSION OF JUDGMENT CLAUSE THAT TENANT IS VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY GIVING UP ANY AND ALL RIGHTS, INCLUDING CONSTITUTIONAL RIGHTS, THAT TENANT HAS OR MAY HAVE TO NOTICE AND A HEARING BEFORE JUDGMENT CAN BE ENTERED AGAINST TENANT AND BEFORE TENANT'S ASSETS, INCLUDING, WITHOUT LIMITATION, ITS BANK ACCOUNTS, MAY BE GARNISHED, LEVIED, EXECUTED UPON AND/OR ATTACHED. TENANT UNDERSTANDS THAT ANY SUCH GARNISHMENT, LEVY, EXECUTION AND/OR ATTACHMENT SHALL RENDER THE PROPERTY GARNISHED, LEVIED, EXECUTED UPON OR ATTACHED IMMEDIATELY UNAVAILABLE TO TENANT. IT IS SPECIFICALLY ACKNOWLEDGED BY TENANT THAT LANDLORD HAS RELIED ON THIS WARRANT OF ATTORNEY AND THE RIGHTS WAIVED BY TENANT HEREIN IN RECEIVING THIS LEASE.**

(2) UPON AND FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT, TENANT HEREBY JOINTLY AND SEVERALLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD OR THE PROTHONOTARY OR CLERK OF ANY COUNTY IN THE COMMONWEALTH OF PENNSYLVANIA, OR IN ANY JURISDICTION WHERE PERMITTED BY LAW OR THE CLERK OF ANY UNITED STATES DISTRICT COURT, TO APPEAR FOR TENANT IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT HEREUNDER AND ENTER AND CONFESS JUDGMENT AGAINST TENANT OR ANY OF THEM IN FAVOR OF LANDLORD FOR SUCH SUMS AS ARE DUE OR MAY BECOME DUE HEREUNDER, TOGETHER WITH COSTS OF SUIT AND ACTUAL COLLECTION COSTS INCLUDING, WITHOUT LIMITATION, ACTUAL REASONABLE ATTORNEYS' FEES NOT TO EXCEED FIVE PERCENT (5%) OF THE FOREGOING SUMS THEN DUE AND OWING BUT IN NO EVENT LESS THAN \$2,000, WITH OR WITHOUT DECLARATION, WITHOUT PRIOR NOTICE, WITH RELEASE OF ALL PROCEDURAL ERRORS, EXCEPT DEFECTS IN NOTICE OR SERVICE OF PROCESS, AND WITH THE RIGHT TO ISSUE EXECUTIONS FORTHWITH. TO THE EXTENT PERMITTED BY LAW, TENANT WAIVES THE RIGHT OF INQUISITION ON ANY REAL ESTATE LEVIED ON, VOLUNTARILY CONDEMNNS THE SAME, AUTHORIZES THE PROTHONOTARY OR CLERK TO ENTER UPON THE WRIT OF EXECUTION THIS VOLUNTARY CONDEMNATION AND AGREES THAT SUCH REAL ESTATE MAY BE SOLD ON A WRIT OF EXECUTION; AND ALSO WAIVES ANY RELIEF FROM ANY APPRAISEMENT, STAY OR EXEMPTION LAW OF ANY STATE NOW IN FORCE OR HEREAFTER ENACTED. TENANT FURTHER WAIVES THE RIGHT TO ANY NOTICE AND HEARING PRIOR TO THE EXECUTION, LEVY, ATTACHMENT OR OTHER TYPE OF ENFORCEMENT OF ANY JUDGMENT OBTAINED HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO BE NOTIFIED AND HEARD PRIOR TO THE GARNISHMENT, LEVY, EXECUTION UPON AND ATTACHMENT OF TENANT'S BANK ACCOUNTS AND OTHER PROPERTY. IF A COPY OF THIS LEASE VERIFIED BY AFFIDAVIT OF ANY OFFICER OF LANDLORD SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL THEREOF AS A WARRANT OF ATTORNEY, ANY PRACTICE OR USAGE TO THE CONTRARY NOTWITHSTANDING. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY SINGLE EXERCISE THEREOF, BUT SHALL CONTINUE AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS LANDLORD SHALL FIND IT NECESSARY AND DESIRABLE AND AT ALL TIMES UNTIL FULL PAYMENT OF ALL AMOUNTS DUE HEREUNDER. LANDLORD MAY CONFESS ONE OR MORE JUDGMENTS IN THE SAME OR DIFFERENT JURISDICTIONS FOR ALL OR ANY PART OF TENANT'S OBLIGATIONS ARISING HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT TO WHICH TENANT IS A PARTY, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME OBLIGATIONS. IN THE EVENT THAT ANY JUDGMENT CONFESSED AGAINST TENANT IS STRICKEN OR OPENED UPON APPLICATION BY OR ON BEHALF OF TENANT FOR ANY REASON, LANDLORD IS HEREBY AUTHORIZED AND

EMPOWERED TO AGAIN APPEAR FOR AND CONFESS JUDGMENT AGAINST TENANT FOR ANY PART OR ALL OF THE OBLIGATIONS DUE AND OWING UNDER THIS LEASE, AS HEREIN PROVIDED.

