

EXHIBIT A

SUBLEASE

DATED _____, 2013

BETWEEN

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

AND

EAST PARK LEADERSHIP AND CONSERVATION CENTER

**FOR PREMISES LOCATED IN THE EAST PARK RESERVOIR WEST BASIN AND
ADJOINING LAND, FAIRMOUNT PARK, PHILADELPHIA**

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EXHIBITS

- Exhibit A-1: Premises
- Exhibit A-2: West Basin
- Exhibit A-3: East Side Fence and East Side Wall
- Exhibit A-4: Wooded Areas
- Exhibit B: Master Lease
- Exhibit C: Landlord’s Resolution
- Exhibit D: Subtenant’s Resolution and Corporate Documents [Section 22.1]
- Exhibit E: Form of Guaranty
- Exhibit F: Right-of-Entry Agreement
- Exhibit G: Commencement Date Letter [Form]
- Exhibit H: Public Access Plan [Section 5.9]
- Exhibit I: Certification and Covenants of Recipient of Financial Assistance
- Exhibit J: Economic Opportunity Plan [Section 18.1]
- Exhibit K: Lease Recognition Agreement [Section 20.2, Form]

DRAFT June 17, 2013.a

SUBLEASE

[East Park Reservoir, West Basin]

THIS SUBLEASE (“**Sublease**”), dated as of _____, 2013 (“**Effective Date**”), is between the Philadelphia Authority for Industrial Development, a Pennsylvania quasi-governmental authority and corporation (“**PAID**”), and the East Park Leadership and Conservation Center, a Pennsylvania nonprofit corporation (“**Subtenant**”).

BACKGROUND

A. East Park Reservoir (“**Reservoir**”) is under the jurisdiction of the City of Philadelphia Water Department. The Reservoir is surrounded by Fairmount Park, which is under the jurisdiction of the City of Philadelphia Department of Parks and Recreation. The Reservoir is not part of Fairmount Park and is not open for recreational or other public use.

B. The Reservoir includes the West Basin, which the City of Philadelphia Water Department removed from service approximately 50 years ago.

C. Because of the size of the West Basin and the constant presence of water in it, the Basin attracts water fowl and migrating birds.

D. Subtenant would like to use a portion of the West Basin and its surrounding grounds to conduct outdoor learning and team-building programs.

E. Subtenant wants to maintain the West Basin and its surrounding grounds as a bird sanctuary for public viewing and to use the West Basin and its surrounding grounds to conduct educational programs about the environment and birds and to provide passive recreational opportunities for public enjoyment.

F. Subtenant is a Pennsylvania nonprofit corporation formed by Philadelphia Outward Bound Center (“**Outward Bound**”) and the National Audubon Society, Inc. (“**Audubon**”).

G. The City of Philadelphia Water Department intends to make extensive improvements to other basins in the Reservoir that will involve heavy construction for several years.

H. By a master lease agreement dated the same date as this Sublease (the “**Master Lease**”), the City of Philadelphia leased the Premises to Landlord. The Master Lease is attached as **Exhibit B** (without the exhibits to the Master Lease).

I. By Resolution dated _____, the Board of Directors of Landlord authorized Landlord’s Executive Director to execute the Master Lease and this Sublease. A copy of Landlord’s Board of Directors’ resolution is attached as **Exhibit C**.

J. By Resolution dated _____, the Board of Directors of Subtenant authorized Subtenant's [title of officer] to execute this Sublease on behalf of Subtenant. A copy of Subtenant's Board of Directors' resolution is attached as **Exhibit D**.

K. Contemporaneously with execution of this Sublease,

1. Outward Bound and Audubon have each executed a guaranty in favor of the Landlord and Master Landlord in the form set forth in **Exhibit E**;

2. Subtenant and Master Landlord have executed a right-of-entry agreement in the form set forth in **Exhibit F** (the "**Right of Entry Agreement**"). The Right of Entry Agreement sets forth the terms under which Subtenant may inspect the Premises and perform studies of the Premises before the Commencement Date of this Sublease's Initial Term; and

3. Subtenant and Master Landlord have executed a license agreement in the form set forth in **Exhibit G** (the "**Maintenance and Construction License Agreement**"). The Maintenance and Construction License Agreement sets forth the terms under which Subtenant shall inspect and maintain the walls around the Basin and may construct and maintain the Overflow Control before the Commencement Date (as those terms are defined below).

M. This Sublease provides for Landlord's subleasing of the West Basin and surrounding grounds to Subtenant.

ACCORDINGLY, Landlord and Subtenant, intending to be legally bound, agree as follows:

DEFINITIONS AND EXHIBITS

In this Sublease, words defined in the Preamble and Background have their assigned meanings, and the words and phrases defined below have the meanings assigned to them below.

"**Access Drive**" has the meaning assigned to it in Section 6.5.2. The Access Drive is identified in Exhibit A-3.

"**Additional Insureds**" means Landlord, Master Landlord, and their respective officials, officers, employees, agents, successors and assigns.

"**Additional Rent**" means all sums other than Rent which Subtenant is obligated to pay to Landlord or the Master Landlord under this Sublease.

"**Advisory Committee**" has the meaning assigned to it in Section 2.3.5.

"**Affiliate**" means any person or entity that (1) directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Subtenant or (2) owns 25% or more of the equity interest that is held beneficially or of record in Subtenant.

