**LEASE AGREEMENT**

This Lease Agreement (the “Lease”) made on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2016, by and between the **LOWER MAKEFIELD TOWNSHIP** a political subdivision of the Commonwealth of Pennsylvania, maintaining a principal place of business at 1100 Edgewood Road, Yardley, Pennsylvania 19067 (the “Township”) and the **ARTISTS OF YARDLEY,** a Pennsylvania nonprofit corporation maintaining a principal place of business at 949 Mirror Lake Road, Yardley, Pennsylvania 19067 (the “Lessee”) (each, a “Party” and collectively, the “Parties”).

WITNESSETH:

WHEREAS, the Township is the owner of a certain parcel of real property known as the Patterson Farm, which said farm is improved by various buildings and improvements; and

WHEREAS, the Property (hereinafter defined) contains a historic two-story farmhouse known as the “Janney-Brown Farmhouse” (the “Farmhouse”); and

WHEREAS, the Township, as landlord, desires to demise, lease and let to the Lessee, as tenant, only the Farmhouse; and

WHEREAS, the Lessee desires to lease only the Leased Premises (hereinafter defined) from the Township, all upon the terms and conditions as set forth herein.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

I. Definitions.

A. Property. “Property” means all the buildings and improvements, including but not limited to the Farmhouse, located at Route 332 and Mirror Lake Road, Lower Makefield Township, Bucks County, Pennsylvania 19067, with tax map parcel number: 20-16-49.

B. Leased Premises. The “Leased Premises” means the Janney-Brown Farmhouse, the lawn immediately surrounding it, and the small garage previously utilized by the Lessee for storage, as described in Exhibit ''A” and incorporated herein, located at 949 Mirror Lake Road, Lower Makefield Township, Bucks County, Pennsylvania 19067.

C. Lease Commencement Date. The “Lease Commencement Date” shall be September 1, 2016.

D. Lease Year. The “Lease Year” shall mean each consecutive period of twelve (12) months commencing on the Lease Commencement Date (or the first day of the month after the Lease Commencement Date, if the Lease Commencement date occurs on any day other than the first day of the month) and each yearly anniversary of such date during the term hereof.

E. Term. The term of the Lease (the “Term”) shall be for a period of ten (10) years commencing on the Lease Commencement Date, and shall expire on August 31, 2026, unless extended or terminated pursuant to the terms hereof. *Lessee has the option, upon 90 days’ notice, to extend the lease for a period for up to an additional five (5) years. In such circumstances, all terms of this lease, including, but not limited to, the amount of rental payments, are subject to re-negotiation.*

F. Intended Use of the Leased Premises. The “Intended Use” means, except as noted hereafter in this Lease, the Leased Premises shall be used exclusively for meetings, exhibitions, auctions, educational facilities, classes, fundraising activities and the like in connection with Lessee's mission of supporting and encouraging all forms of art. In addition to the Leased Premises, Lessee shall be authorized to use *primarily* the roadway or driveway to the Leased Premises at 949 Mirror Lake Road for the purpose of ingress and egress to and from the Leased Premises. *When necessary Lessee shall have the right to use other Township-owned roads and driveways across the Property for ingress and egress, especially during times of heavy traffic, e.g., events, shows and camp drop off/pick up*. Except as noted hereafter, Lessee shall not be permitted to use the Leased Premises for any other use whatsoever without the prior written consent of the Township. *Said approvals, permits and the like shall not be unreasonably withheld.*

II. Lease.

A. Lease of the Leased Premises. The Township hereby demises, leases and lets to Lessee, and Lessee hereby leases from the Township the Leased Premises.

B. Use of Leased Premises. The Leased Premises may be used and occupied for solely for the purposes as set forth in Article 1, Section F of this Lease *unless Lessee receives* *prior written approval from the township*, and for no other purpose. It shall be Lessee's obligation, at its sole cost and expense, to secure any and all required approvals, certifications, permits, and the like from the Township or any other governmental agency having jurisdiction over such matters.

C. Term. The Term of the Lease is as set forth in Article 1, Section E of this Lease.

D. Termination of Original Lease. By executing this Lease, the parties hereto acknowledge and agree that the lease agreement dated as of September 27, 2010 (“Original Lease”), shall be terminated and have no further effect as of the Lease Commencement Date, except to the extent provisions of the Original Lease are expressly stated therein to survive termination. Notwithstanding any provision contained in the Original Lease to the contrary, the Parties hereto expressly waive the repair requirement set forth in Exhibit A of the Original Lease that Lessee paint the entire exterior of pole barn and *agree* that Lessee’s failure to so perform such repair shall not constitute a default under the Original Lease.

*E. Termination for Convenience. This Agreement may be terminated by the Lessee at any time upon no less than one-hundred twenty (120) days’ written notice to the Township. All payments due and owing to the Township in the 120-day period must be maintained for this condition to be relied upon by Lessee. In default of same, all other provisions of this Agreement remain in full force and effect.*

*F*. Conditions Precedent. If not previously provided to the Township, theLessee shall provide to the Township the following documents within thirty (30) days following the execution of this Lease, and in no event later than the Commencement Date:

1. Current certificate of good standing for Lessee from the Pennsylvania Department of State;

2. Copy of current Bylaws of Lessee;

3. Certified copy of the Articles of Incorporation by Lessee;

4. Certified and executed Resolution of the Lessee appointing the officers and directors of the Lessee and authorizing the Lessee to enter into this Lease;

5. Certification of the Lessee that Lessee is a Pennsylvania nonprofit organization that provides community service within Lower Makefield Township, Bucks County Pennsylvania;

6. Evidence that Lessee has been designated as a tax exempt organization under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended;

7. A copy of the Lessee’s most recently filed Form 990 or other annual informational filing with the Internal Revenue Service; and

8. Proof that Lessee currently maintains insurance in such amounts, as required hereunder, with an insurance policy provided that is acceptable to the Township, along with Certificates of Insurance that designate the Township as loss payee and an additional insured.

G. Rent.

1. Initially, rent shall be fixed at $1,000.00 per month (the “Base Rent”), commencing on the Lease Commencement Date, and continuing through and including August 31, 2017 (the “Initial Lease Year”).

2. The Base Rent shall be adjusted by Township at the conclusion of the Initial Lease Year and each Lease Year thereafter (the “Adjusted Base Rent”, and together with Base Rent, “Rent”) as provided herein. Rent shall be adjusted by the percentage increase in the Consumer Price Index, as calculated by the U.S. Department of Labor, for CPI-U, U.S. City Average, All Items (“CPI-U”), which rate shall not exceed five percent (5.00%) of the Base Rent or the Adjusted Base Rent, as the case may be, for the immediately preceding Initial Lease Year or Lease Year, as the case may be. This adjustment will take place on the first day of each Lease Year (“Adjustment Date”). The base for the adjustment will be the CPI-U figure last published by the U.S. Department of Labor in the calendar year immediately preceding the Adjustment Date, which shall be no later than December 31. As an example, the Adjusted Base Rent for the 2017-2018 Lease Year, which begins on September 1, 2017, will be calculated based on the CPI-U published on or about December 31, 2016. For each succeeding Lease Year, the same procedure will be applied. In the event the above referenced CPI-U figure last published in a calendar year is zero or a negative number, the Rent, as of the Adjustment Date for the immediately succeeding Lease Year, shall remain at the same Rent rate as that of the immediately preceding Lease Year.

3. Lessee may be permitted to offset Rent payments pursuant to provisions of this Section G. by undertaking and completing major repairs to the Leased Premises (“Credit”), but no such Credit shall be afforded unless the work proposed to be completed, as Credit, has been preapproved by the Board of Supervisors of the Township, in its sole discretion, at a public meeting, which said approval shall include the scope of the work and the estimated cost of the work. Furthermore, no Credit shall be given until such time as the work is completed in a good and workmanlike manner to the satisfaction of the Township and fully paid for by the Lessee.