(d) CONFESSION OF JUDGMENT/EJECTMENT. FOR THE PURPOSE OF OBTAINING POSSESSION OF THE LEASED PREMISES FOLLOWING ANY EVENT OF DEFAULT BY TENANT, TENANT IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR TENANT, AS WELL AS FOR THE PERSONS CLAIMING UNDER, BY, OR THROUGH TENANT, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER, BY, OR THROUGH TENANT, IN FAVOR OF LANDLORD FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE LEASED PREMISES, FOR WHICH THIS LEASE (OR A COPY THEREOF VERIFIED BY AFFIDAVIT) SHALL BE SUFFICIENT WARRANT; WHEREUPON A WRIT OF POSSESSION OF THE LEASED PREMISES MAY BE ISSUED FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT STAY OF EXECUTION, TENANT HEREBY RELEASING AND AGREEING TO RELEASE LANDLORD AND ANY SUCH ATTORNEY FROM ALL PROCEDURAL ERRORS AND DEFECTS WHATSOEVER IN ENTERING SUCH ACTION OR JUDGMENT OR IN CAUSING SUCH WRIT OR PROCESS TO BE ISSUED OR IN ANY PROCEEDING THEREON OR CONCERNING THE SAME, PROVIDED THAT LANDLORD SHALL HAVE FILED IN SUCH ACTION AN AFFIDAVIT MADE ON TENANT'S BEHALF SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF SUCH JUDGMENT ACCORDING TO THE TERMS OF THIS LEASE, OF WHICH FACTS SUCH AFFIDAVIT SHALL BE PRIMA FACIE EVIDENCE. IT IS HEREBY EXPRESSLY AGREED THAT IF FOR ANY REASON AFTER ANY SUCH ACTION HAS BEEN COMMENCED, THE SAME SHALL BE DISCONTINUED, MARKED SATISFIED OF RECORD, OR TERMINATED, OR POSSESSION OF THE LEASED PREMISES REMAIN IN OR BE RESTORED TO TENANT OR ANYONE CLAIMING UNDER, BY, OR THROUGH TENANT, LANDLORD MAY, WHEREVER AND AS OFTEN AS LANDLORD SHALL HAVE THE RIGHT TO TAKE POSSESSION AGAIN OF THE LEASED PREMISES, BRING ONE OR MORE FURTHER ACTIONS IN THE MANNER HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE LEASED PREMISES AND TO CONFESS JUDGMENT THEREIN AS HEREINABOVE PROVIDED, AND THE AUTHORITY AND POWER ABOVE GIVEN TO ANY SUCH ATTORNEY SHALL EXTEND TO ALL SUCH FURTHER ACTIONS IN EJECTMENT AND CONFESSION OF JUDGMENT THEREIN AS HEREINABOVE PROVIDED.

SECTION 14. LANDLORD DEFAULT.

14.1 Definition. As used in the provisions of this Lease, each of the following events shall constitute, and is hereinafter referred to as, an "Event of Default" by Landlord:

(a) If the Landlord fails (1) to pay any sum which it is obligated to pay by any provision of this Lease, when and as due and payable hereunder and without demand therefor, or (2) to perform any of its other obligations under the provisions of this Lease; or

(b) If the Landlord (1) applies for or consents to the appointment of a receiver, trustee or liquidator of the Landlord or of all or a substantial part of its assets, (2) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they come due, (3) makes an assignment for the benefit of its creditors, (4) files a petition or an answer seeking a reorganization or any arrangement with creditors, or seeks to take advantage of any insolvency law and the same is not dismissed within ninety (90) days thereafter, (5) performs any other act of bankruptcy, or (6) files an answer admitting the material allegations of a petition filed against the Landlord in any bankruptcy, reorganization or insolvency proceeding; or

(c) If (1) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Landlord a bankrupt or an insolvent, approving a petition seeking such a reorganization or appointing a receiver, trustee or liquidator of the Landlord or of all or a substantial part of its assets, or (2) there otherwise commences as to the Landlord or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or similar law, and if such order, judgment, decree or proceeding continues unstayed for more than ninety (90) consecutive days after any stay thereof expires.