“Alteration” and **“Alterations”** include the Initial Construction and all alterations, repairs, restorations, replacements, and reconstructions of a capital nature on the Premises with a useful life of at least five years.

“Applicable Law” and **“Applicable Laws”** mean

1. all present and future laws, statutes, requirements, ordinances, codes, orders, judgments, regulations, administrative or judicial determinations, even if unforeseen or extraordinary, of every governmental or quasi-governmental authority, court or agency having jurisdiction over the Premises and Subtenant, or either of them, including, but not limited to,

A. Environmental Laws,

B. those relating to accessibility to, usability by, and discrimination against, disabled individuals,

C. the Philadelphia Home Rule Charter and the Philadelphia Code,

D. the Department’s regulations,

2. all covenants, restrictions, and conditions now or in the future of record which may be applicable to Subtenant or to all or any portion of the Premises, or to the use, occupancy, possession, operation, maintenance, alteration, repair or restoration of any of the Premises,

even if compliance with them necessitates structural changes to the Improvements or the making of Improvements, or results in interference with the use or enjoyment of all or any portion of the Premises.

“Approvals” has the meaning assigned to it in Section 2.1.3.

“Audubon” has the meaning assigned to it in Background Paragraph F.

“Audubon Programs” means Audubon’s science, conservation, recreational, and environmental education programs.

“Books and Records” has the meaning assigned to it in Section 5.4.1.

“Building” means a building constructed on the Premises in accordance with Section 7.1 for the purposes listed in Section 4.4, together with all systems serving it for heating, ventilating, cooling, electricity, gas, and communication, and other building systems, and all appurtenances to any of them.

“City” includes the City of Philadelphia, a corporation and body politic existing under the law of the Commonwealth of Pennsylvania, and all of the City’s departments, boards, commissions, officials, officers, employees, agents, and representatives.

“**Commencement Date**” means the day that all the Conditions Precedent in Section 2.3 have been satisfied or have been waived by the Landlord.

“**Commissioner**” means the City of Philadelphia Parks and Recreation Commissioner and any official who succeeds to the powers and duties of the Commissioner.

“**Conditions Precedent**” has the meaning assigned to it in Section 2.3.

“**Contamination**” includes a Hazardous Substance in, on, or about the Premises which are not contained in accordance with Environmental Laws and which may require remediation or removal under any Environmental Law.

“**Contractor**” includes each person or firm hired by Subtenant to perform any of Subtenant’s obligations or exercise any of Subtenant’s rights under this Sublease, any person or firm hired as a subcontractor by the person or firm hired by Subtenant, and each Permitted Transferee.

“**Control**” includes the possession of the direct or indirect power to cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, options to acquire or convert securities, exercise of membership powers, by contract, family relationship or otherwise.

“**Default Rate**” means 5% over the prime rate published in the Wall Street Journal on the first business day of the month the Default Rate starts to accrue.

“**Department**” means the City of Philadelphia Department of Parks and Recreation and any department, board, commission, or agency that succeeds to the powers and duties of the Department.

“**Designated Improvements**” has the meaning assigned to it in Section 7.4.

“**East Side Fence**” means the fence between the West Basin and the remainder of the East Park Reservoir, as shown on **Exhibit A-3**.

“**East Side Wall**” means the wall between the West Basin and the other basins of the East Park Reservoir, as shown on **Exhibit A-3**.

“**Economic Opportunity Plan**” has the meaning given it in Section 18.1.

“**Educational Programs**” has the meaning assigned to it in Section 4.2.1.

“**Environmental Laws**” means those Applicable Laws pertaining to Hazardous Substances and Contamination.

“**Estoppel Certificate**” means a written certification which states

1. that this Sublease is unmodified and in full force, or, if modified, that states the nature of the modification and that this Sublease as modified is in full force;

2. the Commencement Date;
3. the date to which the Rent and other charges or sums due are paid in advance, if any;
4. that, to the responding party's knowledge, after reasonable investigation, there are no uncured defaults on the part of the requesting party, or if there exist any uncured defaults on the part of the requesting party, that states the nature of the uncured defaults;
5. that, to the responding party's knowledge, after reasonable investigation, there are no uncured defaults on the part of the responding party, or if there exist any uncured defaults on the part of the responding party, that states the nature of the uncured defaults; and
6. the correctness of other factual information respecting the status of this Sublease as may be reasonably required by the requesting party.

“Event of Default” and **“Events of Default”** have the meanings assigned to them in Section 14.1.

“Fairmount Park System” means all the parks and facilities under the jurisdiction of the Department.

“First Deputy Commissioner” means the First Deputy Commissioner for Parks and Facilities of the Department of Parks and Recreation, and any official who succeeds to the powers and duties of the First Deputy Commissioner.

“Force Majeure Event” includes war, act of terrorism, strikes (excluding strikes by the employees of Subtenant, its Affiliates, Audubon, or Outward Bound), extreme weather, earthquakes, and other events which are beyond the reasonable control of Subtenant.

“GAAP” mean generally accepted accounting principles, consistently applied.

“Guarantors” means Outward Bound and Audubon.