H. Additional Rent. In addition to the Rent, as additional rent (the “Additional Rent”), hereunder, Lessee shall pay to the Township on or before ten (10) days after receipt of notice from the Township of such Additional Rent, the following: (1) all sums which may become due by reason of the failure of Lessee to comply with any of the terms, covenants, and conditions of this Lease to be kept and observed by the Lessee; (2) any and all damages, costs, and expenses, including without limitation thereto, reasonable attorney's fees, which the Township may suffer or incur by reason of any default of Lessee; and (3) any damages to the Leased Premises caused by any act, neglect, or omission of the Lessee.

I Late Charge and Interest. If any installment of Rent or Additional Rent shall become overdue for a period in excess of ten (10) days, then a late charge of five percent (5.00%) of the Rent and/or Additional Rent shall be paid to the Township for the purpose of defraying the expense incidental to handling such delinquent payment. In addition to this five (5%) percent late charge, any Rent and/or Additional Rent payments which are received by the Township beyond (60) days after such payment is due shall be subject to interest charges in the amount of an additional one-half (1/2) of one (1%) percent per month continuing until said late payment is made.

J. Parking. Except as otherwise provided in this Section I, parking at the Leased Premises shall be restricted *primarily* to the parking area designated in Exhibit “A” attached hereto and incorporated herein. The parking area so designated shall be able to accommodate **[\_\_\_]** parking spots. Lessee may submit a request to the Township for additional parking spaces or relief from the parking area designated herein, on a temporary basis or for the Term hereof, provided that such request is received, in writing, by the Township at least thirty (30) days prior to the date that such additional parking spaces or relief is requested, *or in such time prior to any event as is practicable*. Township may grant or deny any such request at its sole and absolute discretion. Any temporary parking relief shall be subject to parking permit requirements, if any, established by the Township.

K. Alcohol. Use or possession of alcohol on the Leased Premises, by Lessee or during any Event, shall require prior approval by the Township, *in the event the number of participants exceeds fifty (50), in such circumstances thirty (30) days’ notice shall be provided*. *Lessee* shall comply at all times with applicable federal, state and local law and regulation.

L. Reserved.

M. Security Deposit.

1. Payment of Security Deposit. The Township acknowledges that the Lessee deposited with the Township contemporaneously with the execution of the Original Lease, the sum of One Thousand Two Hundred Fifty ($1,250.00) Dollars, which shall be transferred as a security deposit for this Lease (“Security Deposit”). Said Security Deposit is intended as security for the full and faithful performance of every provision of this Lease to be performed by Lessee. If Lessee defaults with respect to any provision of this Lease, the Township may use, apply, or retain all or any part of the Security Deposit for the payment of any Rent, Additional Rent or any sum due from Lessee or for the payment of any amount, which Township may spend or become obligated as a reason of Lessee's default. If any portion of the Security Deposit is used or applied, Lessee shall, within ten (10) days of written demand, deposit cash with Township in an amount sufficient to restore the Security Deposit to its original amount, and Lessee's failure to do so shall be an event of default of this Lease. This Security Deposit may not set off other charges, fees, or rents, including but not limited to any Rent or Additional Rent imposed hereunder.

2. Return of Security Deposit. If the Lessee performs all of Lessee's obligations hereunder, the Security Deposit, or so much thereof as had not been applied by the Township, shall be returned to Lessee without interest (or at the Township's option, to the last assignee, if any, of Lessee's interest hereunder) at the expiration of the Term hereof, and after Lessee has vacated the Leased Premises. No trust relationship is established herein between the Township and Lessee with respect to said Security Deposit.

N. Possession. Possession of the Leased Premises under the terms of this Lease shall be given to Lessee by the Township at the Lease Commencement Date, but there shall be no obligation to provide any keys since the Lessee will be continuing with its possession of the Leased Premises following the expiration of the Original Lease. The parties acknowledge and agree that the Leased Premises are accepted by the Lessee in its existing “As-Is” “Where-Is” condition of the date of the execution of this Lease. Lessee warrants that, prior to the execution of this Lease, it has completely inspected the Leased Premises, has occupied the Leased Premises for the preceding five (5) years, and accepts same on the condition existing at the date of execution hereof. Furthermore, Lessee acknowledges that the Township is in full and complete compliance with all of the terms and conditions of the Original Lease and that the Township has no outstanding obligations owed to the Lessee pursuant thereto.

O. Obligations of the Parties. The Parties hereto shall be responsible for the payment of all costs, expenses, assessments, or other charges whatsoever during the Term of the Lease, following the Lease Commencement Date, in the following matter.

1. Lessee shall be solely responsible for:

a. All utilities used on the Leased Premises.

b. All insurance required to be maintained on the Leased Premises as set forth in this Lease, which said insurance shall name the Township loss payee and as an additional insured.

2. The Township shall be solely responsible for:

a. All real estate taxes assessed against the Leased Premises following the Lease Commencement Date and due during the Term of this Lease.

b. All municipal water charges.

*c. Fire and Casualty insurance on the Leased Premises, providing replacement value coverage.*

P. Cleaning. Lessee shall be responsible for cleaning and waste removal of the Leased Premises. All refuse and/or garbage materials resulting from Lessee's use of the Leased Premises, or any event, will be disposed of at times and in a manner approved by the Township.

Q. Maintenance, Alterations and Repairs.

1. Maintenance and Repairs.

(a) Lessee, at Lessee's sole expense, shall be responsible for the routine maintenance and repair of the Leased Premises, the landscaping, and sidewalks, and any snow removal at the Leased Premises, but the Township shall be responsible for maintenance, repair and snow removal related to the access drive. For the purpose of this Lease, routine maintenance and repair shall not include the maintenance or repair to major structural systems, such as the roof, foundation, walls, floors, heater, hot water heater, electrical system, plumbing system, and any repairs that exceed Five Hundred ($500.00) Dollars in estimated cost, unless any of such repairs shall be due to the acts or omissions of Lessee, in which case, Lessee shall be obligated to make such repairs.

(b) Notwithstanding the foregoing obligations, Lessee may request reimbursement of all or a portion of costs incurred by Lessee for certain repairs and maintenance subject to the following: in the event any individual maintenance or repair project at the Leased Premises, for which Lessee desires reimbursement, costs less than or equal to Five Hundred ($500) Dollars, Lessee shall undertake such maintenance or repair project and may submit supporting documentation required by the Township for potential reimbursement prior to commencing such project, subject to review and approval or denial by the Township, in its sole and absolute discretion. Unless an emergency shall occur, any maintenance or repair project at the Leased Premises undertaken by Lessee which costs more than Five Hundred ($500) Dollars but less than or equal to Two Thousand Five Hundred ($2,500), shall require the prior review and written approval of the Township Manager or his/her designee and, following approval, Lessee may submit supporting documentation required by the Township for reimbursement, subject to review and approval or denial by the Township, in its sole and absolute discretion. Unless an emergency shall occur, any maintenance or repair project at the Leased Premises undertaken by Lessee which costs more than Two Thousand Five Hundred ($2,500) Dollars, shall require the prior review and written approval of the Board of Supervisors of the Township at a public meeting and, following approval, Lessee shall submit supporting documentation required by the Township for reimbursement, subject to review and approval or denial by the Township, in its sole and absolute discretion. In the event any emergency shall occur which requires maintenance or repair at the Leased Premises, Lessee shall notify the Township Manager or his/her designee, immediately and may undertake only such maintenance or repairs which relieve the immediate emergency. Upon the alleviation of the immediate emergency, Lessee shall provide submit supporting documentation required by the Township for reimbursement within three (3) business days after the emergency, subject to review and challenge by the Township.