14.2 Notice of Default.

(a) On the occurrence of an Event of Default by Landlord, the Tenant shall not exercise any right or remedy on account thereof which it holds under any provision of this Lease or applicable law unless and until the Tenant has given written notice thereof to the Landlord.

(b) An Event of Default by Landlord shall not be deemed to occur until the following:

(1) If such Event of Default by Landlord consists of a failure to pay money, five (5) days after Landlord receives Tenant's written notice of such failure to pay; or

(2) If such Event of Default by Landlord consists of something other than a failure to pay money, thirty (30) days after Landlord receives

Tenant's written notice of such default, or, if and only if such Event of Default by Landlord is not reasonably curable within such period of thirty (30) days and Landlord diligently and in good faith to begins to cure such default, such period will be extended for an additional sixty (60) day period.

(c) Anything contained in the provisions of this Lease to the contrary notwithstanding, no such notice of an Event of Default shall be required to be given, (i) in any emergency situation in which, in the Tenant's reasonable judgment, it is necessary for the Tenant to act to cure such Event of Default without giving such notice, in which event Tenant's remedy shall be limited to Tenant's right to cure and recovery of costs of such cure.

14.3 Tenant's Rights on Occurrence of Landlord Event of Default.

(a) On the occurrence of any Event of Default by Landlord, the Tenant shall have the right to terminate the Lease and shall have additional rights and remedies available to it under this Lease and at law and equity. In addition on the occurrence of an Event of Default by Landlord, the Landlord shall, immediately on its receipt of a written demand therefor from the Tenant, reimburse the Tenant for all expenses reasonably incurred by the Tenant in curing or seeking to cure any Event of Default and/or in exercising or seeking to exercise any of the Landlord's rights and remedies under the provisions of this Lease and/or at law or in equity on account of any Event of Default, plus interest on all such expenses, at the lesser of the rate of ten percent (10%) per annum, all of which expenses and interest shall be payable by the Landlord immediately on demand therefor by the Tenant.

SECTION 15. ESTOPPEL CERTIFICATE. The Tenant or the Landlord shall from time to time, within ten (10) business days after being requested to do so by the other party or any Superior Mortgagee, execute, enseat, acknowledge and deliver to the other party (or, at the other party's request, to any existing or prospective purchaser, transferee, assignee or Mortgagee of any or all of the Leased Premises, any interest therein or any of the Landlord's or Tenant's rights under this Lease) an instrument in recordable form certifying (a) that this Lease is unmodified and in full force and effect (or, if there has been any modification, thereof, that it is in full force and effect as so modified, stating therein the nature of such modification); (b) as to the dates to which the Base Rent and any Additional Rent and other charges arising hereunder have been paid; (c) as to the amount of any prepaid Rent or any credit due to the Tenant hereunder; (d) that the Tenant has accepted possession of the Leased Premises, and the date on which the Term commenced; (e) as to whether, to the best knowledge, information and belief of the signer or such certificate, the Landlord or the Tenant is then in default in performing any of its obligations hereunder (and, if so, specifying the nature of each such default); and (f) as to any other fact or condition reasonably requested by such addressee; and (g) acknowledging and agreeing that any statement contained in such certificate may be relied upon by any such addressee.

SECTION 16. QUIET ENJOYMENT. Subject to the provisions of this Lease, the Landlord hereby covenants that the Tenant, on paying Rent and performing the material covenants in this Lease, shall peaceably and quietly hold and enjoy, throughout the Initial Term and the Option Term, (a) the Leased Premises, and (b) such rights as the Tenant may hold hereunder with respect to the remainder of the Property.

SECTION 17. NOTICES. All notices required or desired to be given to either of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, return receipt requested, or by a nationally recognized overnight courier service to such party at its address set forth below.

Landlord: Borough of West Chester
401 East Gay Street
West Chester, Pennsylvania 19380
Attention: Ernie B. McNeely, Borough Manager

Tenant: Confiserie Curtin et Companion, Inc.
22 Applebough Lane
Rose Valley, Pennsylvania 19063

Such notice shall be deemed to be received if delivered personally or two (2) business days after the date mailed if sent by certified or registered mail, return receipt requested or one (1) day after deposited with a nationally recognized overnight courier service in time for next day delivery, provided such next day delivery is not a Saturday, Sunday or holiday. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

SECTION 18. PRE-PAID RENT. Tenant agrees to deposit the sum of One Thousand Nine Hundred Sixty Five Dollars and Thirty Three Cents (\$1,965.33) with Landlord at the time of the execution of this Lease which shall be used by Landlord to pay, on the Commencement Date, Tenant's first month's rent as due and payable under the terms of Section 2 of this Lease.