“Hazardous Substances” includes

1. any hazardous or toxic substances, materials or wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302);
2. Hazardous Chemicals as defined in the OSHA Hazard Communication Standard;
3. Hazardous Substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et. seq.;

4. Hazardous Substances as defined in the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq;

5. all substances now or hereafter designated as “hazardous substances,” “hazardous materials,” “hazardous wastes,” or “toxic substances” under any other federal, state or local laws or in any regulations adopted and publications promulgated pursuant to any of those laws, and amendments to all those laws and the regulations to them;

6. substances, materials, and wastes which are or become regulated under any applicable local, state or federal Environmental Law; and

7. asbestos, flammable materials, volatile hydrocarbons, industrial solvents, explosives, chemicals, radioactive material, petroleum, petroleum products, natural gas, and/or synthetic gas.

“**Imposition**” includes all taxes imposed on the Premises (including possessory interest, real property, ad valorem, and personal property taxes), assessments, charges, license fees, municipal liens, levies, excise taxes, impact fees, or imposts, whether general or special, ordinary or extraordinary imposed by any governmental or quasi-governmental authority pursuant to law directly as a result of Subtenant’s subleasehold interest in the Premises, which may be levied, assessed, charged or imposed, or may be or become a lien or charge, upon the Premises, or any part of the Premises, or upon the subleasehold estate created by this Sublease.

“**Improvements**” means all buildings, structures, fixtures, and other human-made physical developments on the Premises, including the Building, fences, and Overflow Control.

“**Indemnitees**” means (1) Landlord and the Master Landlord, (2) their respective officials, officers, employees, and agents acting in accordance with the directions of Landlord or Master Landlord, as the case may be, and (3) their respective successors and assigns in title to the fee and leasehold estate in the Premises.

“**Initial Construction**” means Subtenant’s construction of the Building and other Improvements in connection with its original development of the Premises for Subtenant’s use under this Sublease.

“**Initial Expiration Date**” has the meaning assigned to it in Section 2.2.1.

“**Initial Term**” has the meaning assigned to it in Section 2.2.1.

“**Insurance Proceeds**” means all amounts received from an insurance carrier under property insurance coverage for the Premises, after deducting the reasonable fees and expenses of collection, including reasonable attorneys’ fees and experts’ fees.

“**Landlord**” means PAID and its officers, employees, successors-in-interest, and assigns under this Sublease.

“Lease Year” means each full year that starts on the Commencement Date or on an anniversary of the Commencement Date and ends at the end of the day before the Commencement Date or the end of the day before the anniversary of the Commencement Date, as the case may be.

“LWCF” means the federal Land and Water Conservation Fund Act of 1965, Pub. L. 88-578, 78 Stat 897, 16 U.S.C. 4601-4 et seq., all federal and Commonwealth of Pennsylvania regulations promulgated pursuant to that act, and all manuals, interpretations, and directives issued by any federal or Commonwealth of Pennsylvania agency regarding that act.

“Maintain” and **“Maintenance”** means all necessary and prudent measures, whether ordinary or extraordinary, to preserve and keep up any real or personal property, subject to express limitations set forth in the Sublease.

“Master Landlord” means the City.

“Master Landlord’s Estate” means all of the Master Landlord’s right, title, and interest in the Premises and the benefits due and accruing to the Master Landlord under this Sublease.

“Master Landlord Event” has the meaning assigned to it in Section 5.2.

“Master Lease” has the meaning assigned to it in Background paragraph H and includes all amendments to it.

“Outdoor Training Facilities” has the meaning assigned to it in Section 4.5.

“Outward Bound” has the meaning assigned to it in Background Paragraph F.

“Outward Bound Programs” means Outward Bound’s team-building, training, leadership, educational, adventure, and youth development programs.

“Overflow Control” means an improvement, fixture, or equipment, or any combination of them, that forms a spillway or drainage system that controls the water level in the West Basin and regulates the discharge of water from the West Basin.

“PAID” has the meaning assigned to it in the introductory paragraph of this Sublease.

“Partial Taking” means a taking under the power of eminent domain or by purchase under threat of condemnation of less than substantially all of (A)(1) the Premises, (2) any appurtenances of the Premises, (3) any vaults or areas outside the boundaries of the Premises, or (4) rights in, under or above the streets adjoining the Premises or the rights and benefits of light, air or access from or to those streets, or (B) a change in the grade of any street adjoining the Premises where the change causes a material detrimental effects on the Premises or use of the Premises.

“Permitted Transfer” has the meaning assigned to it in Section 16.4.

“Permitted Transferee” has the meaning assigned to it in Section 16.4.

“**Premises**” means the land outlined on **Exhibit A-1**. The Premises do not include any public utility lines or conduits or any public rights-of-way, but do include Subtenant’s lines, conduits, and connections to any public utility lines and conduits in, on, or about the Premises.

“**Programs**” means the Educational Programs; the Outward Bound Programs; the Audubon Programs; environmental tours, exhibits, and educational programs; and group team-building and training programs.

“**Prohibited Encumbrances**” has the meaning assigned to it in Section 20.4.

“**Public Access Plan**” is the document set forth in **Exhibit H**.

“**Recorder of Deeds**” means the Recorder of Deeds for Philadelphia County, Pennsylvania.

“**Releasees**” means (A) Master Landlord, Landlord, (B) their respective officials, officers, and employees, and (C) their respective successors and assigns in title to the Premises or the leasehold estate in the Premises.

“**Releasors**” means Subtenant and its successors, assigns, officers, employees, Contractors, and any person claiming by, through, or under Subtenant or any of them.

“**Renewal Condition**” has the meaning assigned to it in Section 2.4.

“**Renewal Notice**” has the meaning assigned to it in Section 2.5.2.

“**Renewal Term**” has the meaning assigned to it in Section 2.5.