2. Alterations. Only upon receipt of the Township's prior written consent, following review by the Township’s Historic Architecture Review Board and Historic Commission, to the extent applicable, may Lessee make alterations or modifications to the Leased Premises necessary for Lessee's use of the Leased Premises, but no alterations or modifications shall reduce the fair market value of the Leased Premises or violate any applicable law, ordinance, regulation, or order. Prior to commencing any alterations, Lessee must: (i) present its plan for such alterations to the Township’s Historic Architecture Review Board and Historic Commission at least sixty (60) days prior to the date set to commence such alterations, to the extent necessary; (ii) after review and approval of the Lessee’s plan for such alterations the Township’s Historic Architecture Review Board and Historic Commission, if any, present its plan for such alterations to the Township at least thirty (30) days prior to the date set to commence such alterations; obtain the prior written consent of the Township to engage in such alterations; and (iii) secure and pay for all applicable permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. The Township's approval shall be manifested by action of the Township Board of Supervisors. The Township's prior written consent may not be unreasonably withheld or delayed. Any alterations by Lessee shall be made promptly (unavoidable delays excepted) and in good and workmanlike manner and in compliance with all applicable permits, authorizations, and building and zoning laws and with all other requirements of all governmental authorities having jurisdiction and any national or local board of fire underwriters or any other body hereafter exercising functions similar to those of any of the foregoing.

R. Events of Default- Remedies.

1. The following events, or any one or more of them, shall be an “Event of Default” under the Lease:

a. Lessee shall fail to pay any Rent or any Additional Rent or other sums payable hereunder when the same are due and payable; or

b. Lessee shall fail to perform or comply with any of the other terms, covenants, agreements, or conditions hereof; or

c. Lessee shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy or shall be adjudged bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, or shall file an answer admitting or not contesting the material allegations of a petition against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Lessee, or any material part of its property; or

d. If within sixty (60) days after commencement of any proceedings against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, or dissolution or similar relief under any present or future statute, law, or regulation, such proceedings shall not have been dismissed if within sixty (60) days after the appointment without the consent or acquiescence of Lessee of any trustee, receiver or liquidator of the Lessee or any material part of its properties, such appointment shall not have been vacated;

e. Lessee shall cease to be a nonprofit corporation in good standing with the Commonwealth of Pennsylvania; or

f. Lessee shall cease to be a nonprofit corporation providing or rendering community service in Lower Makefield Township, Bucks County, Pennsylvania.

2. In the event of any such Event of Default (regardless of the pendency of any proceeding which has or might have the effect of preventing Lessee from complying with the terms of this Lease), the Township, at any time thereafter, may exercise any one or more of the following remedies:

a. Exclusion. The Township may change the locks on the Leased Premises and exclude Lessee, its servants, and employees from the right to occupy the Leased Premises, and such action shall not be deemed to constitute any eviction or surrender of the Lease by Lessee. Such action may be taken without prior notice to Lessee, and Lessee hereby releases the Township from any liability for any damages sustained by Lessee or its property arising from said changing of locks and exclusion from the Leased Premises, and Lessee hereby agrees to indemnify and save the Township harmless from any such liability. In addition, Rent shall not abate during the period of said exclusion. *Lessee shall have ten (10) days’ notice of exclusion so that members, et. al. have the opportunity to remove their property;*

b. Termination of Lease. The Township may terminate this Lease, by notice to Lessee (the “Termination Notice”) setting forth the date of the lease termination (the “Lease Termination Date''), without any right by Lessee to reinstate its rights by payment of Rent or Additional Rent due or other performance of the terms and conditions hereof. On or before the Lease Termination Date, Lessee shall surrender possession of the Leased Premises to the Township and restore the Leased Premises to the condition required by the terms and conditions of this Lease. *The Township shall immediately become entitled to receive from Lessee all unpaid installments of Rent, Additional Rent, Holdover Rent (hereinafter defined), and other charges hereunder, accruing up to and including the Restoration Date (hereinafter defined).*

c. Re-Leasing. Without terminating this Lease, the Township may re-enter and repossess the Leased Premises or any part thereof, which shall not constitute an eviction or a surrender of the Lease by Lessee, and lease them to any other person upon such terms as the Township shall deem reasonable for a term within or beyond the Term of this Lease; provided, however, that any such re­leasing prior to termination shall be for the account of Lessee, and Lessee shall remain liable for:

i. the costs of undertaking and completing any repairs or any other work required as a result of Lessee's default, plus all additional or other sums that may be payable under this Lease by Lessee in the absence of such expiration, termination, or repossession, less

ii. the net proceeds, if any, of any re-leasing effort shall be applied to the account of Lessee after deducting from such proceeds without limitation, all repossession costs, broker's commissions, attorneys' fees and expenses, employees' expenses, alteration costs, and expenses of preparation for such re-leasing. If the Leased Premises are, at the time of default, sublet or leased by Lessee to others, the Township may, as Lessee's agent, collect rents due from any subtenant or other tenant and apply such rents to the rent and other obligations due hereunder without in any way affecting Lessee's obligations to the Township hereunder. Such agency, being given for security, is hereby declared to be irrevocable.

3. Except as expressly provided herein, no repossession of the Leased Premises or any part thereof or exclusion of Lessee from the Leased Premises pursuant to subparagraph 2 above or otherwise shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive such exclusion, expiration, or repossession, and the Township may, at its option, sue for and collect rent and other charges due hereunder at any time and from time to time as and when such charges accrue or are accelerated.

4. With respect to any portion of the Leased Premises, which is vacant or which is physically occupied by Lessee, the Township may remove all persons and property therefrom and store such property in a public warehouse or elsewhere at the cost of and for the account of Lessee, without service of notice or resort to legal process (all of which Lessee expressly waives) and without being deemed guilty of trespass or becoming liable for any loss or damaged which may be occasioned thereby. The Township shall have a lien for the payment of all sums agreed to be paid by Lessee herein upon all Lessee's property, which lien is to be in addition to any landlord's lien now or hereafter provided by law.

5. **THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATION OF THE TOWNSHIP AND LESSEE, LESSEE'S USE OR OCCUPANCY OF THE LEASED PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGES.** I n the event the Township commences any proceedings for failure to comply with the terms and conditions of this Lease, Lessee shall not interpose any counterclaim of any nature or description in such proceedings. This shall not be construed, however, as a waiver of Lessee's right to assert such claims in separate action brought by Lessee.'

6. Lessee hereby expressly waives all rights of redemption granted by or under any present or future law in the event this Lease is terminated or Lessee is evicted or dispossessed by reason of violation by Lessee of any of the provisions of this Lease.

7. In the event of breach or threatened breach by Lessee of any provision of this Lease, the Township shall have the right of injunction as if other remedies were not provided for herein.

8. No right or remedy herein conferred upon or reserved to the Township is intended to be exclusive of any other right or remedy herein or by law provided, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute.

9. If Lessee shall default in the performance of any covenant required to be performed by it under this Lease, the Township may perform the same for the account and at the expense of Lessee. If the Township at any time is compelled to pay or elects to pay any sum of money by reason of the failure of lessee to comply with any provisions hereof, or if the Township is compelled to incur any expense, including reasonable counsel fees, in instituting, prosecuting, or defending against any action or proceedings instituted by reason of any default of Lessee hereunder, the amount of such payments or expenses shall be paid by Lessee to the Township as Additional Rent, with ten (10) business days next following such payment or the incurring of such expenses, together with interest thereon at the rate set forth herein.