SECTION 19. SECURITY DEPOSIT.

19.1 Tenant agrees to deposit the sum of One Thousand Nine Hundred Sixty Five Dollars and Thirty Three Cents (\$1,965.33) as a security deposit (the "Security Deposit") with Landlord at the time of the execution of this Lease. The Security Deposit shall be held by Landlord as security for Tenant's full and faithful performance of the terms and conditions of this Lease.

19.2 Landlord may apply all or any part of the Security Deposit to cure any Event of Default of Tenant, and in such event, Tenant shall deposit with Landlord the amount applied to cure such Event of Default immediately upon notice from Landlord of the nature and the amount of the application. Failure to deposit such additional funds shall constitute a Tenant Event of Default under this Lease.

19.3 Landlord shall return the Security Deposit to Tenant, minus any amounts deducted pursuant to subparagraph 18.2 above, no later than thirty (30) days after Tenant surrenders possession of the Leased Premises to Landlord. The Security Deposit shall be returned to the address provided by Tenant to Landlord for such purpose, or, if no such address was left, the Tenant's last-known address.

SECTION 20. COMPLIANCE WITH LAWS.

20.1 Tenant Compliance. Tenant shall, at its expense, comply with all federal, state, county and municipal laws, ordinances and regulations pertaining to the installation of the Improvements and the use and occupancy of the Leased Premises and the Storage Area.

20.2 Landlord's Compliance. Landlord shall comply with, at its expense, or cause to be complied with all federal, state, county and municipal laws, orders, ordinances and regulations with respect to the portions of the Property, excluding the Leased Premises.

SECTION 21. GENERAL.

21.1 License For Parking. During the Initial Term and the Option Term, Landlord hereby grants to the Tenant a license to use (and to permit its officers, directors, agents, employees and invitees to use in the course of conducting business at the Leased Premises) three (3) Landlord designated parking spaces in the Building at no additional cost to the Tenant. This license shall automatically expire without notice at the end of the Initial Term or the Option Term, as applicable.

21.2 Continuous Operation Hours. Tenant covenants and agrees that Tenant shall open for business on the Commencement Date and shall continuously operate and conduct its business in the Leased Premises in the manner provided by this Lease.

21.3 License For Storage Space. During the Initial Term and the Option Term, Landlord hereby grants to the Tenant a license to use in the course of conducting business at the Leased Premises an area for storage adjacent to the Leased Premises which shall be mutually acceptable to Landlord and Tenant (the "Storage Area"). The license for use of the Storage Area shall automatically expire without notice to Tenant upon the expiration or termination of this Lease.

21.4 Effectiveness. The furnishing of the form of this Lease shall not constitute an offer and this Lease shall become effective upon and only upon its execution by delivery to each party hereto.

21.5 Complete Understanding. This Lease represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to the same. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Lease, except those specifically set forth in the provisions of this Lease. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this Lease which is not set forth herein.

21.6 Amendment. This Lease may be amended by and only by an instrument executed and delivered by each party hereto.

21.7 Waiver. The Landlord shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by the Landlord in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Without limiting the generality of the foregoing, no action taken or not taken by the Landlord under the provisions of this Section or any other provision of this Lease (including, by way of example rather than of limitation, the Landlord's acceptance of the payment of Rent after the occurrence of any Event of Default) shall operate as a waiver of any right to be paid a late charge or of any other right or remedy which the Landlord would otherwise have against the Tenant on account of such Event of Default under the provisions of this Lease or applicable law (the Tenant hereby acknowledging that, in the interest of maintenance of good relations between the Landlord and the Tenant, there may be instances in which the Landlord chooses not immediately to exercise some or all of its rights on the occurrence of an Event of Default).

21.8 Waiver of Jury Trial. Each party hereto hereby waives any right which it may otherwise have at law or in equity to a trial by jury in connection with any suit or proceeding at law or in equity brought by the other against the waiving party or which otherwise relates to this Lease, as a result of an Event of Default or otherwise.

21.9 Severability. No determination by any court, governmental body or otherwise that any provision of this Lease or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

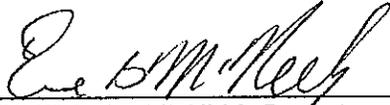
21.10 Rules and Regulations. The Landlord shall have the right to prescribe reasonable rules and regulations (hereinafter referred to as the "Rules and Regulations") and governing their use and enjoyment of the Building and the remainder of the Property; provided that the Rules and Regulations shall not materially interfere with the Tenant's use and enjoyment of the Leased Premises, in accordance with the provisions of this Lease; and provided further that Tenant shall have consented to such Rules and Regulations. The Tenant shall adhere to the Rules and Regulations and shall cause its agents, employees, invitees, visitors and guests to do so. No Rules and Regulations are currently in effect. Landlord agrees to enforce such rules and regulations in a non-discriminatory manner as to all tenants in the Building.

