



REVISION	DATE
SAFETY ZONE FOR AIRPORT FOR TINICUM TOWNSHIP PHILADELPHIA INTERNATIONAL AIRPORT	
TINICUM TOWNSHIP	DELAWARE COUNTY, PA.
SCALE: 1"=200'	MAY 26, 2009
HERBERT E. MACCOMBIE, JR., P.E. CONSULTING ENGINEERS AND SURVEYORS, INC. P.O. BOX 118 BRIDGMAN, PA. 19028	
SHEET 1 OF 1	

GROUND LEASE AGREEMENT

between

TINICUM TOWNSHIP

and

CITY OF PHILADELPHIA

FINAL

TABLE OF CONTENTS

	Page
1. Defined Terms.....	1
2. Demise/Term.....	4
2.1 Effect; Demise of Land.....	4
2.2 Exclusion of Improvements.....	4
2.3 Term and Annual Rent.....	5
2.4 Purchase Option by Tenant.....	5
2.5 Subdivision Upon Exercise of Purchase Option by Tenant.....	7
3. Rent.....	7
3.1 Monthly Rent.....	7
3.2 Additional Rent.....	9
3.3 General Provisions Regarding Payment of Rent.....	9
3.4 Net Lease.....	9
3.5 Accrued Rent As of 7/1/19; Tenant's Option to Terminate.....	9
4. Acceptance of the Land; Covenants of Landlord.....	10
4.1 Acceptance of the Land.....	10
4.2 Certain Covenants of Landlord.....	11
5. Use of the Premises; Covenants of Tenant.....	13
5.1 Nature of Use.....	13
5.2 Change of Use.....	13
5.3. General Covenants.....	13
6. Real Estate and Transfer Taxes.....	14
6.1 Exemption.....	14
7. Utilities.....	14

7.1	Tenant's Responsibility.....	14
7.2	Utility Bills.....	14
7.3	Landlord Not Responsible for Utility Service.....	14
8.	Condemnation.....	15
8.1	Notice; Claims.....	15
8.2	Total Taking.....	15
8.3	Partial Taking.....	15
9.	Landlord's Right of Entry.....	15
9.1	Right of Entry.....	15
10.	Brokers.....	15
11.	Quiet Enjoyment.....	16
12.	Assignment.....	16
12.1	Assignment.....	16
12.2	No Release; Joint and Several Liability.....	16
13.	Environmental Matters.....	16
13.1	Compliance.....	16
13.2	Discovery of Environmental Violations.....	17
14.	Subordination and Non-Disturbance.....	17
15.	Estoppel Certificates.....	17
16.	Surrender; Undetermined Charges.....	18
16.1	Condition Upon Surrender; Title; Documents.....	18
17.	Supervening Law.....	18
18.	Events of Default.....	18
18.1	Defined.....	18
19.	Remedies.....	19

19.1	Termination of Lease.....	19
19.2	Damages.....	19
19.3	Waiver.....	20
19.4	Reletting; Right to Collect Rent from Subtenants.	21
20.	Provisions Concerning Remedies/Rights Cumulative.....	21
21.	Notices.	21
22.	Indemnification and Liability.	22
23.	Insurance.	23
23.1	Insurance Coverage.....	23
23.2	Self-Insured.....	24
23.3	Improvements Coverage.	24
23.4	Worker's Compensation and Employer's Liability Insurance.....	24
24.	Mechanics' and Other Liens.	24
25.	Miscellaneous.	25
25.1	Time of the Essence.....	25
25.2	Severability.	25
25.3	Entire Agreement; Modifications.	25
25.4	Interpretation of Lease.	26
25.5	Governing Law.	26
25.6	Force Majeure.	26
25.7	Successors.	26
25.8	Waiver of Jury Trial.....	27
25.9	Records.	27
25.10	Recording.....	27
25.11	Counterparts.....	27

25.12	Costs.....	27
25.13	Subordination of Lease.	27
25.14	Required Lease Approvals.....	28
25.15	Enforcement.....	28

LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (the "Lease") made this ____ day of _____, 2015 by and between **TINICUM TOWNSHIP**, a Pennsylvania First Class Township (the "Landlord"), and **THE CITY OF PHILADELPHIA**, a Pennsylvania municipal corporation, acting by and through its **DEPARTMENT OF COMMERCE, DIVISION OF AVIATION** (the "Tenant" or "City").

W I T N E S S E T H:

In consideration of the mutual covenants contained herein, the parties, intending to be legally bound hereby, agree as follows:

1. **Defined Terms.**

For purposes of this Lease, the following terms shall have the meanings hereinafter set forth:

Additional Rent. As defined in Section 3.2.

Airport. Airport means the Philadelphia International Airport owned and operated by the City of Philadelphia through its Department of Commerce, Division of Aviation, and any successors and assigns.

Broker. As defined in Section 10.

Commencement Date. As defined in Subsection 2.3.1.

Environmental Laws. All Federal, state and local laws, statutes, ordinances, codes, rules, regulations and other requirements respecting the environment, including but not limited to those respecting: (a) the generation, use, handling, processing, storage, treatment, transportation, or disposal of any solid or hazardous wastes, or any hazardous or toxic substances or materials; (b) pollution or contamination of land, improvements, air (including indoor air), or water (including groundwater); (c) emissions, spills, releases, or discharges of any substance onto or into the land, improvements, air (including indoor air), or water (including groundwater), or any sewer or septic system; (d) protection of wetlands; (e) aboveground or underground storage tanks; (f) air quality (including indoor air quality) or water quality (including groundwater quality); and (g) protection of endangered species. Without limiting the generality of the foregoing, the term "Environmental Laws" includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C., Sec. 9601, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C., Sec. 690 I, et seq., and the Toxic Substance Control Act of 1976, as amended, 15 U.S.C., Sec. 2601, et seq., the Pennsylvania Hazardous Sites Cleanup Act, 35 P.S. § 6020.101 et seq., the Pennsylvania Solid Waste Management, 35 P.S. § 6018.101 et seq., and the Pennsylvania Clean Streams Law, 35 P.S. 691.1 et seq.

Environmental Violation. Shall mean (a) any direct or indirect discharge, disposal, spillage, emission, escape, pumping, pouring, injection, caching, release, seepage, filtration or

transporting of any Hazardous Substance at, upon, under, onto or within the Premises, or from the Premises to the environment, in violation of any Environmental Law or in excess of any reportable quantity established under any Environmental Law or which could result in any liability to any Governmental Authority or any other person for the costs of any removal or remedial action or natural resources damage or for bodily injury or property damage, (b) any deposit, storage, dumping, placement or use of any Hazardous Substance at, upon, under or within the Premises or which extends to any adjoining property in violation of any Environmental Law or in excess of any reportable quantity established under any Environmental Law or which could result in any liability to any Governmental Authority or any other person for the costs of any removal or remedial action or natural resources damage or for bodily injury or property damage, (c) the abandonment or discarding of any barrels, containers or other receptacles containing any Hazardous Substances in violation of any Environmental Laws, or (d) any violation of or noncompliance with any Environmental Law.

Event of Default. As defined in Section 18.1.

Expiration Date. The date of expiration of this Lease, pursuant to the Term stated herein, or pursuant to any other provisions included herein.

FAA. FAA means the Federal Aviation Administration and its successors.