“**Rent**” means \$1.00.

“**Repair**” and “**Repairs**” means all necessary and prudent repairs, replacements, and renewals, whether ordinary, extraordinary, or capital in nature, subject to express limitations set forth in the Sublease.

“**Reservoir**” has the meaning assigned to it in Background Paragraph A.

“**Revenues**” includes (1) all revenues, however characterized, that Subtenant receives from fees and charges it imposes under Section 4.8, and (2) all donations, contributions, sponsorships, and gifts to Subtenant, Outward Bound, and Audubon, or to any of them, related to any of the Programs, naming rights, or any other matter related to the Premises or operations on the Premises.

“**Right of Entry Agreement**” has the meaning assigned to it in Background Paragraph L.

“**Storage Tank Facilities**” has the meaning assigned to it in Section 6.1.

“**Strategic Plan**” has the meaning assigned to it in Section 2.3.4.

“**Sublease**” has the meaning assigned to it in the opening paragraph of this Sublease.

“**Sublease Ending Date**” means the date this Sublease expires, terminates, or otherwise ends.

“**Subtenant**” has the meaning assigned to it in the opening paragraph of this Sublease.

“**Tax Year**” has the meaning assigned to it in Section 9.1.2.

“**Term**” means the Initial Term and all Renewal Terms, if any.

“**Total Project Budget**” means all the projected costs for Subtenant’s proposed Initial Construction under this Sublease, including “soft costs” for studies, design, and engineering, as well as “hard costs” for construction.

“**Total Taking**” has the meaning assigned to it in Section 13.1.

“**Walking Trails**” means all walking trails constructed by Subtenant as provided in Section 4.7.

“**Water Department**” means the City of Philadelphia Water Department and any department, board, commission or agency that succeeds to the powers and duties of the Water Department.

“**Water Department’s Deputy Commissioner for Operations**” means the City of Philadelphia Water Department Deputy Commissioner for Operations and any official who succeeds to the powers and duties of the Deputy Commissioner for Operations.

“**Water Storage Project**” has the meaning assigned to it in Section 6.1.

“**West Basin**” means the west basin of the Reservoir, as shown on **Exhibit A-2**.

ARTICLE 1 LEASE

1.1. Lease. By this Sublease, and subject to the provisions of this Sublease, Landlord subleases to Subtenant and Subtenant subleases from Landlord the Premises for the Term, together with all improvements and appurtenances that in any way belong to the Premises.

1.2. No Representations or Warranties. Landlord shall deliver possession of the Premises to Subtenant on the Commencement Date. Landlord does not make any representation or warranty to Subtenant regarding the Premises, the condition of the Premises, or the Premises’ suitability for Subtenant’s use of the Premises as contemplated by this Sublease.

1.3. Condition. Subtenant accepts possession of the Premises on the Commencement Date subject to the following matters:

1.3.1. The “AS IS” condition and state of repair of the Premises, including all surface and subsurface conditions, all latent and patent defects in the

Premises, and all things in, on, about and under the Premises; provided, however, Subtenant is not liable for matters as expressly provided in Section 8.1.1.3, Section 8.2.1, Section 8.2.3, Section 8.2.5, Section 8.2.6, and Section 10.2.

1.3.2. All present building restrictions and regulations and present and future zoning laws, ordinances, resolutions, and regulations of the City (which are of general application in the City or specific application to the Premises) and all present ordinances, regulations and orders of all departments, boards, bureaus, commissions and bodies of the City (which are of general application in the City or specific application to the Premises) and any county, state or federal agency that now or in the future has jurisdiction over the Premises and the use and improvement of the Premises.

1.3.3. Violations of Applicable Laws that might be disclosed by an examination and inspection or search of the Premises by any federal, state, county or municipal department or authority having jurisdiction over the Premises.

1.3.4. Encumbrances, liens, encroachments on or affecting the Premises.

1.3.5. Existing uses of or affecting the Premises, agreements and restrictions of record affecting the Premises.

1.3.6. The nature or usability of the Premises, or the use or uses to which the Premises or any part of the Premises may be put.

1.3.7. The City's title to the Premises and any defects in the City's title.

1.3.8. The Master Lease.

1.4. Subtenant Inspection. On the Commencement Date, Subtenant takes possession of the Premises under this Sublease based solely on Subtenant's inspection and investigation of the Premises and without reliance on any representation or warranty made by Master Landlord or Landlord.

1.5. No Waste. Subtenant shall not knowingly cause or permit any physical waste, damage, deterioration, or injury to the Premises or the City's Estate. Subject to Subtenant's obligations under this Sublease to Maintain and Repair the Premises, normal wear and tear to the Premises in connection with Subtenant's contemplated uses of the Premises under this Sublease is not physical waste to the Premises.

ARTICLE 2

TERM: INITIAL TERM, COMMENCEMENT DATE; RENEWAL TERM

2.1. Subtenant's Option To Terminate Before Commencement Date. At any time before the Commencement Date occurs, Subtenant may terminate this Sublease by delivering a written termination notice to the First Deputy Commissioner. Before the Commencement Date occurs, Subtenant may inspect the Premises and perform studies of the Premises in accordance

with the Right of Entry Agreement. Once the Commencement Date occurs, Subtenant may not terminate this Sublease or surrender or abandon the Premises except as expressly provided in this Sublease.