10. No waiver by the Township of any breach by Lessee of any of its obligations, agreements, or covenants hereunder shall be a waiver of any subsequent breach or of any other obligation, agreement, or covenant, nor shall any forbearance by the Township to seek a remedy for any breach by Lessee be a waiver by the Township of its rights and remedies with respect to such or any subsequent breach.

11. Lessee expressly waives any right of defense which it may have based on any purported merger of any cause of action, and neither the commencement of any actions or proceedings nor the settlement thereof or the entering of judgment therein shall bar the Township from bringing subsequent actions or proceedings from time to time.

 **12. THE FOLLOWING SECTIONS SET FORTH WARRANTS OF AUTHORITY FOR ANY ATTORNEY TO CONFESS JUDGMENT AGAINST THE LESSEE, AND TO HAVE LESSEE’S PROPERTY SEIZED OR OTHERWISE SUBJECTED TO ATTACHMENT OR OTHER EXECUTION PROCESS IMMEDIATELY AFTER THE CONFESSED JUDGMENT IS ENTERED. IN GRANTING THESE WARRANTS OF ATTORNEY, LESSEE CONFIRMS, REPRESENTS AND WARRANTS THAT: THIS LEASE IS A COMMERCIAL TRANSACTION WHICH HAS BEEN ENTERED INTO FOR BUSINESS PURPOSES; LESSEE HAS INDIVIDUAL ANNUAL INCOME GREATER THAN $10,000.00; A REPRESENTATIVE OF TOWNSHIP SPECIFICALLY CALLED THE CONFESSION OF JUDGMENT PROVISIONS IN THIS LEASE TO LESSEE’S ATTENTION AND/OR THAT LESSEE HAS HAD AN OPPORTUNITY TO CONSULT WITH AND WAS REPRESENTED BY LEGAL COUNSEL ABOUT THIS MATTER AND LESSEE’S NEGOTIATION AND EXECUTION OF THIS LEASE, INCLUDING SPECIFICALLY THE CONFESSION OF JUDGMENT PROVISIONS, AND THAT LESSEE’S OWN LEGAL COUNSEL DID SO; IT IS LESSEE’S REASONABLE EXPECTATION THAT IN AN EVENT OF DEFAULT UNDER THE LEASE, THE TOWNSHIP SHALL HAVE THE RIGHT TO CONFESS JUDGMENT AGAINST THE LESSEE AND LESSEE ACKNOWLEDGES THAT SUCH ACTIONS BY THE TOWNSHIP ARE NOT CONTRARY TO THE LESSEE’S BEST INTEREST AND DO NOT CONSTITUTE AN ABSENCE OF GOOD FAITH OR AN ACTION BEYOND THE TOWNSHIP’S SCOPE OF AUTHORITY; LESSEE ACTS KNOWINGLY, INTENTIONALLY, WILLINGLY, FREELY AND VOLUNTARILY, AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS THE LESSEE HAS OR MAY HAVE TO PRIOR NOTICE AND AN OPPORTUNITY FOR HEARING UNDER THE RESPECTIVE CONSTITUTIONS OF AND LAWS OF THE UNITED STATES OF AMERICA AND THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE. IT IS SPECIFICALLY ACKNOWLEDGED BY THE LESSEE THAT THE TOWNSHIP HAS RELIED ON THESE WARRANTS OF ATTORNEY AND LESSEE’S GRANTING OF THE CONFESSION OF JUDGMENT PROVISIONS IN THIS LEASE AS CONDITIONS REQUIRED BY THE TOWNSHIP IN EXECUTING THIS LEASE AND AS AN INDUCEMENT TO GRANT THE FINANCIAL ACCOMMODATIONS HEREUNDER, ALL OF WHICH ARE BENEFICIAL TO THE LESSEE.**

 **(a). LESSEE EXPRESSLY WARRANTS AND REPRESENTS THAT THE FOLLOWING WARRANTS OF ATTORNEY TO CONFESS JUDGMENT HAVE BEEN AUTHORIZED EXPRESSLY BY PROPER ACTION OF THE BOARD OF DIRECTORS, MEMBERS OR PARTNERS, AS AND IF APPLICABLE, OF LESSEE.**

 **(b). NOTWITHSTANDING ANYTHING IN THE LEASE TO THE CONTRARY, THESE PARAGRAPHS AND THE AUTHORITY GRANTED BY LESSEE THEREIN ARE NOT AND SHALL NOT BE CONSTRUED TO CONSTITUTE A “POWER OF ATTORNEY” AND ARE NOT GOVERNED BY THE PROVISIONS OF 20 PA. C. S. CHAPTER 56. FURTHERMORE, AN ATTORNEY OR OTHER PERSON OR ENTITY ACTING UNDER THESE PARAGRAPHS SHALL NOT HAVE ANY FIDUCIARY OBLIGATIONS TO LESSEE AND, WITHOUT LIMITING THE FOREGOING, SHALL HAVE NO DUTY TO: (1) EXERCISE THE POWERS FOR THE BENEFIT OF LESSEE, (2) KEEP SEPARATE ANY ASSETS OF LESSEE FROM THOSE OF SUCH ATTORNEY, OTHER PERSON OR ENTITY OR TOWNSHIP, (3) EXERCISE REASONABLE CAUTION AND PRUDENCE ON BEHALF OF LESSEE, OR (4) KEEP A FULL AND ACCURATE RECORD OF ALL ACTIONS, RECEIPTS AND DISBURSEMENTS ON BEHALF OF LESSEE.**

 **(c). IN THE EVENT OF ANY DEFAULT BY LESSEE EITHER IN THE PAYMENT OF RENT, BASE RENT, ADDITIONAL RENT, OR ANY OTHER SUM TO BE PAID BY LESSEE HEREUNDER, OR IN THE PERFORMANCE OF ANY OF THE TERMS, CONDITIONS, PROVISIONS AND COVENANTS HEREIN SET FORTH, EITHER DURING THE TERM OF THIS LEASE, THE OPTION TERM(S), OR ANY EXTENSION THEREOF OR AFTER THE EXPIRATION OF THE TERM OR SOONER TERMINATION THEREOF, OR DURING ANY HOLDOVER PERIOD BY THE LESSEE, LESSEE HEREBY EMPOWERS ANY PROTHONOTARY OR ATTORNEY OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA TO APPEAR FOR LESSEE IN ANY AND ALL ACTIONS WHICH MAY BE BROUGHT AGAINST LESSEE FOR RENT, BASE RENT, ADDITIONAL RENT OR OTHER SUMS, CHARGES, PAYMENTS, COSTS AND EXPENSES RESERVED AS RENT, OR AGREED TO BE PAID BY THE LESSEE, WITH OR WITHOUT DECLARATION FILED, AS OF ANY TERM, AND TO CONFESS JUDGMENT AGAINST LESSEE FOR ALL OR ANY PART OF SUCH SUMS THEN DUE, AND OTHER CHARGES, PAYMENTS, COSTS AND EXPENSES RESERVED AS RENT, BASE RENT, ADDITIONAL RENT, OR AGREED TO BE PAID BY THE LESSEE, AND FOR LATE FEES, INTEREST AND COSTS AND AT TOWNSHIP’S OPTION, ANY SUMS TO BECOME DUE FOR THE ENTIRE UNEXPIRED BALANCE OF THE TERM OF THE LEASE, TOGETHER WITH AN ATTORNEYS' COMMISSION OF TWENTY PERCENT (20%), BUT IN NO CASE LESS THAN $7,500.00. SUCH AUTHORITY SHALL NOT BE EXHAUSTED BY ONE EXERCISE THEREOF, BUT JUDGMENT MAY BE CONFESSED AS AFORESAID FROM TIME TO TIME AND AFTER AS ANY OF SAID RENT, BASE RENT, ADDITIONAL RENT, OR OTHER CHARGES RESERVED AS RENT SHALL FALL DUE OR BE IN ARREARS, AND SUCH POWERS MAY BE EXERCISED DURING THE TERM, OPTION TERM(S), OR DURING ANY EXTENSION OR RENEWAL TERM, OR AFTER THE EXPIRATION OF ANY SUCH TERM.**