Force Majeure. As defined in Section 25.6.

Governmental Authority. Any federal, state, county or municipal government, or political subdivision thereof, any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality, special service district or public body, or any court or administrative tribunal.

Hazardous Substances. Any substance, material or waste defined as a pollutant or contaminant, or as a hazardous, toxic or dangerous substance, material or waste, under any Environmental Law.

Improvements. Any grading, alteration of the grade of the Land, or additions erected on the Land; any of which are completed pursuant to all required approvals and/or permits, and which shall be limited only to those improvements necessary for the Land to be used as an FAA required safety zone; and which improvements are currently or hereafter constructed on the Land, and/or are subsequently altered or modified pursuant to all required approvals and/or permits.

Land. The parcel of land, not including any physical improvements, as is hereinafter illustrated in Exhibit 1; and all easements, rights and appurtenances to that Land as described and illustrated in Exhibit 1. Tenant and Landlord acknowledge that: a) the Land is a part of a larger parcel of land, totaling 155 +/- acres, which was acquired by Tincum Township by deed dated October 31, 2002 (the "Tincum Parcel"); and b) that the Land has not been subdivided from the Tincum Parcel.

Landlord. As defined in the opening paragraph of this Lease.

Landlord Parties. Landlord and Landlord's representatives.

Landlord's Leasehold Interest. Landlord's interest in the Premises (including both the fee interest in the Land and the reversionary interest in existing or future Improvements), created by this Lease. (a/k/a Landlord's Leasehold Estate).

Law(s). The judicial decisions, statutes, constitutions, ordinances, resolutions, regulations, rules, administrative orders and other requirements of all Governmental Authorities having jurisdiction over the parties to this Lease or the Premises or both, in effect either at the Commencement Date or any time during the Term.

2004 Lease. The Lease Agreement between Landlord and Tenant currently in effect and dated March, 2004.

Lease Years. As identified more specifically in this Lease, each calendar year beginning on the commencement date of this Lease (January 1, 2016), and each subsequent calendar year thereafter for the entire term of this Lease

Rent. Includes:

Monthly Rent. As defined in Subsection 3.1, includes the following:

Base Rent. As defined in Subsection 3.1.1.1, the current base rent under the Lease (as defined herein) as of January 1, 2015 is \$8,513.00 per month, which Base Rent is subject to CPI adjustments.

Supplemental Rent. As defined in Section 3.1.1.1, \$8,102.66 per month, which Supplemental Rent is not subject to CPI adjustments.

Additional Rent. As defined in Subsection 3.2, all amounts payable by Tenant pursuant to this Lease, other than Monthly Rent, and including any real estate taxes assessed pursuant to changes in Pennsylvania assessment laws.

Premises. As defined in Section 2.2.

Private Restrictions. All recorded and unrecorded covenants, conditions and restrictions and agreements in effect on the Commencement Date, or thereafter entered into with Tenant's consent.

Representative. Shall mean any agent, employee, consultant, or elected official of any party hereto.

Runway Safety Area. Runway Safety Area (also the "Area" or "RSA") means the 21.8402 acre parcel of Land subject to this Lease, as shown on the plan attached hereto as Exhibit 1, which is a safety zone at the end of runway in compliance with FAA regulations and all other applicable state and federal regulations for Runway Safety Area areas. Runway Safety Area includes all vacant ground, stone surface, paving, runway lighting, runway equipment, or any other approved/permitted Improvements incidental to and/or required for such Area by

applicable FAA or other regulations. Airport terminals, airport buildings, or other structures of any kind, whether occupied or unoccupied, are not permitted in the Runway Safety Area.

State. The State in which the Premises is located.

Taking. Any taking by a governmental authority pursuant to an exercise of the power of condemnation or eminent domain, whether by legal proceedings or otherwise, and further defined as:

Partial Taking. A Taking (other than for temporary use) which is not a Total Taking.

Total Taking. A Taking (other than for temporary use) of the entire Premises.

Tenant. As defined in the opening paragraph of this Lease.

Tenant's Interest. Tenant's interest in the Premises, this Lease and the Leasehold estate created hereby.

Tenant Parties. Tenant and Tenant's representatives.

Term. As defined in Subsection 2.3.1.

Undetermined Charges. Any item of Additional Rent (a) which is not yet due and payable at the time of the expiration or earlier termination of the Term, or (b) the amount of which has not yet been finally determined as of the expiration or earlier termination of the Term. For example, if the tax bills for the final tax year of the Term have not been received prior to the expiration or earlier termination of the Term, the Taxes for the final tax year of the Term would be an Undetermined Charge.

2. **Demise/Term.**

2.1 Effect; Demise of Land.

This Lease, upon approval and full execution by both parties, supersedes the Lease between Landlord and Tenant dated March, 2004 (the "2004 Lease"), which 2004 Lease is hereafter of no further effect. By this Lease, Landlord hereby again demises and leases to Tenant, and Tenant hereby Leases from Landlord, the Land, for the Term specified herein and upon and subject to the terms and conditions of this Lease.

2.2 Exclusion of Improvements.

Pursuant to the 2004 Lease, Tenant previously made certain Improvements to the Land which are the sole property of Tenant. Neither the demise made by Landlord pursuant to this Lease, nor the term "Land" as used in this Lease, includes the Improvements. Although certain provisions of this Lease, apply to both the Land and Improvements (referred to hereinafter collectively as the "Premises"), Landlord shall have no right, title or interest in the Improvements except as otherwise expressly set forth in this Lease.

2.3 Term and Annual Rent.

- 2.3.1 The term of this Lease (the "Term") is fifty (50) years, commencing on January 1, 2016 (the "Commencement Date"), with a stated Expiration Date of December 31, 2065, unless extended or sooner terminated as provided in this Lease. The initial year under the Lease is termed the "First Lease Year".
- 2.3.2 Tenant has agreed to lease the Land from Landlord for \$9,000 per acre/year.
- 2.3.3 Landlord confirms and acknowledges that Tenant is in possession of the Land as of the Commencement Date.
- 2.3.4 Deleted.

2.4 Purchase Option by Tenant.

- 2.4.1 End of Term Purchase Option. Provided that Tenant is not in default, at and upon the expiration of the Term, Tenant has the sole option to purchase (End of Term Purchase Option) the Land from Landlord for total consideration of One Dollar (\$1.00).
- 2.4.2 Pre Year 20 Purchase Option. During Year 1 through Year 20 of the Lease, Tenant may propose, within thirty (30) days following the end of any such Lease Year, discussions with the Landlord regarding the potential purchase of the Land (Pre Year 20 Purchase Option), which Landlord may or may not entertain in its sole discretion. If Landlord decides to entertain a purchase by Tenant, the parties will negotiate the consideration and other terms for such purchase.
- 2.4.3 Post Year 20 Purchase Option. Subsequent to the end of the 20th Lease Year, and in each subsequent Year thereafter, Tenant may propose in writing, within thirty (30) days following the end of any such Lease Year, good faith discussions with the Landlord regarding the potential purchase (Post Year 20 Purchase Option) of the Land by the Tenant.
- 2.4.4 Purchase Option Payments. If Landlord is agreeable to Tenant's acquisition of land pursuant to paragraph 2.4.3, the following apply:
- 2.4.4.1 Base Rent. Tenant will prepay the remaining Base Rent, to be calculated at the then applicable monthly Base Rent as of that date, times the remaining months under the Lease, with the following adjustments:
- a) if after the end of Year 20 and before the end of year 25, annual simple interest of two percent (2%) on the balance due;

- b) if after the end of Year 25 and before the end of year 30, annual simple interest of four percent (4%) on the balance due;
- c) if after the end of Year 30 and before the end of year 35, annual simple interest of six percent (6%) on the balance due;
- d) if after the end of Year 35 and before the end of year 40, annual simple interest of eight percent (8%) on the balance due;
- e) if after the end of Year 40 and before the end of year 45, annual simple interest of ten percent (10%) on the balance due; and
- f) if after the end of Year 45 and before the end of year 50, annual simple interest of twelve percent (12%) on the balance due.