21.11 Governing Law. This Lease shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania without reference to conflict of laws principles.

21.12 Guaranty. Christopher Curtin shall guaranty and provide surety to Landlord for the performance of the obligations of Tenant under the terms of this Lease in accordance with the terms and conditions set forth in the Guaranty Agreement attached hereto as Exhibit "C" (the "Guaranty").

IN WITNESS WHEREOF, each party hereto has executed and ensealed this Lease or caused it to be executed and sealed on its behalf by its duly authorized representatives, the day and year first above written.

ATTEST:



ERNIE B. McNEELY, Secretary

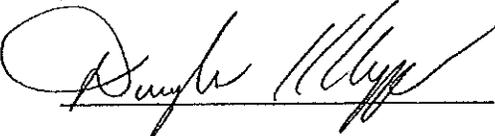
BOROUGH OF WEST CHESTER

BY:



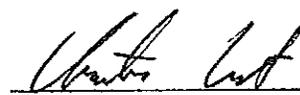
WILLIAM J. SCOTT, JR., President,
Borough Council

ATTEST:



CONFISERIE CURTIN ET COMPANION, INC.

BY:



CHRISTOPHER CURTIN, President

EXHIBIT "C"
GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (the "Guaranty"), dated this 8th day of July, 2004 (the "Guaranty"), from CHRISTOPHER CURTIN, having an address at 22 Applebough Lane, Rose Valley, Pennsylvania 19063 (the "Guarantor"), to THE BOROUGH OF WEST CHESTER, having an address of 401 East Gay Street, West Chester, Pennsylvania 19380 (the "Landlord").

BACKGROUND:

WHEREAS, Landlord is landlord under a certain Agreement of Lease (hereinafter "Lease") dated July 8, 2004 with CONFISERIE CURTIN ET COMPANION, INC. as tenant (hereinafter "Tenant") leasing certain premises located in the Landlord's Bicentennial Garage, 20 South High Street, West Chester, Pennsylvania, as more particularly described in the Lease; and

WHEREAS, Landlord is not willing to enter into the Lease unless Guarantor guarantees all obligations of Tenant under the Lease;

WHEREAS, Guarantor is a shareholder of Tenant on the date of execution and delivery of this Guaranty and/or Guarantor has a direct financial interest in the Tenant and acknowledges that Guarantor will benefit directly from the Lease.

NOW, THEREFORE, in consideration of, and to induce the Landlord to enter into the Lease with Tenant, and in consideration of other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, and intending to be legally bound hereby, the Guarantor agrees with Landlord as follows:

1. Guarantor hereby unconditionally guarantees the full and faithful performance and observance by Tenant of each and every agreement, obligation and condition on the part of Tenant to be performed or observed under the Lease in accordance with the provisions thereof governing such performance and observance, and in particular, without limiting the generality of the foregoing, Guarantor will pay all sums of money payable by Tenant under the Lease, including sums constituting base rent and additional rent, it being intended that Guarantor's obligation hereunder shall be independent of, and in addition to Tenant's obligations under the Lease.

2. This Guaranty is unconditional and absolute and if, for any reason whatsoever, any sum hereinabove referred to which shall be payable under the Lease by Tenant, or any part thereof, shall not be paid promptly when due, the Guarantor will immediately pay the same to the Landlord pursuant to the provisions of the Lease, regardless of any defenses or rights of setoff or counterclaims which Tenant may have or

assert, and regardless of whether the Landlord, its successors or assigns, shall have taken any steps to enforce any rights against Tenant or any other person, corporation or organization, to collect any of said sums, and regardless of any other condition or contingency. The Guarantor also agrees to pay to Landlord such further amount as shall be sufficient to cover the cost and expense of collecting such sums or of otherwise enforcing this Guaranty, including, in any case, reasonable compensation to the attorney for the Landlord for all services rendered in that connection.

3. The Guarantor unconditionally guarantees that Tenant will promptly perform and observe each and every agreement, covenant, term and condition in the Lease to be performed or observed by Tenant, and upon the Tenant's failure to do so, the Guarantor will promptly perform and observe each such agreement, covenant, term or condition, or cause the same promptly to be performed or observed.