2.2. Initial Term. The initial term of this Sublease is 30 years (the “**Initial Term**”). The Initial Term starts on the Commencement Date. The Initial Term expires at the end of the day that is one day before the 30th anniversary of the Commencement Date (the “**Initial Expiration Date**”).

2.3. Commencement Date; Conditions Precedent to Commencement Date. Provided that Subtenant has not terminated this Sublease pursuant to Section 2.1, the Commencement Date of the Initial Term is the date that all the following conditions have been satisfied (the “**Conditions Precedent**”):

2.3.1. Subtenant must have obtained the Commissioner’s written approval of Subtenant’s Total Project Budget.

2.3.2. Not later than the third anniversary of the Effective Date, Subtenant must have demonstrated, to the reasonable satisfaction of the Commissioner, that Subtenant has raised at least 50% of the Total Project Budget in readily available funds or in binding, irrevocable donation pledges.

A. To satisfy this condition, Subtenant shall provide all documents and materials reasonably requested by the Commissioner for the Commissioner to determine whether Subtenant has raised the required funds. If Subtenant does not provide all the documents and materials reasonably requested by the Commissioner within 30 days following the Commissioner’s request, then Subtenant is deemed to have failed to satisfy this condition precedent. If Subtenant cannot reasonably be expected to provide those documents within 30 days of the Commissioner’s request, however, then the Subtenant may have additional time as reasonably necessary to provide the documents, but in no event longer than the later of (1) 90 additional days following the Commissioner’s request, or (2) the third anniversary of the Effective Date. Documents that may help the Commissioner determine whether Subtenant has raised the required funds include evidence of Subtenant’s cash-in-hand, written donation commitments, written pledges of donations, executed loan and grant agreements.

B. If Subtenant does not satisfy this condition precedent by the third anniversary of the Effective Date, then upon written direction from the Master Landlord to do so Landlord may terminate this Sublease by providing 30-days advance written notice to Subtenant.

2.3.3. Not later than the fifth anniversary of the Effective Date, Subtenant must have demonstrated, to the reasonable satisfaction of the Commissioner, that Subtenant has raised at least 100% of the Total Project Budget in readily available funds or in binding, irrevocable donation pledges.

A. To satisfy this condition, Subtenant shall promptly provide all documents and materials reasonably requested by the Commissioner for the Commissioner to determine whether Subtenant has raised the necessary funds. If Subtenant does not provide all the documents and materials reasonably requested by the Commissioner within the later of (1) the fifth anniversary of the Commencement Date, or (2) five Business Days following the Commissioner's request, then Subtenant will be deemed to have failed to satisfy this condition precedent. Documents that may help the Commissioner determine whether Subtenant has raised the required funds include evidence of Subtenant's cash-in-hand, written donation commitments, written pledges of donations, executed loan and grant agreements.

B. If Subtenant does not satisfy this condition precedent by the fifth anniversary of the Effective Date, then upon written direction from the Master Landlord to do so Landlord may terminate this Sublease by providing 30-days advance written notice to Subtenant. From and after the Commencement Date, Landlord may not terminate this Sublease under this Section 2.2.3.

2.3.4. Subtenant must have prepared a strategic plan ("**Strategic Plan**") that will guide the design, development, construction and operation of the Premises and submitted the Strategic Plan to the Master Landlord for its review and comment. To satisfy this condition, the Strategic Plan explain in detail Subtenant's finances and projected operating income and expenses for supporting the design, development, construction, and operation of the Premises.

2.3.5. Subtenant must have established an advisory committee (the "**Advisory Committee**") that Subtenant will consult with regarding the programming and operations of the Premises. To satisfy this condition, the Advisory Committee membership must include the Commissioner, the Water Department Commissioner, and the City Council member from the Fifth City Council District. The Commissioner and the Water Department Commissioner may each appoint a designee to serve on the Advisory Committee, but each designee must be a deputy commissioner within their respective departments.

2.3.6. The Master Landlord and Subtenant must have signed a final, written agreement, regarding the design, installation, and maintenance, and repair of the Overflow Control, including payment for initial construction of it.

2.4. Confirmation of Commencement Date. Once the Commencement Date occurs, Landlord may not terminate this Sublease under Section 2.3. Promptly following satisfaction of the Conditions Precedent, Landlord and Subtenant shall execute a letter confirming the Commencement Date, substantially in the form of the letter set forth in **Exhibit G**.

2.5. Renewal Term. Subtenant may renew this Sublease for one 10-year period (the "**Renewal Term**") that starts immediately following the Expiration Date, subject to the following conditions precedent:

2.5.1. This Sublease must be in effect.

2.5.2. Subtenant must send a written notice to Landlord and the Commissioner not earlier than three years before the Initial Expiration Date and not later than one year before the Initial Expiration Date which states Subtenant's desire to renew this Sublease for the Renewal Term (the "**Renewal Notice**").

2.5.3. On the date of Subtenant's Renewal Notice, no Event of Default may have occurred and be continuing, and no condition may exist which with notice and the passage of time could become an Event of Default of any monetary or other material provision of this Sublease.

2.5.4. If any damage, destruction or Partial Taking has occurred affecting the Premises prior to the date of Subtenant's Renewal Notice, Subtenant must have committed in writing to the Commissioner to reconstruct and restore the Premises in a time frame and manner satisfactory to the Commissioner in the Commissioner's reasonable discretion.