2.4.4.2 Supplemental Rent. In addition to the Base Rent, Tenant will pay the balance of the Supplemental Rent as calculated by multiplying the \$8102.66 monthly Supplemental Rent times the number of remaining months under the Lease.

2.4.5 Deleted.

2.4.6 Should the parties agree to exercise any of the Purchase Options, both parties shall take all steps necessary to effectuate said purchase by Tenant, including but not limited to the execution and recording of a deed, with the usual and customary costs of said purchase, including any transfer tax which may be applicable, shall be the responsibility of Tenant.

2.4.7 Should the parties agree to exercise any of the Purchase Options, or at the termination of the Lease where title is passed to the Tenant, the deed transferring the Land to Tenant will include a perpetual restriction limiting the use of the Land only to an Runway Safety Area as defined herein and for such uses that are consistent with its use as an Runway Safety Area as described in FAA Advisory Circular 5300-13A, Airport Design at § 307 (Sept. 28, 2012), as it may be subsequently amended, or as expressly approved by the FAA. The City shall not use the Land for the creation of wetlands or as an environmental resource for the City. The City shall not utilize the Land for any commercial, industrial or business purposes other than as a Runway Safety Area. There shall be no construction or development on the Land other than what may be reasonably necessary for Runway Safety Area purposes.

2.5 Subdivision Upon Exercise of Purchase Option by Tenant.

In the event Tenant exercises any of its Purchase Options, or at the termination of the Lease Term, Tenant shall be responsible for taking all actions and securing all approvals necessary to subdivide the Premises from the Tinicum Parcel, at Tenant's sole cost and expense. Landlord shall not require Tenant to subdivide the Land from the Tinicum Parcel until the Lease terminates, and/or the Land is acquired by Tenant pursuant to its Purchase Options under Paragraph 2.4 herein or otherwise.

3. **Rent.**

3.1 Monthly Rent.

3.1.1 Starting on the Commencement Date of this Lease, and continuing throughout the Term, Tenant shall pay Landlord monthly as follows, except as otherwise provided pursuant to Section 3.5 below:

3.1.1.1 For the First Lease Year commencing January 1, 2016, Monthly Rent will be Sixteen Thousand, Six Hundred Fifteen Dollars and Sixty-Six Cents (\$16,615.66). This Monthly Rent will be comprised of Base Rent plus Supplemental Rent. The Base Rent for the First Lease Year shall be \$8,513.00 per month, and shall thereafter be subject to annual cost of living increases pursuant to the Consumer Price Index (CPI) adjustment provision set forth herein for the balance of this Lease. Supplemental Rent under this Lease is an additional \$8,102.66 per month to be paid each month in all Lease Years, which amount will never be subject to CPI adjustments;

3.1.1.2 In the Second Lease Year, the Base Rent shall be the product of: (i) the \$8,513.00 Base Rent for the First Lease Year, multiplied by (ii) a fraction, the numerator of which is the Consumer Price Index (as hereinafter defined) for September 2016, and the denominator of which is the Baseline Consumer Price Index. For purposes of this Ground Lease, the Baseline Consumer Price Index is defined as the Consumer Price Index established as of September 30, 2015, which will take effect on January 1, 2016.

3.1.1.3 At the commencement of each Lease Year after the Second Lease Year, the Base Rent payable shall be equal to the product of (i) the Base Rent for the preceding Lease Year multiplied by (ii) a fraction, the numerator of which is the Consumer Price Index established as of September 30 in the calendar year preceding the subject Lease Year (i.e., in the Third Lease Year, which begins on January 1, 2018, the numerator will be the Consumer Price Index as of September 30, 2017), and the

denominator will be the Consumer Price Index established as of September 30 of the prior Lease Year (i.e., in the Third Lease Year, the denominator will be the Consumer Price Index as of September 30, 2016).

3.1.1.4 After the Consumer Price Index becomes available to Landlord on or after September 30 of each Lease Year, Landlord shall forward a statement to Tenant setting forth (i) the Consumer Price Index as of September 30 of that current or just completed Lease Year, (ii) the Consumer Price Index as of September 30 of the prior Lease Year, (iii) the calculation of the adjusted Base Rent to be paid for the subsequent Lease Year and (iv) the amount of each Monthly Rent installment, comprised of Base Rent plus Supplemental Rent, for the subsequent Lease Year.

Such statement in each Lease Year shall also set forth the amount, if any, of additional Rent payable for the then current Lease Year for whatever reason. Such additional Rent for such period shall be paid within thirty (30) business days after the receipt of such statement.

3.1.1.5 As used herein, the term "Consumer Price Index" shall mean the Revised Consumer Price Index for All Urban Consumers released by the United States Department of Labor, Bureau of Labor Statistics, relating to Consumer Prices for All Items in the City of Philadelphia. The statistical methods used for computing the Consumer Price Index shall be such as are chosen by the United States Department of Labor for that purpose irrespective of whether the methods are changed from time to time. If the base year selected by the United States Department of Labor shall be changed, then the resultant Index shall be readjusted so as to reflect the base initially established under this Lease. If the Index shall no longer be published or cannot be readjusted, then Landlord shall designate another Index generally recognized as authoritative which shall then be substituted for the Consumer Price Index.

3.1.2 Monthly Rent is payable by Tenant in the monthly installments set forth in Subsection 3.1.1, in advance on the first day of each and every calendar month from and after the Commencement Date and continuing for the balance of the Term.

3.1.3 If the Commencement Date is a day other than the first day of a calendar month, Tenant shall pay Landlord, within ten (10) days of the Commencement Date, a pro rated portion of the monthly installment of

Base Rent for such partial month, based on the number of days remaining in such partial month.

3.1.4 All Monthly Rent is payable without notice or demand.

3.1.5 In addition to being subject to Section 18.1.1, any payment of Rent which is not paid within ten (10) days of the date when due, with the exception of the first payment of Rent, shall bear interest at the rate of two percent (2%) per month on the total amount then in arrears. Interest shall be calculated from the date due until the date paid by Tenant.

3.2 Additional Rent.

All amounts payable by Tenant pursuant to this Lease other than Monthly Rent are termed additional rent ("Additional Rent"). Monthly Rent and Additional Rent are referred to collectively herein as "Rent". Landlord shall have the same rights and remedies for nonpayment of Additional Rent as Landlord has for nonpayment of Monthly Rent.

3.3 General Provisions Regarding Payment of Rent.

3.3.1 Tenant shall pay all Rent promptly when due, without deduction, recoupment or setoff of any amount for any reason whatsoever. Tenant's covenants and agreements to pay Rent shall for all purposes be construed to be a separate and independent covenant.