4. The obligations, covenants, agreements and duties of the Guarantor under this Guaranty shall in no way be affected or impaired by reason of the happening from time to time of any of the following with respect to the Lease or this Guaranty, although without notice to or the further consent of the Guarantor:

A. The waiver by Landlord, its successors or assigns of the performance or observance by Tenant or by the Guarantor of any of the agreements, covenants, terms or conditions contained in the Lease or this Guaranty;

B. The extension, in whole or in part, of the time for the payment by Tenant or by the Guarantor of any sums owing or payable under any of such instruments, or of any other sums or obligations under or arising out of or on account of any of such instruments, or the extension or renewal of any such instruments;

C. Any assignment or subletting of the Leased Premises (as defined in the Lease) by Tenant;

D. The modification or amendment (whether material or otherwise) of any of the obligations of Tenant or the Guarantor as set forth in any of such instruments;

E. The doing or the omission of any of the acts mentioned in any of such instruments;

F. Any failure, omission, delay or lack on the part of the Landlord, its successors or assigns, to enforce, assert or exercise any right, power or remedy conferred on the Landlord, its successors or assigns, in any of such instruments or any action on the part of the Landlord, its successors or assigns, granting indulgence or extension in any form whatsoever;

G. The voluntary or involuntary liquidation, dissolution, sale or all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other proceeding affecting the Tenant or any of its assets; and

H. The release of the Tenant or the Guarantors from performance or observance of any agreements, covenants, terms or conditions contained in any of such instrument by operation of law.

5. Each of the following shall constitute a default (each, an "Event of Default") hereunder:

A. Non-payment when due of any sum required to be paid to Landlord under the Lease;

B. A breach by Guarantor of any other term, covenant, condition, obligation or agreement under this Guaranty, and the continuance of such breach for a period of ten (10) days after written notice thereof shall have been given to Guarantor;

C. Any representation or warranty made by Guarantor in this Guaranty shall prove to be false, incorrect or misleading in any material respect as of the date when made;

D. The death of any individual Guarantor; or

E. The occurrence of an "Event of Default" under the terms of the Lease.

6. Upon the occurrence of an Event of Default hereunder, all liabilities of Guarantor hereunder shall become immediately due and payable without demand or notice and, in addition to any other remedies provided by law or equity, Bank may enforce the obligations of Guarantor under this Guaranty.

7. THE FOLLOWING PARAGRAPH SETS FORTH A WARRANT OF AUTHORITY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST GUARANTOR. IN GRANTING THIS WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST GUARANTOR, GUARANTOR, FOLLOWING CONSULTATION WITH (OR DECISION NOT TO CONSULT) SEPARATE COUNSEL FOR GUARANTOR AND WITH KNOWLEDGE OF THE LEGAL EFFECT HEREOF, HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS GUARANTOR HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS AND LAWS OF THE UNITED STATES OF AMERICA, THE COMMONWEALTH OF

PENNSYLVANIA, OR ELSEWHERE INCLUDING, WITHOUT LIMITATION, A HEARING PRIOR TO GARNISHMENT AND ATTACHMENT OF THE GUARANTOR'S BANK ACCOUNT AND OTHER ASSETS. GUARANTOR ACKNOWLEDGES AND UNDERSTANDS THAT BY ENTERING INTO THIS GUARANTY CONTAINING A CONFESSION OF JUDGMENT CLAUSE THAT GUARANTOR IS VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY GIVING UP ANY AND ALL RIGHTS, INCLUDING CONSTITUTIONAL RIGHTS, THAT GUARANTOR HAS OR MAY HAVE TO NOTICE AND A HEARING BEFORE JUDGMENT CAN BE ENTERED AGAINST GUARANTOR AND BEFORE GUARANTOR'S ASSETS, INCLUDING, WITHOUT LIMITATION, ITS BANK ACCOUNTS, MAY BE GARNISHED, LEVIED, EXECUTED UPON AND/OR ATTACHED. GUARANTOR UNDERSTANDS THAT ANY SUCH GARNISHMENT, LEVY, EXECUTION AND/OR ATTACHMENT SHALL RENDER THE PROPERTY GARNISHED, LEVIED, EXECUTED UPON OR ATTACHED IMMEDIATELY UNAVAILABLE TO GUARANTOR. IT IS SPECIFICALLY ACKNOWLEDGED BY GUARANTOR THAT BANK HAS RELIED ON THIS WARRANT OF ATTORNEY AND THE RIGHTS WAIVED BY GUARANTOR HEREIN IN RECEIVING THIS GUARANTY AND AS AN INDUCEMENT TO GRANT THE LEASE TO TENANT.