 **(d). IN THE EVENT THAT, AND WHEN, EITHER: (1) THE LEASE SHALL BE TERMINATED BY TERM, COVENANT, LIMITATION OR CONDITION BROKEN, AS AFORESAID, EITHER DURING THE TERM, OPTION TERM(S), OR ANY EXTENSION THEREOF, AND ALSO WHEN AND AS SOON AS THE TERM HEREBY CREATED, OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED, OR (2) LESSEE IS IN BREACH OF THIS LEASE; LESSEE HEREBY EMPOWERS ANY PROTHONOTARY OR ATTORNEY OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA TO APPEAR FOR AND CONFESS JUDGMENT AGAINST LESSEE IN ANY AND ALL ACTIONS BROUGHT HEREUNDER BY TOWNSHIP TO RECOVER POSSESSION FROM TIME TO TIME OF THE LEASED PREMISES, WITHOUT ANY STAY OF EXECUTION OR APPEAL. SUCH JUDGMENT FOR POSSESSION SHALL BE BINDING UPON LESSEE AND ALL PERSONS CLAIMING UNDER LESSEE, AND LESSEE AGREES THAT UPON THE ENTRY OF EACH SUCH JUDGMENT FOR POSSESSION, A WRIT OF POSSESSION OR OTHER APPROPRIATE PROCESS MAY ISSUE FORTHWITH WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE LEASED PREMISES IS RETAINED BY OR RESTORED TO LESSEE, TOWNSHIP SHALL HAVE THE RIGHT IN THE EVENT OF ANY SUBSEQUENT DEFAULT OR DEFAULTS TO BRING ONE OR MORE FURTHER ACTIONS IN THE MANNER AND FORM HEREINABOVE SET FORTH TO RECOVER POSSESSION OF SAID LEASED PREMISES FOR SUCH SUBSEQUENT DEFAULT. NO SUCH DETERMINATION OF THIS LEASE, TAKING, NOR RECOVERING POSSESSION OF THE LEASED PREMISES SHALL DEPRIVE TOWNSHIP OF ANY REMEDIES OR ACTION AGAINST LESSEE FOR RENT, BASE RENT, ADDITIONAL RENT, OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT OR CONDITION OF THE LEASE, NOR DEPRIVE TOWNSHIP OF THE RIGHT TO RESORT TO ANY OTHER REMEDY HEREIN PROVIDED IN THE EVENT OF LESSEE'S DEFAULT HEREUNDER.**

 **(e). IN ANY ACTION FOR POSSESSION AS SET FORTH ABOVE IN THIS SECTION Q, TOWNSHIP SHALL FIRST CAUSE TO BE FILED IN ANY SUCH ACTION AN AFFIDAVIT MADE BY IT OR SOME PERSON ACTING FOR IT SETTING FORTH THE FACTS NECESSARY TO AUTHORIZE THE ENTRY OF JUDGMENT, OF WHICH FACTS SUCH AFFIDAVIT SHALL BE CONCLUSIVE EVIDENCE, AND, IF A TRUE COPY OF THIS LEASE BE FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.**

 **(f). LESSEE ACKNOWLEDGES THAT IT UNDERSTANDS THE MEANING AND EFFECT OF THE CONFESSIONS OF JUDGMENT CONTAINED IN THIS SECTION Q, SPECIFICALLY, LESSEE UNDERSTANDS AMONG OTHER THINGS THAT (1) IT IS RELINQUISHING THE RIGHT TO HAVE NOTICE (EXCEPT AS MAY BE PROVIDED HEREIN), AN OPPORTUNITY TO BE HEARD AND THE RIGHT TO HAVE THE BURDEN OF PROOF OF DEFAULT REST ON TOWNSHIP PRIOR TO THE ENTRY OF JUDGMENT, (2) THE ENTRY OF JUDGMENT MAY RESULT IN A LIEN ON LESSEE'S PROPERTY, (3) LESSEE WILL BEAR THE BURDEN AND EXPENSES OF ATTACKING THE JUDGMENT AND CHALLENGING EXECUTION ON THE LIEN AND SALE OF THE PROPERTY COVERED THEREBY, (4) ENOUGH OF LESSEE'S PROPERTY MAY BE TAKEN TO PAY THE AMOUNT OF ANY MONEY JUDGMENT OBTAINED BY TOWNSHIP BY CONFESSION, AND (5) TOWNSHIP'S CONFESSION OF JUDGMENT FOR POSSESSION WILL ENTITLE TOWNSHIP TO RECOVER POSSESSION OF, AND EVICT LESSEE FROM, THE LEASED PREMISES.**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
LESSEE**

STATE/COMMONWEALTH OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

 On this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_, before me a Notary Public in the State/Commonwealth of \_\_\_\_\_\_\_\_\_\_, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_, who acknowledged the foregoing Lease and the Confession of Judgment Provisions contained therein, and acknowledged that he/she executed the same in the capacity therein stated and for the purposes therein contained.

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

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public

If proceedings shall be commenced by the Township to recover possession under the Acts of Assembly and Rules of Civil Procedure, either at the end of the term or earlier termination of this Lease, or for nonpayment of rent or any other reason, Lessee specifically waives the right to the three (3) month notice and to the fifteen (15) or thirty (30) days' notice required by the Landlord and Tenant Act of 1951, and agrees that notice under either Pa. R.C.P. 2973.2 or Pa. R.C.P. 2973.3, as amended from time to time, shall be sufficient in either or any such case.

S. Surrender of Leased Premises. Upon the termination or expiration of this Lease as provided herein, Lessee shall promptly surrender the Leased Premises to the Township free of debris and in good order, condition, and repair, reasonable wear and tear excepted. Lessee shall remove all of Lessee's property therefrom, except as otherwise expressly provided in this Lease.

T. Environmental Matters. Lessee's use and operation of the Leased Premises shall at all times be in compliance with all “Environmental Laws,” as hereinafter defined. Lessee shall not generate, manufacture, produce, process, refine, handle, treat, store, deposit, bury, inject, release, place, dump, or dispose of on the Leased Premises or the Property any “Hazardous Substances,” as hereinafter defined, in any manner which would violate any of the environmental laws. Lessee shall protect, indemnify, and save and hold harmless the Township from and against any and all liability, losses, damages, costs, charges, and expenses that the Township may suffer or incur as a result of any claims, suits, actions, demands, orders, judgments, or adjudications asserted, assessed, filed, or entered against the Township by any third party, including any local, state, or federal governmental authority, arising from or in any way related to the alleged generation, selling, manufacturer, production, processing, refining, handling, treatment, storage, deposit, disposal, burial, dumping, injecting, spilling, leaking, or other use, placement, or release in, on, or affecting the Leased Premises, the Property of a Hazardous Substance or otherwise arising from any other alleged violation of any of the environmental laws, including, but not limited to, liability for costs and expenses of abatement, correction, or clean-up, fines, damages, response costs, and penalties, and liability for personal injury or property damage caused by lessee or its employees, agents, invitees, licensees, or contractors or as a result of Lessee's intended use of the property. In the event of Lessee's failure to comply in full with this Section, the Township may, at its option, perform any and all of Lessee's obligations, as aforesaid, and all reasonable costs and expenses incurred by the Township in the exercise of this right shall be deemed to be payable upon demand. For purposes of this Lease, the term “Environmental Laws” shall mean all federal, state, and local laws, statutes, ordinances, rules, regulations, and policies now or hereafter existing which govern or otherwise relate to the protection of health or the environment. For purposes of this Lease, the term “Hazardous Substances” shall mean any flammable substance, explosive, radioactive material, hazardous material, hazardous waste, toxic substance, pollutant, contaminant, or any other substance regulated under the Environmental Laws, including, but not limited to, asbestos, PCBs, and any hazardous substance as that term is defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 9601(14). Failure to comply with the terms hereof shall constitute and Event of Default under the Lease.