3.3.2 Except as otherwise expressly set forth in this Lease, all Rent shall be paid at the office of Landlord at 629 N. Governor Printz Blvd., Essington, PA 19029 or such other place as Landlord may from time to time designate by written notice to Tenant.

3.4 Net Lease.

3.4.1 This Lease is what is commonly called a "Net Lease," and Landlord shall receive the Rent payable to it free and clear of any and all impositions, taxes, liens, charges, deductions or expenses of any nature whatsoever in connection with the ownership, possession, operation, maintenance, repair, occupancy, or use of the Premises. Landlord shall not be responsible for any costs, expenses, or charges of any kind or nature respecting the Premises and Landlord shall not be required to render any services of any kind to Tenant or to the Premises.

3.5 Accrued Rent As of 7/1/19; Tenant's Option to Terminate.

3.5.1 Notwithstanding the provisions of Sections 3.1 through 3.4, it is agreed that as of July 1, 2019, Tenant shall be deemed to owe the total amount of Accelerated Rent that Tenant would owe pursuant to Section 19.2.1 below ("Accrued Rent"), as if Tenant had committed and failed to cure

an Event of Default under Section 18.1 (but without Liquidated Damages under Section 19.2.2, and without proration for any partial month).

3.5.2 So long as Tenant is not in default under the Lease, on or after October 31, 2019 Tenant may terminate the Lease as of a future date certain ("Termination Date") by providing written notice ("Termination Notice") to Landlord at least sixty (60) days prior to such future date certain. Any Termination Date shall be specified to occur as of the last day of a calendar month. In the event Tenant elects to terminate hereunder, Tenant will pay the total amount of Accrued Rent due under Section 3.5.1 within ninety (90) days, unless Tenant and Landlord at that time negotiate a different payment schedule. Tenant shall not be liable to Landlord for damages or loss of profits that would have been realized had Tenant not exercised its right to terminate pursuant to this Section 3.5.2.

3.5.3 Landlord currently prefers to receive monthly Rent payments instead of a lump sum payment of Rent. In the event Tenant elects not to terminate pursuant to Section 3.5.2, Tenant shall continue to make all Rent payments due under Sections 3.1 through 3.4 herein Landlord will accept all Rent payments that are timely made by Tenant pursuant to this Section 3.5.3 on and after July 1, 2019, and expressly waives any interest applicable thereon pursuant to Sections 2.4.4.1. and 19.2.1, or otherwise. Tenant shall not be in default under the Lease for electing to make such payments. All Rent payments made hereunder shall be applied to and will reduce the total amount of the Accrued Rent.

3.5.4 Tenant and Landlord agree that so long as Tenant has made all Rent payments required under this Lease, the Deed transferring title of the Property to Tenant will be executed and recorded pursuant to the provisions of Section 2.4.7 on or after December 31, 2065, unless Landlord and Tenant agree in writing on an earlier date pursuant to Sections 2.4.2 through 2.4.4.

4. Acceptance of the Land; Covenants of Landlord

4.1 Acceptance of the Land.

4.1.1 Tenant has inspected the Land, is thoroughly acquainted with the condition of the Land, and takes and accepts the Land "**AS IS, WHERE IS AND WITH ALL FAULTS**".

4.2 Certain Covenants of Landlord.

4.2.1 The Landlord makes no representations and warranties, either express or implied regarding the Land, except that the Landlord, represents and warrants, as of the date of this Lease, the following:

4.2.1.1 Except as set forth in Paragraph 4.2.1.3, herein, Landlord does not know of any violations of federal, state or local environmental rules or regulations concerning the Land, nor has it received notice from any governmental authority of a violation of any federal, state or local law, regulation or ordinance affecting any portion of the Land. Notwithstanding the provisions of this Paragraph and Paragraph 4.2.1.3, both Landlord and Tenant are aware of a restriction resulting from a 2002 grant and agreement with the Pennsylvania Department of Conservation and Natural Resources (DCNR) which may affect the allowable use of the Land. If that restriction is at any time deemed to negatively affect or prohibit Tenant's allowable use of the Land hereunder, Landlord will bear the sole cost and responsibility for addressing that restriction to assure that Tenant's use of the Land is unaffected;

4.2.1.2 Deleted.

4.2.1.3 Any restrictions, liens or encumbrances which would prevent the Land from being used for its intended purpose as set forth in Paragraph 5.1 below, will be removed, voided or otherwise addressed by Landlord such that Tenant at all times during the Term of this Lease has the ability to use the Land for the purpose intended hereunder. Moreover, at such time as Tenant exercises its Purchase Option pursuant to the terms of this Lease, Landlord will address, remove, and or correct any such restrictions, liens, or encumbrances so it can transfer to Tenant good and marketable title to the Land, which title is insurable by Tenant at regular and customary title insurance rates, or as is otherwise acceptable to Tenant.

4.2.1.4 Except as set forth in Paragraph 2.4 herein, there are no rights, options or other agreements of any kind to purchase or otherwise possess, acquire or sell or otherwise dispose of any of the Land;

4.2.1.5 Except as set forth in Paragraphs 4.2.1.1 and 4.2.1.3 herein, there is no action, suit or proceeding pending or, to the knowledge of Landlord, threatened, against or affecting the Land or relating to or arising out of the ownership of the Land in any court or before or by any Federal, state or local

department, commission, board, panel, bureau or agency or other governmental instrumentality or arbitration, mediation or conciliation tribunal;

4.2.1.6 Deleted.

4.2.1.7 Landlord has not consented to or agreed to permit any other governmental entity to exercise a power of eminent domain with respect to any portion of the Land;

4.2.1.8 The Land is not currently subdivided from the Tincum Parcel for purposes of this Lease;

4.2.1.9 To the knowledge of Landlord, the Land is in compliance with all Environmental Laws, as set forth in a Phase I environmental inspection report dated April 5, 2004 ("Environmental Report"), the cover and signature pages of which are attached hereto as Exhibit 2. The term "Environmental Laws" means all Federal, state and local laws, statutes, ordinances, codes, regulations and other requirements respecting the environment

4.2.1.10 Landlord and Tenant have reviewed the full Environmental Report dated April 5, 2004, prior to the execution of the 2004 Lease and this Lease. Landlord and Tenant acknowledge that the Environmental Report represents the baseline environmental condition of the Land at the Commencement Date of the 2004 Lease, and that to the knowledge of Landlord, no material change to the condition of the Land has occurred since that time. Tenant has been in possession of the Land since 2004, and is responsible for any adverse changes to the environmental condition of the Land since that time. To the best of Landlord's and Tenant's knowledge and belief, there are no current violations of environmental laws present on the Land. Neither party hereto has secured, prepared, commissioned, reviewed, or has knowledge of any other environmental assessment or report relating to the condition of the Premises prior to executing this Lease. As part of this Lease, Tenant was afforded the opportunity to perform a new environmental assessment of the Land, but has expressly and knowingly waived any right or opportunity to perform such assessment, and accepts the Land in its existing condition..