2.6. Possible Additional Renewal. Despite Section 2.5, starting 18 months before the Initial Expiration Date, Subtenant may negotiate with Landlord and Master Landlord regarding a possible additional renewal of the Term or an extension of the Renewal Term, in either case for not less than 10 years. If Landlord, Master Landlord, and Subtenant have not come to a final mutual agreement by the day that is one year before the Initial Expiration Date regarding an additional renewal of the term or an extension of the Renewal Term, then the Renewal Term remains 10 years as provided in Section 2.5.

ARTICLE 3 RENT

3.1. Rent. As rent for the Term Subtenant shall pay to Landlord the Rent.

3.2. Additional Rent. Subtenant shall pay Additional Rent as provided elsewhere in this Sublease.

ARTICLE 4 USE GENERALLY; SPECIFIC USES REQUIRED, PERMITTED, OR PROHIBITED

4.1. Compliance With Applicable Laws. Throughout the Term, Subtenant shall occupy and use the Premises and conduct all its activities under this Sublease in compliance with Applicable Laws.

4.2. Conduct of Programs.

4.2.1. During the Term, Subtenant shall use the Premises to conduct environmental and educational programs ("**Educational Programs**") for the general public and tourists. Subtenant shall use diligent, good faith efforts to provide Educational

Programs that are economically affordable to residents of the Strawberry Mansion community.

4.2.2. During the Term, Subtenant may also use the Premises for other Programs, including the Outward Bound Programs and the Audubon Programs.

4.3. Construction of Building; Expansion. Subject to Article 7, during the Initial Term, Subtenant shall construct a Building near the southern end of the West Basin. Subtenant shall cause the Building to be not more than two stories in height and not more than approximately 17,000 total square feet in size.

4.3.1. During the Term, Subtenant may request the Commissioner's approval to expand the size of the Building, but Subtenant understands that the Commissioner may approve or reject Subtenant's request in whole or in part in the Commissioner's sole discretion, and for any reason or no reason.

4.3.2. Any expansion of the Building is an Alteration under this Sublease and subject to Article 7.

4.3.3. If the Commissioner approves Subtenant's request to expand the Building's size, Subtenant shall perform the expansion in accordance with Article 7.

4.4. Use of Building. Upon Subtenant's obtaining a certificate of occupancy for the Building, Subtenant may use the Building

4.4.1. for Subtenant's, Audubon's and Outward Bound's regional offices, but those offices may not occupy more than 50% of the Building's usable interior space;

4.4.2. to conduct the Educational Programs and other Programs;

4.4.3. to house exhibit space related to any of the Programs;

4.4.4. to house seminar and training rooms, and to use those rooms for those purposes;

4.4.5. to host events related to the Educational Programs and other Programs,

4.4.6. to host fundraising events to support the Building and Programs and each Lease Year to hold two national fundraising events for each of Outward Bound and Audubon;

4.4.7. to store equipment and supplies;

4.4.8. to store and sell or rent equipment and merchandise (for example only, and without limitation, binoculars, bird guides and flora guides);

4.4.9. to display and sell souvenirs related to the Building, Subtenant, Audubon, Outward Bound, the Premises or the Programs;

4.4.10. to store and sell prepackaged snacks and beverages;

4.4.11. to offer rental space for public, community and private events;

4.4.12. to house restrooms;

4.4.13. to house and operate a kitchen and eating area;

4.4.14. for ancillary uses incidental to the uses listed above in this Section 4.4.;

4.4.15. for other uses consistent with the uses listed above, subject to the Commissioner's prior written approval in the Commissioner's reasonable discretion.

4.5. Outdoor Training Facilities. Subtenant may erect, maintain, repair, replace, and improve fixtures and equipment, including a ropes course, climbing walls, ladders, and similar training facilities for outdoor skills, consistent with the natural surroundings on the Premises for Outward Bound's use in connection with the Outward Bound Programs (the "**Outdoor Training Facilities**").

4.6. Use of West Basin: Watercraft. During the Term, Subtenant may offer canoeing or kayaking in the West Basin. Subject to necessary and prudent limitations to protect the environment and bird habitat, and subject to the prior written approval of the Commissioner, Subtenant may also offer non-motorized watercraft (for example, canoes and kayaks) for rent by the general public for recreational purposes. Subtenant shall restrict watercraft access to the water in the West Basin to a point of entry from the Building or other location controlled by Subtenant.

4.7. Walking Trails. During the Term, Subtenant may construct, maintain, and operate walking trails along the west and south sides of the West Basin and along the north side of the basin. Subtenant shall not construct, maintain, or operate any walking trail on the East Side Wall. If Subtenant constructs, maintains, and operates walking trails along the sides of the West Basin, then

4.7.1. Subtenant may in its discretion limit the reach of the trails;

4.7.2. Subtenant may permit non-supervised public access to the trails and may in its discretion impose reasonable limitations on public access to the trails; and

4.7.3. with respect to public use of the trails and use of the trails in connection with the Programs, Subtenant shall use its best efforts to protect important bird nesting sites in and around the West Basin, to protect the safety of youths and adults, to prevent interference with the Storage Tank Project, and to protect the Storage Tanks.

4.8. Fees and Charges. During the Term, Subtenant may charge fees for participation in the Programs, use of Subtenant's facilities on the Premises, and other activities on the Premises, only as follows:

4.8.1. Subtenant may charge fees to individuals and groups to participate in the Programs or to use any of the facilities on the Premises.