U. Casualty Damage. If the Leased Premises are damaged by fire or other casualty, Lessee shall promptly notify the Township and the Township, in its sole discretion, shall direct repair the damaged portions of the Leased Premises (but not any of Lessee's property therein or improvements or alterations made by Lessee), except that if, in the Township's reasonable judgment, the damage would require more than one hundred eighty (180) days of work to repair, or if the insurance proceeds (excluding rent insurance), which the Township anticipates receiving from the Lessee’s insurance policies required hereunder are inadequate to pay the cost of such repair, then the Township or Lessee shall have the right to terminate this Lease by so notifying the other party, which notice shall specify a termination date not less than fifteen (15) days after its transmission. If the Township is so required to direct the repair, the work shall be commenced and completed with due diligence, taking into account the time required for the Township to procure insurance proceeds from Lessee’s insurer, Township’s insurer, to the extent insurance proceeds are expected therefrom, construction delays due to shortages of labor or material, or other causes beyond the Township's reasonable control.

V. Hold Harmless; Waiver of Subrogation.

1. Except in the event of, and to the extent of, Township’s gross negligence, sole negligence or willful misconduct, Lessee hereby indemnifies, defends, and holds Township, Township’s members and their respective affiliates, owners, partners, members, supervisors, directors, officers, agents, attorneys and employees (collectively, including Township, “Township Indemnified Parties”) harmless from and against any and all Losses (defined below) arising from or in connection with any or all of: (a) the conduct or management of the Leased Premises or any business therein by any or all of Lessee, its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees, or any work or Alterations done by any or all of Lessee and its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees, or any condition created by any or all of Lessee and its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees in or about the Leased Premises during the Term or during the period of time, if any, prior to the Lease Commencement Date hereof that Lessee has possession of the Leased Premises; (b) any act, omission or negligence of any or all of Lessee and its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees; (c) any accident, injury or damage whatsoever occurring in, at or upon the Leased Premises and caused by any or all of Lessee and its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees. Lessee also indemnifies, defends, and holds the Township Indemnified Parties harmless from and against any and all Losses arising from or in connection with any or all of: (i) any breach by Lessee of any or all of its warranties, representations and covenants under this Lease; (ii) any actions necessary to protect Township’s interest under this Lease in a bankruptcy proceeding or other proceeding under the Bankruptcy Code; (iii) the creation or existence of any Hazardous Materials in, at, on or under the Leased Premises, if and to the extent brought to the Leased Premises or caused by Lessee or any party within Lessee’s control; and (iv) any violation or alleged violation by any or all of Lessee and its members and its affiliates, invitees, licensees, owners, partners, members, supervisors, directors, officers, agents, contractors, subcontractors, attorneys and employees of any Law. The obligations of Lessee in the two prior sentences are referred to collectively as “Lessee’s Indemnified Matters.” In case any action or proceeding is brought against any or all of Township and the Township Indemnified Parties by reason of any of Lessee’s Indemnified Matters, Lessee, upon notice from any or all of Township or any Superior Party (defined below), shall resist and defend such action or proceeding by counsel reasonably satisfactory to, or selected by, Township. The term “Losses” shall mean all claims, demands, expenses, actions, judgments, damages (actual, but except in connection with third party tort claims, not indirect, special, consequential, or punitive), penalties, fines, liabilities, losses of every kind and nature, suits, administrative proceedings, costs and fees, including, without limitation, attorneys’ and consultants’ reasonable fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any matter covered by the foregoing indemnity. The provisions of this Section U.1. shall survive the expiration or termination of this Lease.

2. The Township and Lessee hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property covered by and any insurance then in force, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only to the extent of and with respect to any loss or damage occurring during such time as the policy or policies of insurance covering said loss shall contain a clause or endorsement to the effect that this release shall not adversely affect or impair said insurance or prejudice the right of the insured to recover thereunder.

W Compliance with Law. Lessee shall at all times comply with all requirements of all constituted public authorities and with the terms of any state or federal statute or local ordinance or regulation applicable to the Leased Premises and Lessee's Intended Use of the Leased Premises. Failure to so comply shall constitute an Event of Default under this Lease and Lessee further agrees to defend and indemnify the Township for any and all claims, judgments, fines, and actions of whatever nature for failure to comply with the terms of this paragraph.

X Insurance. Lessee will, at all times following the date on which possession of the Leased Premises is delivered to Lessee, and at Lessee's cost and expense, maintain insurance with insurance policy providers acceptable to the Township of the following character:

1. Comprehensive general public liability insurance covering the legal liability of the Township and Lessee against claims for bodily injury or death, occurring on, in, or about the Leased Premises in the minimum amounts of One Million ($1,000,000.00) Dollars for each claim with respect to any one death or bodily injury, and One Million ($1,000,000.00) Dollars for property damage.

2. Lessee shall comply with all applicable Pennsylvania workmen's compensation laws, and shall maintain such insurance if and to the extent necessary for such compliance.

3. Rent or rental value insurance against loss due to fire and the risks customarily covered by the extended coverage endorsement.

4. Such other coverages as may be reasonably required by the Township.

Lessee shall keep its personal property, improvements, betterments, and trade fixtures in the Leased Premises insured with “all risks” insurance in an amount to cover one hundred (100%) percent of the replacement cost of the personal property, improvements, betterments, and trade fixtures.

It is understood that the above in Section W. may not constitute all the types of insurance normally carried by Lessee in similar operation or size for its commercial activities. The Lessee’s liability is not capped or otherwise limited at the amount of insurance required under this Lease.

Every policy of insurance required by Sections W.1 through and including 4 shall provide that the issuer thereof waives all rights of subrogation against the Township, any successor to the Township's interest in the Leased Premises, and any mortgagee or assignee of the Township's interest in the Leased Premises; that thirty (30) days' prior written notice of cancellation, modification, or amendment thereof shall be given to the Township or any such mortgagee or assignee thereof; and that such policy shall neither be invalidated by any foreclosure or other proceedings or notices thereof relating to the Leased Premises or any interest therein, nor by any change in the title of ownership of the Leased Premises or any interest therein. No such policy shall contain a provision relieving the issuer thereof of liability for any loss by reason of the existence of other policies or insurance covering the Leased Premises against the peril involved.

Lessee may carry additional insurance of any nature for its own benefit and in its own name.

Insurance policies required to be carried by Lessee under this Lease in Sections W.1 through and including 4 shall:

1. Be issued by insurance companies licensed to do business in the Commonwealth of Pennsylvania, with general policyholder's ratings of at least A and a financial rating of at least XI in the most current Best's Insurance Reports available on the date of issuance. If the Best's ratings are changed or discontinued, the Township shall designate, by notice to Lessee, an equivalent method of rating insurance companies;

2. Prove that the insurance not be cancelled or materially changed in scope or amount of coverage unless thirty (30) days' advance notice is given to the Township;

3. Be primary policies-not contributing with, or in excess of the coverage that the Township may carry;

4. Be permitted to be carried under a “blanket policy.” However, a specific minimum limit must be listed, which is applicable to the Leased Premises and acceptable to the Township.