4.2.1.11 Deleted.

5. **Use of the Premises; Covenants of Tenant.**

5.1 **Nature of Use.**

5.1.1 Tenant shall have the right to maintain the Runway Safety Area on the Land and shall be permitted to grade, level and fill the Land, properly remove trees and shrubs from the property at its cost and expense and otherwise use the Land and Premises as a Runway Safety Area as defined herein. Tenant shall use the Land and Premises only for a Runway Safety Area, as defined herein, pursuant to all required approvals and permits, and for no other purpose. Tenant shall not use the Land and Premises for the creation of wetlands. It is understood that the Land and Premises shall always be used by the Tenant in conjunction with the operation of the Airport. During the term of this Lease and any extension thereof, Tenant shall not utilize or further develop the Land and Premises for any commercial, industrial or business purposes other than as a Runway Safety Area, including vacant ground, stone surface, paving, runway lighting, or any other improvements incidental to and/or required for such Area by applicable regulations, including but not limited to those of the FAA.

5.1.2 Landlord acknowledges that the Land and Premises has for many years been utilized as a Runway Safety Area, as defined herein, and that Tenant's proposed continued use as a Runway Safety Area is permitted within the applicable Tinicum Township Zoning District as a prior pre-existing non-conforming use. Landlord shall issue the appropriate permits for the use of the Land contemplated herein without unreasonable delay upon application by Tenant and payment of the required fees.

5.2 **Change of Use.**

In the event the Runway adjacent to the Land is relocated or re-configured such that a Runway Safety Area is not required, this Lease shall continue in full force and effect.

5.3. **General Covenants.**

Tenant covenants and agrees, at its sole cost and expense:

5.3.1. To secure and maintain in effect any governmental approvals, licenses and permits as may be required for Tenant's use and occupancy of the Premises (hereafter, the "Approvals"); provided, however, that Landlord shall cooperate in good faith with Tenant's efforts to obtain the Approvals, including without limitation, execution of all documents, petitions, requests for permits and other instruments that may from time to time be required as requested by Tenant;

- 5.3.2. Not to commit or permit to be committed any waste upon the Premises;
- 5.3.3. To comply with all Laws relating to the Premises;
- 5.3.4. To comply with all requirements of any insurance company, insurance underwriter, or Board of Fire Underwriters relating to the Premises; and
- 5.3.5. To fence the Land subject to local ordinance, to the extent that ordinance is not preempted by Federal Aviation Administration regulations or other applicable federal regulations.

6. **Real Estate and Transfer Taxes.**

6.1 Exemption.

The Premises is currently exempt from real estate taxation and shall remain exempt during the term of this Lease, and any renewal thereof, as long as the Premises continue to be used in compliance with Paragraph 5.1, above, subject to any changes in the General Real Estate Tax Assessment Law. In the event the Land becomes taxable for any reason including due to changes in Pennsylvania's real estate tax assessment laws, Tenant has the right to challenge such taxable status or applicable assessed values. Should the Land or the Lease ever be or become subject to real estate taxes or realty transfer taxes, both parties agree to assert any available exemptions, however Tenant will be responsible for the payment of any such taxes that become payable.

7. **Utilities.**

7.1 Tenant's Responsibility.

Tenant, at its sole cost and expense, shall take such action as may be necessary to assure the utility services required for Tenant's operation of the Premises, including, without limitation, making arrangements for all utilities and utility installations on and within the Premises.

7.2 Utility Bills.

Tenant shall pay all charges for utility services used on the Premises during the Term. At Landlord's request from time to time, Tenant shall deliver to Landlord receipts or other evidence satisfactory to Landlord indicating the timely payment of utility expenses.

7.3 Landlord Not Responsible for Utility Service.

Landlord makes no representation or warranty with respect to the availability or sufficiency of any utility service to the Premises. Landlord is not required to furnish any utility services to Tenant and shall not be liable for the failure of any utility services or for the non-tenant-ability of the Premises or other damage or loss resulting from the unavailability, interruption, inadequacy or termination of, any utility services.

8. **Condemnation.**

8.1 Notice; Claims.

In the event Tenant exercises its Purchase Option and acquires the Land, and Landlord subsequently and successfully condemns the Land pursuant to its Eminent Domain powers, Landlord agrees that as its payment of just compensation it will fully refund to Tenant all payments of Supplemental Rent made by Tenant to Landlord for the full Term of this Lease.

8.2 Total Taking.

In the event of a Total Taking:

8.2.1 This Lease shall terminate as of the date that possession is delivered to the condemning authority; and

8.2.2 Rent shall be apportioned as of the date the Lease terminates.

8.3 Partial Taking.

In the event of a Partial Taking:

8.3.1 At Tenant's option (a) this Lease shall remain in full force and effect as to the portion of the Premises remaining immediately after such Taking, or (b) this Lease shall terminate as of the date that possession is delivered to the condemning authority; and

8.3.2 If, at Tenant's option, the Lease is not terminated, there shall be a pro rata reduction based on the square footage of the Land taken, in Base Rent, Additional Rent and any other sum payable under this Lease.

9. **Landlord's Right of Entry.**

9.1 Right of Entry.

Landlord has no right to enter the Land except upon forty-eight (48) hours written notice. In the event it does enter the Land, Landlord will arrange to be accompanied by representatives of Tenant, and will exercise reasonable efforts to minimize interference with the operations of Tenant.

10. **Brokers.**

Landlord represents and warrants to Tenant that Landlord has had no dealings, negotiations or communications with any broker or other intermediary in connection with this Lease. Tenant represents and warrants to Landlord that Tenant has had no dealings, negotiations or communications with any broker or other intermediary in connection with this Lease. A Broker is defined as any person or entity that performs services related to the lease or transfer of

real property for a monetary fee or some other compensation.

11. **Quiet Enjoyment.**

Landlord hereby covenants that Tenant, upon paying all Rent and other charges herein provided for, and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Land during the Term without hindrance or molestation by anyone claiming by or through Landlord.

12. **Assignment.**

12.1 Assignment.

Upon sixty (60) days written notice to Landlord, and Landlord's written consent, such consent not to be unreasonably withheld, Tenant may assign the Lease to any entity which assumes the operation of the Airport from the City of Philadelphia, Department of Commerce, Division of Aviation.

12.2 No Release; Joint and Several Liability.

12.2.1 Unless otherwise agreed by Landlord, an assignment of this Lease shall not release or relieve Tenant of its liabilities and obligations under this Lease.

12.2.2 Each approved assignee of Tenant's interest under this Lease shall assume and be deemed to have assumed this Lease, and if Tenant has not been relieved of liability by Landlord, each approved assignee shall be and remain liable jointly and severally with Tenant for all payments and for the due performance of all terms, covenants or conditions herein contained on Tenant's part to be observed and performed. No assignment shall be binding upon Landlord unless the approved assignee shall deliver to Landlord an instrument in form and substance satisfactory to Landlord containing a covenant of assumption by the approved assignee, but the failure or refusal of an approved assignee to execute and deliver the same shall not release an approved assignee from its liability as set forth in this Section.

13. **Environmental Matters.**

13.1 Compliance.

13.1.1 Tenant shall not use, or permit its agents, employees, contractors, subtenants, licensees or invitees to use the Premises for the purpose of treating, producing, handling, transferring, processing, transporting, disposing, using or storing a Hazardous Substance.