4.8.2. Subtenant may sell or rent equipment and merchandise (for example only, without limitation, binoculars, bird guides, and flora guides) in the Building.

4.8.3. Subtenant may sell souvenirs in the Building related to the Building, Subtenant, Audubon, Outward Bound, the Premises or the Programs.

4.8.4. Subtenant may sell prepackaged snacks and beverages in the Building and the outdoor areas of the Premises.

4.8.5. Subtenant may rent space in the Building for public and private events, which may include the use of private caterer.

4.8.6. Subtenant may, if Subtenant rents kayaks, canoes, or other watercraft for use in the West Basin, charge rental fees for use of those watercraft.

4.8.7. Subtenant may solicit and sell sponsorships to raise money to support Subtenants use of the Premises contemplated by this Sublease.

4.8.8. Subject to the prior, express written approval of the Commissioner pursuant to Section 4.12, Subtenant may charge fees or impose other charges for other activities or facilities on the Premises.

4.9. Use of Revenues. Subtenant shall apply all Revenues it receives to help pay the costs of the Programs and the cost of fulfilling its obligations under this Sublease, including to pay associated salaries, Impositions, and license fees; to pay for Maintenance and Repairs on the Premises; to fund a capital reserve to support Maintenance and Repairs; and to fund an operating reserve to support the Programs. Subtenant shall not spend any of the Revenues on any other facilities other than the Premises or on operations other than its operations on the Premises, in Fairmount Park, or elsewhere within the City of Philadelphia.

4.10. Uses Prohibited. Throughout the Term, Subtenant

4.10.1. shall not use the Premises for any purpose not expressly required or permitted under this Sublease or not expressly approved by the Commissioner under Section 4.12;

4.10.2. shall not use the Premises for any profit-making commercial purpose, except only by Permitted Transferees that imposes charges or fees authorized by Section 4.8;

4.10.3. shall not use the Premises or permit the Premises to be used in any manner which impairs the Master Landlord's Estate in the Premises;

4.10.4. shall not use the Premises or permit the Premises to be used in any manner that gives any person a reasonable claim of adverse usage or possession, or of implied dedication of the Premises;

4.10.5. shall not use the Premises or permit the Premises to be used in violation of any Applicable Laws;

4.10.6. shall not take any act or create any condition, and shall not permit any act or condition, in, on, or about the Premises which, in law, constitutes a public nuisance, or which makes void or voidable any insurance then in force with respect to the Premises or Subtenant's operations on the Premises. Subject to Subtenant's obligation to ensure the safety and security of all persons and property in, on, and about the Premises under Section 11.1.1, the following are not prohibited by this Section 4.10.6:

A. Subtenant's construction and operation of the Outdoor Training Facilities in accordance with this Sublease.

B. Subtenant's activities under Section 4.4, Section 4.5, Section 4.6, and Section 4.7, each in accordance with this Sublease.

4.11. Other Uses Permitted. During the Term, Subtenant may

4.11.1. keep fuel and oil necessary for the operation of the Premises and upkeep and operation of lawn, yard and other maintenance equipment on the Premises, but Subtenant shall keep those materials safely stored in compliance with all Applicable Laws and in a manner that does not pose a fire hazard to the Building or other property and persons;

4.11.2. keep routine cleaning materials, in reasonable amounts, on the Premises, but Subtenant shall do so in accordance with all Applicable Laws;

4.11.3. serve food and beverages in the Building and outdoor areas of the Premises, subject to Section 4.8.4 and Section 4.8.5 and to Applicable Laws, including obtaining all required licenses and permits and obtaining applicable insurance as required in Article 11;

4.11.4. at its own cost and expense, contest or review by appropriate legal or administrative proceeding the validity or legality of any Applicable Law. During Subtenant's contest or review of the Applicable Law, Subtenant may refrain from complying with that Applicable Law provided that

A. Subtenant legally may suspend compliance with that Applicable Law (1) without subjecting Landlord or the Master Landlord to any liability, civil or criminal, of any nature, arising from or related to Subtenant's failure to comply with that law, and (2) without incurring a lien, charge or liability against the Premises or Master Landlord's Estate in the Premises, unless Subtenant obtains and maintains a bond against the lien, charge or liability, as provided in subsection (B) below);

B. Subtenant shall pay any bond or other payment required by Applicable Laws as a condition to the contest or review, or that is required to be maintained while the contest or review is pending;

C. Subtenant shall prosecute and pursue the contest or review with due diligence; and

D. after the final, unappealable ruling in the contest or review, Subtenant shall promptly pay all sums determined to be due under the Applicable Law, plus any applicable interest, penalties, fines, or other charges and additions, and Subtenant shall promptly take all other actions determined to be required by the Applicable Laws.

Upon Subtenant's request and at Subtenant's expense, Landlord shall give Subtenant permission to pursue any contest pursuant to this Section 4.11.4. Landlord is not required

to provide any testimony or documentary support for Subtenant's contest pursuant to this Section 4.11.4.

4.11.5. serve or permit alcoholic beverages in connection with events held under Section 4.8.5 and Section 4.4.6; provided, however, that Subtenant shall obtain, or shall cause sponsors of events or caterers to obtain, all licenses and permits required by Applicable Laws for the sale or service of alcoholic beverages.

4.12. Other Uses of the Premises With Commissioner's Approval. During the Term, Subtenant may use the Premises for any purpose that is consistent with the uses expressly required or expressly authorized by this Sublease and that Commissioner approves in advance, in writing, in the Commissioner's reasonable discretion.