UPON AND FOLLOWING THE OCCURRENCE OF AN EVENT OF DEFAULT, GUARANTOR HEREBY JOINTLY AND SEVERALLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD OR THE PROTHONOTARY OR CLERK OF ANY COUNTY IN THE COMMONWEALTH OF PENNSYLVANIA, OR IN ANY JURISDICTION WHERE PERMITTED BY LAW OR THE CLERK OF ANY UNITED STATES DISTRICT COURT, TO APPEAR FOR GUARANTOR IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT HEREUNDER AND ENTER AND CONFESS JUDGMENT AGAINST GUARANTOR OR ANY OF THEM IN FAVOR OF LANDLORD FOR SUCH SUMS AS ARE DUE OR MAY BECOME DUE HEREUNDER, TOGETHER WITH COSTS OF SUIT AND ACTUAL COLLECTION COSTS INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES EQUAL TO FIVE PERCENT (5%) OF THE FOREGOING SUMS THEN DUE AND OWING BUT IN NO EVENT LESS THAN \$1,000, WITH OR WITHOUT DECLARATION, WITHOUT PRIOR NOTICE, WITHOUT STAY OF EXECUTION AND WITH RELEASE OF ALL PROCEDURAL ERRORS AND THE RIGHT TO ISSUE EXECUTIONS FORTHWITH. TO THE EXTENT PERMITTED BY LAW, GUARANTOR WAIVES THE RIGHT OF INQUISITION ON ANY REAL ESTATE LEVIED ON, VOLUNTARILY CONDEMNNS THE SAME, AUTHORIZES THE PROTHONOTARY OR CLERK TO ENTER UPON THE WRIT OF EXECUTION THIS VOLUNTARY CONDEMNATION AND AGREES THAT SUCH REAL ESTATE MAY BE SOLD ON A WRIT OF EXECUTION; AND ALSO WAIVES ANY RELIEF FROM ANY APPRAISEMENT, STAY OR EXEMPTION LAW OF ANY STATE NOW IN FORCE OR HEREAFTER ENACTED. GUARANTOR FURTHER WAIVES THE RIGHT TO ANY NOTICE AND HEARING PRIOR TO THE EXECUTION, LEVY, ATTACHMENT OR OTHER TYPE OF ENFORCEMENT OF ANY JUDGMENT OBTAINED HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO BE NOTIFIED AND

HEARD PRIOR TO THE GARNISHMENT, LEVY, EXECUTION UPON AND ATTACHMENT OF GUARANTOR'S BANK ACCOUNTS AND OTHER PROPERTY. IF A COPY OF THIS GUARANTY VERIFIED BY AFFIDAVIT OF ANY OFFICIAL OF LANDLORD SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL THEREOF AS A WARRANT OF ATTORNEY, ANY PRACTICE OR USAGE TO THE CONTRARY NOTWITHSTANDING. THE AUTHORITY HEREIN GRANTED TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY SINGLE EXERCISE THEREOF, BUT SHALL CONTINUE AND MAY BE EXERCISED FROM TIME TO TIME AS OFTEN AS LANDLORD SHALL FIND IT NECESSARY AND DESIRABLE AND AT ALL TIMES UNTIL FULL PAYMENT OF ALL AMOUNTS DUE HEREUNDER. LANDLORD MAY CONFESS ONE OR MORE JUDGMENTS IN THE SAME OR DIFFERENT JURISDICTIONS FOR ALL OR ANY PART OF GUARANTOR'S OBLIGATIONS ARISING HEREUNDER, WITHOUT REGARD TO WHETHER JUDGMENT HAS THERETOFORE BEEN CONFESSED ON MORE THAN ONE OCCASION FOR THE SAME OBLIGATIONS. IN THE EVENT THAT ANY JUDGMENT CONFESSED AGAINST GUARANTOR IS STRICKEN OR OPENED UPON APPLICATION BY OR ON BEHALF OF GUARANTOR FOR ANY REASON, LANDLORD IS HEREBY AUTHORIZED AND EMPOWERED TO AGAIN APPEAR FOR AND CONFESS JUDGMENT AGAINST GUARANTOR FOR ANY PART OR ALL OF THE OBLIGATIONS DUE AND OWING UNDER THIS GUARANTY, AS HEREIN PROVIDED.

8. If Guarantor shall advance any sums to Tenant or its successors or assigns, or if Tenant or its successors or assigns shall be or shall hereafter become indebted to Guarantor, such sums and indebtedness shall be subordinate in all respects to the amounts then or thereafter due and owing to Landlord under the Lease and Landlord under this Guaranty. Nothing herein contained shall be construed to give Guarantor any right of subrogation in and to Landlord's rights under or interest in the Lease until all amounts owing to Landlord from Tenant under the Lease have been paid in full.