13.1.2 Tenant shall, at Tenant's own expense, comply with all Environmental Laws as the same affect the Premises or the operations and activities of

Tenant, its agents, employees, contractors, subtenants, licensees or invitees on or about the Premises.

13.2 Discovery of Environmental Violations.

13.2.1 In the event Tenant causes or becomes aware of any Environmental Violation or any suspected Environmental Violation at the Premises, Tenant shall (a) notify Landlord of such Environmental Violation or suspected Environmental Violation immediately, and (b) deliver to Landlord any notice filed by or received by Tenant with or from any Governmental Authority relating thereto immediately upon filing or receipt thereof, and (c) remediate such condition but only so that the Premises is in the condition it was in at the time of the commencement of this Lease.

14. Subordination and Non-Disturbance.

14.1 This Lease and the estate, interest and rights hereby created are subordinate to any mortgage or mortgages, bonds, conditions or restrictions imposed by governmental grants, loans or similar programs for the benefit of Landlord which are hereafter placed upon the Premises, any estate or interest therein, all renewals, modifications, consolidations, replacements and extensions of the same, and to any substitutes therefore. Tenant agrees that in the event any person, firm corporation or other entity (including any mortgagee or governmental entity or program) acquires the right to possession of the Premises, Tenant shall, if requested by such person, firm, corporation or other entity, become the tenant of such person, firm, corporation or other entity upon the same terms and conditions as are set forth herein for the balance of the Term. Notwithstanding the foregoing, any mortgagee, bond holder or governmental entity or program may, at any time, subordinate its mortgage, grant or other interest to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution and delivery, and in that event, such mortgagee, bond holder, or governmental entity or program shall have the same rights with respect to this Lease as if this Lease had been executed and recorded prior to the execution and delivery of the mortgage.

14.2 In the event any mortgage, bonds, governmental grants, loan or similar interest benefitting Landlord are hereafter placed upon the Premises or any estate or interest therein, and which do not affect Tenant's use of the Premises hereunder, Tenant agrees to deliver to Landlord, within twenty (20) days after any such request therefore, a certificate certifying that this Lease is subordinate to any such mortgage, governmental grants, loan or similar interest.

15. Estoppel Certificates.

Each of the parties hereby agrees to deliver to the other, from time to time, within twenty (20) days after request therefore, an estoppel certificate certifying that this Lease is in full force and effect and that the requesting party is not in default under the terms hereof (or if the foregoing is not the case, giving an explanation thereof) and such further matters as may be reasonably requested.

16. **Surrender; Undetermined Charges.**

16.1 **Condition Upon Surrender; Title; Documents.**

Upon any termination of the Lease, prior to acquisition by Tenant at the end of the Term, or should Tenant elect not to exercise its Purchase Option at the end of the Term:

- 16.1.1 Tenant shall surrender the Land and the Improvements to Landlord, in good order, condition and repair, reasonable wear and tear excepted;
- 16.1.2 All right, title and interest of Tenant in and to the Improvements shall automatically cease and terminate; and
- 16.1.3 Tenant shall remove all personal property from the Premises. Any personal property which shall remain in or on the Premises after such termination shall be deemed to have been abandoned and either may be retained by Landlord as Landlord's property or may be disposed of in such manner as Landlord may see fit.

17. **Supervening Law.**

In the event that the Federal Aviation Administration requires, as a condition precedent to the granting of funds for the improvement of the Airport, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Lease, then Landlord agrees that such changes as may be reasonably required to enable Tenant to obtain said funds shall be considered and not unreasonably withheld, and if approved shall have no economic effect on Landlord, nor shall it have any effect on the deed restriction established as referenced in Paragraph 2.4.7 herein.

18. **Events of Default.**

18.1 **Defined.**

It shall be an event of default ("Event of Default") if:

- 18.1.1 Tenant fails to pay any installment of Monthly Rent, Additional Rent or other sum payable by Tenant under this Lease, with the exception of the first month's payment of Monthly Rent and Additional Rent, within ten (10) days after the same is due; or
- 18.1.2 Tenant fails to observe or perform any other covenant or agreement of Tenant contained in this Lease and such failure continues after written notice given by or on behalf of Landlord to Tenant for more than fifteen (15) days and such additional time, if any, as is reasonably necessary to cure such failure, provided Tenant commences to cure such failure

within such fifteen-day period and diligently thereafter prosecutes such cure to completion; or

- 18.1.3 Tenant uses or occupies all or any portion of the Premises other than as permitted in this Lease; or
- 18.1.4 Tenant does not maintain insurance coverage as provided elsewhere in the Lease; or
- 18.1.5 Tenant files for Bankruptcy protection or any other statutory relief relating to obligations under this lease; or
- 18.1.6 There shall occur an Event of Default as defined elsewhere in this Lease; or
- 18.1.7 Tenant creates a lien or other encumbrance upon Landlord's interest in the Land which remains uncured.

19. **Remedies.**

Upon the occurrence of any Event of Default and Tenant's failure to cure as set forth in Paragraph 19.1.1, Landlord at any time thereafter may pursue any one or more of the following remedies:

19.1 **Termination of Lease.**

- 19.1.1 Landlord may terminate this Lease upon the expiration of thirty (30) days after written notice to Tenant that a Rent payment is more than 10 days late, or that otherwise describes some other non-monetary Event of Default. Tenant shall not be in default under this Lease if the Tenant receives written notice of an Event of Default and cures such Event of Default within the 30 day cure period provided herein, or any longer period set forth in the written notice from Landlord, or, if the Event of Default is not capable of being cured within thirty (30) days, if Tenant takes the steps necessary to begin to cure the Event of Default within thirty (30) days.

19.2 **Damages.**

Upon termination of the Lease by Landlord due to Tenant's default and failure to cure, Landlord may commence an action against Tenant to recover all Rent, Accelerated Rent, and Liquidated Damages due for the balance of the Term, as such Rent, Accelerated Rent and Liquidated Damages are set forth herein. Landlord's damages may include reasonable attorneys' fees, only as are reasonably necessary for Landlord to enforce the default provisions of this Lease. In the event Landlord declares an event of default which is not cured, Tenant shall

lose all rights and interests conveyed to it by this Lease (including all purchase option rights).

19.2.1 Accelerated Rent.

Upon termination of the Lease as the result of a Tenant Default and failure to cure, Landlord may declare as immediately due and payable all Rent, including Rent as calculated and/or set forth pursuant to Paragraph 3 herein, interest on Base Rent pursuant to Paragraph 2.4.4.1, and Supplemental Rent pursuant to Paragraph 2.4.4.2, together with all other charges, payments, costs, and expenses payable by Tenant pursuant to this Lease, (in combination, “Accelerated Rent”), as if all such amounts were due and payable on the date the Event of Default occurred.

The provisions of Paragraph 2.4.4.1 setting forth Tenant’s obligation to pay interest on the Base Rent upon the early termination of the Lease are applicable to an early termination resulting from Tenant’s Default. If such early termination resulting from an event of Default occurs before the end of Year 20 of the Lease, interest payable to Landlord by Tenant pursuant to Paragraph 2.4.4.1 shall be at the rate of 2%, as if the termination had occurred before the end of the Year 25.