5. Be maintained during the entire Term and any Holdover Term of this Lease.

6. By the Lease Commencement Date and upon each renewal of its insurance policies, Lessee shall provide certificates of insurance to the Township by notice hereunder. The certificates shall specify amounts, types of coverage, the waiver of subrogation, as specified herein, and the insurance criteria listed in this Section. The policies shall be renewed or replaced and maintained by Lessee. If Lessee fails to give any required certificate within the time provided herein, the Township may obtain and pay for that insurance and receive reimbursement from Lessee as Additional Rent, any other provision of this Lease notwithstanding.

7. Include the Township as loss payee and an additional named insured.

Y. Signs. Lessee shall not place any sign in or about the Leased Premises, except with the express prior written consent of the Township and provided Lessee demonstrates to the Township compliance with all applicable zoning regulations and requirements of the Township of Lower Makefield, County of Bucks, Pennsylvania, and same is necessary for the Intended use of the Leased Premises by Lessee.

Z. Right of Entry and Inspection. The Township or its agents or employees shall have the right to inspect the Leased Premises and to enter the Leased Premises at all reasonable times upon 24 hours' notice (except in the case of an emergency, in which case no prior notice is necessary) for the purpose of inspecting the Leased Premises and making any repairs that may be necessary to cause the Leased Premises to comply with the laws, rules, or regulations of any governmental authority having jurisdiction or that may become necessary by reason of the failure of Lessee to maintain the Leased Premises, as required under this Lease.

AA. Mechanic’s Liens. Lessee shall not permit any mechanic's, materialman's, or similar liens to remain upon the Leased Premises for labor or material furnished to Lessee or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed on the Leased Premises or at the direction or with the consent of Lessee, whether or not such work was performed or materials furnished before or after the commencement of the term of this Lease. Lessee may, however, contest the validity of any such lien or claim, provided Lessee shall give the Township such reasonable security to insure payment and to prevent any sale, foreclosure, or forfeiture of the Premises by reason of such nonpayment as the Township may require. Upon final determination of the validity of any such lien or claim, Lessee shall immediately pay any judgment or decree rendered against Lessee or the Township with all proper costs and charges, and shall cause such lien to be released of record without cost to the Township. Notwithstanding anything contained herein to the contrary, Lessee shall at all times require all contractors to post a bond guaranteeing payment for the labor and materials supplied by any subcontractor. Lessee shall not commence any such work until and unless the Township issues its prior written approval.

BB. Notice and Grace Periods. Neither party shall be in default under this Lease unless a payment due hereunder is not made or any nonmonetary term or condition of the Lease is not complied with within *thirty (30)* days after written notice from the other party, unless another timeframe is specifically set-forth elsewhere in this Lease with respect to such default.

CC. Waste. Lessee agrees not to commit or allow to be committed any waste upon the Leased Premises, or any nuisance.

DD. Accidents. Lessee shall give the Township prompt written notice of any accidents to, or defects in, the Leased Premises. The Township shall not be responsible for any injury or damage that may happen to the person or goods of Lessee, or those claiming under Lessee, or its employees, either on or about the Leased Premises.

EE. Assignment of Lease and Subletting. Lessee may not assign the Lease, or sublet all or any part of the Leased Premises or permit the same to be occupied or used by anyone other than Lessee or its employees without the Township's prior written consent, which consent may be withheld or conditioned for any reason whatsoever, in the Township's sole discretion.

FF. Surrender and Holding Over. If Lessee remains in possession of the Leased Premises after the Township has cancelled the term of the Lease, or the Township has exercised its rights to terminate the Lease, or after the expiration of the term of this Lease (a “Holding Over”), without the prior written consent of the Township, such Holding Over shall create a Holding Over tenancy from month to month, commencing on the day after the Lease Termination Date (the “Holdover Term”), with respect to the Leased Premises on all of the same terms and conditions as are in effect on the last day of the preceding term, except that on the first business day of each month, the Lessee shall pay to the Township One Thousand Five Hundred ($1,500.00) Dollars, the “Holdover Rent.” Notwithstanding anything set forth to the contrary, the Township may cancel the Holdover Term at any time within such Holding Over tenancy upon five (5) days prior notice to Lessee, but such cancellation notwithstanding, Holdover Rent shall accrue and shall be payable by Lessee until such time (the “Restoration Date”) as Lessee vacates fully the Leased Premises and restores the same to the condition required hereunder.

GG. The Township's Representations and Warranties. In order to induce Lessee to enter into this Lease, the Township warrants, represents, and covenants that:

1. The entering into this Lease will not constitute a violation or breach of any of the terms of any contract or other instrument to which the Township is a party or to which the Township is subject.

2. The Township has fee simple title to the Property and the Leased Premises and has the authority to enter into this Lease and to complete the transactions contemplated herein.

3. The zoning for the Property is “Residential Low-Density (R-1).”

HH. Lessee's Representations and Warranties. In order to induce the Township to enter into this Lease, Lessee warrants, represents, and covenants that:

1. Lessee is under no legal impediment and has full legal and corporate authority to enter into this Lease. All necessary action has been taken by the Lessee to authorize the Lessee's execution, delivery and performance of this Lease.

2. There are no legal impediments or adverse financial conditions (including, but not limited to insolvency or bankruptcy) that would prevent Lessee from leasing the Leased Premises or obtaining the other approvals mentioned herein, to the best of Lessee's knowledge, information, and belief.

3. No litigation is pending or, to Lessee's knowledge, proposed, threatened, or anticipated that would prevent Lessee from leasing the Leased Premises or entering into this Lease in any court or before or by any federal, state, county, or municipal department, commission, board, bureau, or agency, or other governmental instrumentality.

4. The Lessee has filed or caused to be filed by it all federal, State and local tax or information returns, as the case may be, which are required to be filed by it, and has paid or caused to be paid all taxes, if any, as shown on said return(s) or on any assessment received by it, to the extent that such taxes have become due.

5. Lessee is a Pennsylvania nonprofit corporation recognized by the Commonwealth of Pennsylvania and that provides or renders community service in Lower Makefield Township, Bucks County, Pennsylvania.

6. Lessee is a duly registered tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and no action or proceeding has been taken or is currently pending that would rescind or otherwise adversely affect such registration.

 The foregoing representations, warranties and covenants shall be true and correct as of the date of this Lease and shall remain true and correct at all times during the Term hereof.

II. Lessee's Covenants. In order to induce the Township to enter into this Lease, Lessee covenants that, prior to the first day of each Lease Year during the Term:

1. Lessee shall provide Township with a good standing certificate from the Commonwealth of Pennsylvania, not dated more than thirty (30) days prior to the commencement of the immediately succeeding Lease Year.

2. Lessee shall provide Township with a certificate of Lessee certifying that the Lessee is a Pennsylvania nonprofit corporation that provides or renders community service in Lower Makefield Township, Bucks County, Pennsylvania.

3. Lessee shall provide Township with a copy of its most recently filed Form 990 or other annual informational filing with the Internal Revenue Service and information and documentation describing and concerning Lessee’s financial condition, in form and substance reasonably acceptable to Township. Upon Township’s request, Lessee shall provide to Township the most currently available audited financial statement of Lessee; and if no such audited financial statement is available, then Lessee shall instead deliver to Township its most currently available balance sheet and income statement, certified, as to accuracy and completeness, by a duly authorized officer of Lessee (e.g., chief financial officer or controller). Furthermore, upon the delivery of any such financial information from time to time during the Term, Lessee shall be deemed to automatically represent and warrant to Township that the financial information delivered to Township is true, accurate and complete, and that there has been no adverse change in the financial condition of Lessee since the date of the then-applicable financial information.

4. Lessee shall provide Township with certificates of insurance in the forms, amounts and subject to the terms and conditions as set forth herein.