9. The Guarantor hereby waives:

A. All notices, including but not limited to (i) notice of acceptance of this Guaranty; (ii) notice of presentation, demand for payment or protest;

B. All defenses, offsets and counterclaims which Guarantor may at any time have to any action or proceeding of any kind that may be instituted on this Guaranty;

10. All notices and communications ("Notice") under this Guaranty shall be in writing and shall be given by either (a) hand-delivery, (b) first class mail (postage prepaid), or (c) a reliable overnight commercial courier (charges prepaid), to the addresses listed in this Guaranty. Notice shall be deemed to have been given and received: (i) if by hand delivery, upon delivery; (ii) if by mail, three (3) business days after the date first deposited in the United States mail; and (iii) if by overnight courier, on the date scheduled

for delivery. A party may change its address by giving written notice to the other party as specified herein.

11. All rights and remedies afforded to the Landlord by reason of this Guaranty, the Lease or by law are separate and cumulative and the exercise of one shall not in any way limit or prejudice the exercise of any other or such rights or remedies. No delay or omission by the Landlord in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any right or remedy hereunder, and no modification or amendment hereof, shall be deemed made by Landlord unless in writing and duly signed by Landlord. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of Landlord, and no single or partial exercise of any right or remedy hereunder shall preclude other or further exercise thereof or of any other right or remedy.

12. Each party hereto hereby waives any right which it may otherwise have at law or in equity to a trial by jury in connection with any suit or proceeding at law or in equity brought by the other against the waiving party or which otherwise relates to this Guaranty, as a result of an Event of Default or otherwise.

13. It is agreed and understood that this Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

14. This Guaranty shall inure to the benefit of, and be enforceable by Landlord and its successors and assigns, and shall be binding upon and enforceable against, Guarantor and his or its heirs, executors, administrators, successors and assigns.

15. If claim is ever made upon Landlord for repayment or recovery of any amount or amounts received by Landlord in payment of the obligations of Tenant to Landlord, and Landlord repays all or part of said amount by reasons of (a) any judgment, decree or order of any court or administrative body having jurisdiction over Landlord or any of its property, or (b) any settlement or compromise of any such claim effected by Landlord with any such claimant (other than Guarantor), then Guarantor agrees that he shall be bound by any such judgment, decree, order, settlement or compromise, notwithstanding any revocation hereof or the cancellation of the Lease, and Guarantor shall be and remain liable to Landlord for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Landlord.

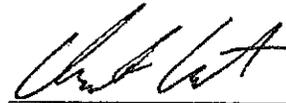
16. If any part of this Guaranty is adjudged illegal, invalid, unenforceable, amended or modified, the remainder shall not be affected thereby.

17. If Guarantor consists of more than one person or entity, the word "Guarantor" shall mean each of them and their liability shall be joint and several. The liability of Guarantor shall also be joint and several with the liability of any other guarantor under any other guaranty.

18. This Guaranty may not be modified or amended except by a written agreement duly executed by the Guarantor with the consent in writing thereon of the Landlord.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal the day and year first above written.


WITNESS

 (SEAL)
CHRISTOPHER CURTIN



Borough of West Chester

From the desk of the Chief Information Officer

401 EAST GAY STREET

WEST CHESTER, PENNSYLVANIA 19380

TELEPHONE: 610-436-1327

WILLIAM MANN

Chief Information Officer
CGCIO™
wctechblog.com

KAIZEN COMMITTEE – May 10, 2016

Brian Abbott chaired the committee meeting. Council Members Don Braceland & Diane LeBold were in attendance as well.

CIO William Mann & Borough Manager Michael A. Cotter were present.

1. Comments, suggestions, petitions by residents in attendance regarding items not on the agenda.

None.

2. Skype for Business – Post Project Report

CIO William Mann gave a post project report of the new Skype for Business VoIP system which went live on May 2, 2016.

3. Strategic Visioning Updated

Tabled until Worksession.

4. Discuss Digital Document Management – Project Outlook

CIO William Mann gave a report that stated he had started the project planning with a visioning meeting (with Springhouse) and that start of a statement of work has begun. The project is expected to begin within the next two months. The project is expected to last more than a year.

5. Discuss April Minutes

Passed 3-0.

6. Other Business

Diane LeBold asked about the status of the requested "Initiatives Page" on the Borough website. The Borough Manager reported that he should have a draft policy in time for the Worksession. CIO Mann reported that the website has been designed and an online form will be made available once the policy is drafted.