19.2.2 Liquidated Damages.

Upon termination of the Lease due to a Tenant Default and failure to cure, in addition to one hundred percent (100%) of the Accelerated Rent as set forth in Section 19.2.1 herein, Landlord may recover from Tenant, and Tenant shall pay to Landlord upon demand, as liquidated and agreed final damages (“Liquidated Damages”), and in lieu of all other unaccrued damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), an additional twenty five (25%) percent of the Accelerated Rent as calculated thereon. (By way of example, if Accelerated Rent totals \$1,000, the total due will be \$1,000 plus \$250, or \$1,250). Upon payment of such Accelerated Rent and Liquidated Damages, Tenant shall be deemed to have prepaid all Rent due under this Lease, and at Tenant’s discretion shall remain in possession for the balance of the Lease Term with no additional Rent or other payments required. In that event, at the end of the Lease Term, the Landlord and Tenant shall take all steps necessary to transfer title of the Premises to Tenant for additional consideration paid by Tenant of One Dollar (\$1.00).

19.3 Waiver.

19.3.1 A waiver of any breach or Event of Default by Landlord shall not act as a waiver of any future breaches or Events of Default.

19.4 Reletting; Right to Collect Rent from Subtenants.

19.4.1 Upon termination of the Lease and payment of all Damages as set forth in the Lease, should Tenant elect not to remain in possession, Landlord may enter without any further notice and take possession of the Premises, or any part thereof, and lease the Premises to any other person upon such terms as Landlord shall deem reasonable, for a term within or beyond the Term. Any such re-letting prior to termination shall be for the account of Tenant, and Tenant shall remain liable for (a) all Rent, and other sums which would be payable under this Lease by Tenant in the absence of such expiration, termination or taking possession, less (b) the net proceeds, if any, of any re-letting effected for the account of Tenant determined by deducting from the gross proceeds of any such re-letting all of Landlord's expenses, attorneys' fees and expenses, employees' expenses, alteration costs, expenses of preparation for such re-letting and all costs and expenses, direct or indirect, incurred as a result of Tenant's breach of this Lease.

20. Provisions Concerning Remedies/Rights Cumulative.

No right or remedy granted to Landlord in this Lease is intended to be exclusive of any other right or remedy granted in this Lease or available at law or equity or by statute, but each shall be cumulative and in addition to every other right or remedy granted in this Lease or now or hereafter existing at law or in equity or by statute.

21. Notices.

Any notices required or permitted to be given under this Lease shall be given in writing and shall be delivered (a) in person or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt and such notices shall be addressed as follows:

If to Landlord:

Tinicum Township
President, Board of Commissioners
629 N. Governor Printz Blvd.
Essington, PA 19029
Facsimile No.: 610-521-3392

With required copies to:

Sam S. Auslander, Esquire
Eckell, Sparks
344 West Front Street
Media, PA 19063
Email: sauslauder@eckellsparks.com

Francis G.X. Pileggi, Esquire
Eckert Seamans Cherin & Mellott, LLC
Two Liberty Place
50 South 16th Street, 22nd Floor
Philadelphia, PA 19102

If to Tenant:

Division of Aviation
Terminal E
Philadelphia International Airport
Philadelphia, PA 19153
Attention: Director of Aviation

With a required copy to:

City of Philadelphia Law Department
1515 Arch Street, 16th Floor
Philadelphia, PA 19102
Attention: Chief Deputy City Solicitor - Regulatory Affairs

and

William F. Kerr, Jr., Esquire
High Swartz LLP
40 East Airy Street
P.O. Box 671
Norristown, PA 19404

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be effective only upon receipt (or refusal by the intended recipient to accept delivery).

22. **Indemnification and Liability.**

Unless specifically caused by the negligence of Landlord, its employees or agents, Tenant shall defend, indemnify, save and hold harmless ("Indemnify") Landlord, and its' respective elected officials, employees, agents, and consultants from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including reasonable attorney's fees, court costs, administrative costs and costs of appeal which may be imposed upon or incurred by or asserted by reason of any of the following which shall occur during the Term of this Lease:

(a) any work or act done in, on or about the Premises or the Land or any part thereof at the direction of or caused by Tenant, its agents, contractors, subcontractors, servants,

employees, licensees or invitees;

(b) any negligence or other wrongful act or omission on the part of Tenant or any of its agents, contractors, subcontractors, servants, employees, subtenants, licensees or invitees;

(c) any accident, injury or damage to any persons or property occurring in, on or about the Premises or Land or any part thereof, unless caused by the gross negligence of Landlord, its employees or agents;

(d) use, maintenance or operation of the Premises or Land as Runway Safety Area, vacant land, or for other Runway Safety Area related uses; and

(e) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease on its part to be performed or complied with.

The obligation of Tenant to Indemnify contained in this Section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant, its agents or contractors under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts, or under any other insurance coverage Tenant may obtain. Notwithstanding the foregoing, nothing herein shall waive or amend any defense, immunity or limitation which the Tenant, its officers, agents or employees, may have pursuant to the Pennsylvania Political Sub-division Tort Claims Act, 42 Pa.C.S.A. §8541, *et seq.*

23. **Insurance.**

23.1 **Insurance Coverage.**

Tenant, at its sole expense, shall maintain during the term of this Lease comprehensive general liability insurance and property damage insurance under policies issued by insurers of recognized responsibility having a combined single limit for any one (1) occurrence of not less than Three Million Dollars (\$3,000,000.00) for personal injury, bodily injury, death, disease and damage or injury to or destruction of property (including the loss of use thereof) occurring upon, in, or about the Premises and/or Land; and for punitive damages awarded by virtue of the conduct of the Tenant (to the full extent insurable and reasonable available); and contractual liability assumed under this Lease. Tenant will provide a Certificate of Insurance evidencing such coverage at the time of the execution of this Lease, and thereafter as reasonably requested by Landlord, the Certificate of Insurance evidencing such policy must evidence that the limits of the Tenant's liability insurance required hereunder applies solely to the Premises and Land and not to other locations. Tenant shall also maintain such other insurance in form and amount as Landlord may reasonably require. Tenant agrees to insure that the Landlord shall be named as an additional insured as their interest appears under all such policies.

23.2 Self-Insured.

Notwithstanding anything contained hereinabove, in the event that Tenant shall, during the course of this Lease, self-insure for comprehensive general liability claims or any part thereof as required herein, Tenant, in lieu thereof, may satisfy the insurance coverage requirement by providing Landlord with notice thereof at least thirty (30) days prior to the cancellation, termination or modification of its then existing general liability insurance coverage. With said notice, Tenant must provide Landlord with a Certificate of Self-Insurance certifying that the Tenant shall accept full responsibility from and against all claims, liabilities and damages, which maybe asserted as a result of Tenant's use and maintenance of the Land and Premises, together with a letter of protection protecting and indemnifying the Landlord as their interest appears.

23.3 Improvements Coverage.

Tenant agrees that each Contractor retained by the Tenant to do any construction, maintenance and/or supervision of the Runway Safety Area shall at all times maintain and keep in force, at its own expense, all risk policy insurance in a form and in an amount as required by the City of Philadelphia General Construction Provisions protecting both Landlord and Tenant on all improvements to the Premises and Land, including all improvements then under construction (including without limitation Builder's Risk coverage during construction of any permitted alterations). Tenant agrees to insure that the Landlord shall be named as an additional insured as their interest appears under all such Contractor's policies.