5. Lessee shall timely provide Township with such other documents, certifications, materials and other assurances related to this Lease, as Township deems appropriate in its sole discretion.

JJ. Quiet Enjoyment. Notwithstanding anything herein contained to the contrary, Lessee's possession will not be interfered with by any person claiming by, through, or under the Township, or by any successor of the Township, so long as Lessee complies with the terms of this Lease and is not in default hereunder.

KK. Notices. All notices sent or required by this Lease shall be in writing and shall be sent by registered or certified United States mail, postage prepaid, or via overnight courier, prepaid with written proof of delivery thereof, to the addresses of the parties as follows:

If to the Township:

Township of Lower Makefield
Attention: Township Manager
1100 Edgewood Road
Yardley, PA 19067

With Copies to:

David J. Truelove, Esquire
Township Solicitor
Hill Wallack LLP
777 Township Line Road
Suite 250
Yardley, Pennsylvania 19067

If to Lessee:

Artists of Yardley
949 Mirror Lake Road
Yardley, PA 19067

With copies to:

(none)

Any notice(s) given by one party to the other pursuant to this Section GG, shall be deemed effectively given on that date which is two (2) business days after the date any such notice(s) is/are postmarked, provided that any such notice(s) is/are properly addressed and mailed as required under this Section GG. Either party may change the address to which notice is to be sent to it by providing the other party with written notice of such change in accordance with the terms of this Paragraph.

LL. Broker. The Township and the Lessee represent and warrant that they have not dealt with any other broker, agent, or finder in connection with the Property, the Leased Premises, or the transaction contemplated by this Lease, and that no broker, agent, or finder is entitled to a brokerage or finder's fee in connection therewith. Each party shall indemnify, defend, and hold the other harmless from and against any and all claims, lawsuits, or costs incurred by the other party, including reasonable attorneys' fees, for any claims for such a fee or commission made by any broker, agent, or finder because of the alleged actions or inactions of the indemnitor with respect to this Lease.

MM. Entire Agreement. This Lease contains the entire agreement of the parties with respect to the matters covered herein, and no other agreement, statement, or promise made by any party hereto, or any employee, officer, or agent of any party hereto, which is not contained herein, shall be binding and valid.

NN. Binding Effect. This Lease shall be binding upon the parties hereto and their respective administrators and successors, and to the extent assignable, on the assigns of the parties hereto.

OO. Time of the Essence. All times set forth in this Lease shall be of the essence and may not be amended, except by the written agreement of the parties.

PP. Construction. Captions of the articles or parts of this Lease are for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. The language in all parts of this Lease shall in allcases be construed as a whole and in accordance with its fair meaning, and shall not be construed strictly for or against the Township or Lessee.

QQ. Governing Law; Venue. This Lease shall be governed by, construed, and enforced in accordance with the laws of the Commonwealth of Pennsylvania. The parties hereto each hereby irrevocably consent to the exclusive jurisdiction of the Courts of the Commonwealth of Pennsylvania located in the County of Bucks, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania in any and all actions and proceedings whether arising hereunder or under any other agreement or undertaking. Each party waives any objection which such party may have based upon lack of personal jurisdiction, improper venue or forum non conveniens. The parties irrevocably agree to service of process by certified mail, return receipt requested to the address of the appropriate party as set forth herein or as may be subsequently designated by such party.

RR. Independent Parties. Nothing contained herein shall be construed as constituting any relationship, partnership or joint venture other than that of Lessee as an tenant of Township, as landlord, nor shall this Lease be construed to establish any relationship between Township and the officers, supervisors, directors, members, operators, personnel, agents, employees, contractors or subcontractors of Lessee. Neither Lessee nor its employees, agents, contractors or subcontractors are or shall be deemed to be employees or agents of Township. Lessee is not and shall not act as the agent of Township. Neither party nor their respective officers, directors, members, employees, agents, contractors or subcontractors shall or be authorized to bind the other party.

SS. Right-to-Know Law. Township is subject to the Pennsylvania Right to Know Law, 65 P.S. 67.101, et.seq. (“RTKL”) and Lessee acknowledges that Township shall abide by RTKL, including honoring all proper public records requests made thereunder. In the event Township discloses information which Lessee deems “confidential” or “business proprietary” in accordance with its obligations under the RTKL, such disclosure shall not be a breach or other violation hereof.

TT. Reservation of Rights. Township expressly reserves, and does not waive, any and all rights, protections, indemnifications or other limitations on damages afforded to Township pursuant to the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa.C.S. § 8501, et.seq. In the event that Township pursues any litigation, claim or cause of action under this Agreement, Township expressly reserves, and expressly does not waive, its right to raise or advance such litigation, claim or cause of action under any available legal theory or doctrine available to the Township, including, but not limited to, the doctrine of *nullum tempus*.

UU. Counterparts. This Agreement may be executed in duplicate counterparts by Township and Lessee, the legal effect of which shall be the same as if both parties had signed the same instrument. Furthermore, facsimile and e-mail signatures shall be legal and binding for all purposes.

VV. Non-Waiver. The failure of either party to insist, in any one or more instances, upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the Lease shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt and acceptance by Township of Base Rent or Additional Rent with knowledge of any breach by Lessee of any obligation of this Lease shall not be deemed a waiver of such breach.

WW. Submission of Lease. Submission of this Lease to Lessee for signature does not constitute a reservation of space or an option to lease. This Lease is not effective until execution by and delivery to both Township and Lessee.

XX. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

YY. Right of First Refusal. Notwithstanding any condition set forth herein, Township and Lessee hereby agree that, upon receipt by the Township of a formal notice from the tenant, as of the date hereof, of the Township’s farm land located at 949 Mirror Lake Road, Lower Makefield Township, Pennsylvania known as “Patterson Farm,” that such tenant shall not require the use of and declines the use of the structure known as the “Pack House” located at [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] and identified in Exhibit “B” attached hereto, Lessee shall have a first right of refusal to negotiate with the Township for the lease and use of the Pack House. Notwithstanding the foregoing, such right shall not act or be interpreted as an agreement or guaranty that Lessee shall be entitled to lease or use the Pack House.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Lease as of the day and year set forth above.

WITNESS: **TOWNSHIP OF LOWER MAKEFIELD:**

 By: [SEAL]

 Date of Execution:

ATTEST: **LESSEE:**

 By: [SEAL]

COMMONWEALTH OF PENNSYLVANIA :

 : ss

COUNTY OF BUCKS :

 On this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2016, before me, a Notary Public, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, known to me, who acknowledged herself to be the President of the Board of the Directors of the Artists of Yardley, whose name is subscribed to the within instrument, and acknowledged that she executed the same for purposes therein contained.

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

 Notary Public

COMMONWEALTH OF PENNSYLVANIA :

 : ss

COUNTY OF BUCKS :

 On this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2016, before me, a Notary Public, personally appeared Terry S. Fedorchak, who acknowledged himself to be the Township Manager of Lower Makefield Township, whose name is subscribed to the within instrument, and acknowledged that he executed the same for purposes therein contained.

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

 Notary Public

COMMONWEALTH OF PENNSYLVANIA :

 : ss

COUNTY OF BUCKS :

 On this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2016, before me, a Notary Public, personally appeared Jeffrey Benedetto, who acknowledged himself to be the Chairman of the Board of Supervisors of Lower Makefield Township, whose name is subscribed to the within instrument, and acknowledged that he executed the same for purposes therein contained.

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

 Notary Public

**Exhibit “A”**

**Leased Premises and Parking Area**

1. Leased Premises – designated area, including Janney-Brown Farmhouse, garage and Parking Area;
2. Parking Area – portion of designated Leased Premises designated by hash marks

**Exhibit “B”**

**“Pack House”**