23.4 Worker's Compensation and Employer's Liability Insurance.

Tenant represents and warrants that it is self-insured against worker's claims filed under the Pennsylvania Workers' Compensation Act with the minimum statutory limited required therein. In the event that Tenant elects, during the term of this Lease,, to no longer self-insure against Workers' Compensation Claims, Tenant shall obtain insurance coverage compliant with the statutory provisions of the Pennsylvania Workers' Compensation Act then in effect.

24. **Mechanics' and Other Liens.**

24.1 Tenant covenants that it shall not (and has no authority to) create or allow any encumbrance against the Premises and Land or any part of any thereof or of Landlord's interest therein.

24.2 Tenant covenants that it shall not suffer or permit to be created, or to remain, any lien or claim thereof (arising out of any work done or services, material, equipment or supplies furnished for or at the request of Tenant or by or for any contractor or subcontractor of Tenant, other than such furnished by Landlord) which is or may become a lien upon the Premises and Land, or any part of any thereof or the income therefrom or any fixture, equipment or similar property therein.

24.3 If any lien or claim shall be filed, Tenant shall within thirty (30) days after the filing thereof, cause the same to be discharged of record by payment, deposit, bond or otherwise. If Tenant shall fail to cause such lien or claim to be discharged and removed from record within that period, then, without obligation to investigate the validity thereof and in addition to any other right or remedy Landlord may have, Landlord may, but shall not be obligated to, contest the lien or claim or discharge it by payment, deposit, bond or otherwise; and Landlord shall be entitled, if Landlord so decides, to compel the prosecution of an action for the foreclosure of such lien by the lien or and to pay the amount of the judgment in favor of the lien or with interest and costs. Any amounts so paid by Landlord and all costs and expenses, including attorneys' fees, incurred by landlord in connection therewith, together with interest from the respective dates of Landlord's making of the payment or incurring of the cost or expense under this Lease, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord within thirty (30) days of such written demand.

25. **Miscellaneous.**

25.1 Time of the Essence.

All times, wherever specified in this Lease for the performance by Landlord or Tenant of their respective obligations under this Lease, are of the essence of this Lease.

25.2 Severability.

If any provision in this Lease or the application thereof shall to any extent be invalid, illegal or otherwise unenforceable, the remainder of this Lease, and the application of such provision other than as invalid, illegal or unenforceable, shall not be affected thereby, and such provisions in this Lease shall be valid and enforceable to the fullest extent permitted by law.

25.3 Entire Agreement; Modifications.

25.3.1 This Lease, including the Exhibits attached to this Lease, contains the final and entire agreement between Landlord and Tenant and is intended to be an integration of all prior negotiations and understandings. Neither Landlord nor Tenant shall be bound by any covenants, agreements, statements, representations or warranties, oral or written, not contained in this Lease.

25.3.2 No change or modification of this Lease shall be valid unless the same is in writing and signed by the parties to this Lease. No waiver of any of the provisions of this Lease shall be valid unless the same is in writing and is signed by the party against which it is sought to be enforced.

25.3.3 No course of prior dealings between the parties shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement between the parties shall not

be relevant or admissible to determine the meaning of any of the terms of this Lease.

25.4 Interpretation of Lease.

The headings and captions in this Lease are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Lease or any of the provisions hereof. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter.

25.5 Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

25.6 Force Majeure.

Neither Landlord nor Tenant shall be excused from performance of their obligations hereunder unless, for a consecutive and uninterrupted period of more than four weeks, the Airport is unable to conduct its normal operations. For purposes of this provision, normal operations shall mean that no commercial or private planes are able to land at or take-off from the Airport due to a cause or causes beyond the control of the Tenant, including war, terrorist attack, invasion, quarantine restrictions, fire, violence, sabotage, malicious mischief, weather, or acts of God. Should such cause or causes last for more than four consecutive and uninterrupted weeks, and Tenant is thereby unable to collect the fees, rent, reimbursement for expenses, and other payments owed to Tenant related to the use of the airport property by Airport users and tenants, the terms of this Lease and Tenant's obligations to pay Rent hereunder shall be suspended on a pro rata basis from the first day of the disruption in Airport operations, until and through the date on which such cause or causes have been eliminated or corrected, the Airport is no longer prevented from conducting its normal operations as defined above, and Tenant is again receiving all payments owed to Tenant for use of the Airport. In the event such cause or causes last for more than four consecutive and uninterrupted weeks, but Tenant continues to collect all or a portion of the fees, rent, expenses and other payments owed to Tenant related to the use of the Airport property by Airport users and tenants, Tenant's obligation to pay Monthly Rent will continue in effect, and will be prorated based on the percentage of total fees, rent, expenses Tenant is owed that Tenant is able to collect from Airport users and tenants.

25.7 Successors.

The respective rights and obligations provided in this Lease shall bind and shall inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

25.8 Waiver of Jury Trial.

It is mutually agreed that Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other as to any matters arising out of or in any way connected with this Lease.

25.9 Records.

In accordance with applicable FAA regulations, all records concerning the Airport are subject to inspection by any duly authorized agent of the United States Secretary of Transportation upon reasonable request.

25.10 Recording.

This Lease shall be recorded with the Delaware County Recorder of Deeds.

25.11 Counterparts.

This Lease may be executed in Counterparts.

25.12 Costs.

Any cost or expense related to the negotiation or effectuation of this Lease, including attorney fees, shall be borne by the party incurring such costs. Any transfer tax or real estate tax or recording fees, shall be the responsibility of Tenant.

25.13 Subordination of Lease.

This Lease is subject and subordinate to the provisions of any existing or future agreement made between City and the United States relative to the operation or maintenance of the Airport, the execution of which has been made or may be required by the provisions of the Federal Aviation Act of 1958, as amended, or any future Act affecting the operation or maintenance of the Airport.

This Lease is subject and subordinate to the terms of any "Sponsor's Assurance Agreement" or like agreement that has been or may be furnished to the FAA by Tenant or required by law. In the event that the FAA or its successors require modification or changes in this Lease as a condition precedent to the granting of its approval or to the obtaining of funds for improvements at the Airport or as a requirement of any prior grants, Landlord hereby approves any and all such modifications, amendments, revisions, supplements or deletions of any of the terms, conditions or requirements of this Lease as may reasonably be required, provided Tenant gives Landlord reasonable notice of such modifications, amendments, revisions, supplements or deletions.

25.14 Required Lease Approvals.

Portions of this Lease will require approval by the Philadelphia City Council. Additionally, this Lease also requires approval of the Tincum Township Commissioners. Landlord and Tenant agree that this Lease will not be in full force and effect until both municipal bodies approve its terms pursuant to their regular administrative or other required processes.

25.15 Enforcement.

The Parties agree to defend any challenge from any third-party relating to the enforceability of this Lease, or to any obligation under this Lease or any part thereto. Whichever party's compliance with this Lease is challenged will have the obligation to take whatever legal action is necessary to defend the enforceability of this Lease or any obligations thereunder.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease with the intent to be legally bound thereby as of the date first above written.

ATTEST:

TOWNSHIP OF TINICUM

_____ BY: _____

APPROVED AS TO FORM:

Shelley R. Smith, City Solicitor

BY: _____
Joseph F. Messina, Divisional Deputy City Solicitor

CITY OF PHILADELPHIA
Director of Commerce

BY: _____