ARTICLE 5

SPECIAL PROVISIONS: OVERFLOW CONTROL; PROGRAMS; BOOKS AND RECORDS; NAMING AND SIGNS; FEE TO LANDLORD; LWCF APPROVALS

5.1. Overflow Control. Despite the other provisions of this Sublease, if by the third anniversary of the Effective Date the Master Landlord and Subtenant have not signed a written agreement regarding the design, installation, and maintenance of an Overflow Control, then Landlord or Subtenant, each in its own discretion, may terminate this Sublease by providing 30 days' written notice to the other. At a minimum, under any written agreement regarding the design, installation, and maintenance of an Overflow Control, Subtenant shall at its cost (A) pay to design, build, and maintain the Overflow Control, (B) design and install or construct the Overflow Control so that it causes the West Basin and walls around it to be decertified as a dam under Applicable Laws, and (C) design, install, or construct the Overflow Control to obtain the Pennsylvania Department of Environmental Protection's approval of the Overflow Control. From and after the Commencement Date, neither Landlord nor Subtenant may terminate this Sublease under this Section 5.1.

5.1.1. Inspection and Maintenance of Basin Walls Prior To Construction of Overflow Control.

1. Starting on the Effective Date, Subtenant shall pay all the City's costs to inspect the walls around the West Basin under Applicable Laws governing dams. Subtenant shall promptly pay the City's inspection costs upon receipt of the City's written invoice or notice setting forth those costs, either as payment to the City's contractors, to the City, or otherwise, as directed in the City's written invoice or notice.

2. Subtenant shall continue to pay all the City's costs to inspect the walls around the West Basin in accordance with Section 5.1.1.1 until either (A) Subtenant terminates this Sublease pursuant to Section 2.1, (B) the Commencement Date, after which Subtenant shall inspect the walls around the West Basin in accordance with the other provisions of this Sublease, or (C) Subtenant constructs or installs an Overflow Control on the Premises.

5.1.2. Construction of Overflow Control Before Commencement Date.

1. Prior to the Commencement Date, Subtenant may construct an Overflow Control on the Premises under the Maintenance and Construction License Agreement, subject strictly to requirements and conditions set forth in Section 7.1 and Section 7.2 of this Sublease and subject to Applicable Laws.

2. If Subtenant constructs or installs an Overflow Control prior to the Commencement Date in accordance with Section 7.1, Section 7.2 and Applicable Laws, and if operation of the Overflow Control causes the West Basin and the walls around it to be decertified as a dam under Applicable Laws, then

A. Subtenant shall inspect and Maintain the walls around the West Basin in accordance with Section 8.1 and Section 8.2;

B. Subtenant shall obtain the types and amounts of insurance regarding the Overflow Control as the City may reasonably require; and

C. Subtenant may inform the Water Department's Deputy Commissioner for Operations so that the Water Department does not lower the water level in the West Basin as provided in Section 6.1.

5.1.3. Overflow Control Following Commencement Date. Following the Commencement Date and throughout the Term, Subtenant's construction, Alteration, inspection, and Maintenance of the Overflow Control is subject to Article 7 and Article 8 of this Sublease and the other provisions of this Sublease.

5.1.4. Ownership of Overflow Control Upon Sublease Ending Date. Upon the Sublease Ending Date, the Overflow Control automatically becomes the property of the Master Landlord pursuant to Section 7.3.2.

5.2. Master Landlord's Use of Premises. Subtenant shall permit Master Landlord to use the Premises, including spaces in the Building, up to four times each Lease Year for any purposes Master Landlord determines are necessary or desirable (each use, a "**Master Landlord Event**"); except, however, Subtenant is not obligated to permit Master Landlord to hold a Master Landlord Event using the Outdoor Training Facilities.

5.2.1. Subtenant is not obligated to permit any Master Landlord Event that reasonably would be expected to disturb nesting birds, damage the Building or other parts of the Premises, or unreasonably interfere with any of the Programs.

5.2.2. Subtenant is not obligated to permit any Master Landlord Event on a day or at a time that would interfere with an event that Subtenant previously scheduled.

5.2.3. Under the Master Lease, the Master Landlord is obligated to submit all requests to schedule a Master Landlord Event to Subtenant through the Commissioner or the First Deputy Commissioner.

5.2.4. Master Landlord may hold each of the Master Landlord Events without charge; except only, however, under the Master Lease if Master Landlord desires to have food and beverage service during a Master Landlord Event then Master Landlord is obligated to pay for the food and beverages. If a Master Landlord Event requires materially additional security or cleaning services that Subtenant's usual security and cleaning services, then Master Landlord is obligated to pay for the additional security and cleaning services.

5.2.5. Subtenant's usual staff on the Premises at the time of a Master Landlord Event may attend the Master Landlord Event to ensure the proper operation of the Building and care of the Premises. Subtenant may have an appropriate number of staff attend each Master Landlord Event held before or after Subtenant's usual hours of operation. Master Landlord and Landlord are not obligated to pay the salary or other costs associated with Subtenant having its staff on the Premises during a Master Landlord Event.

5.3. Involvement of Master Landlord. Throughout the Term, Subtenant shall provide opportunities for involvement of the Master Landlord from time to time in the Programs consistent with Subtenant's Strategic Plan, and in programming co-sponsored by Subtenant, Outward Bound, and Audubon, or any of them, with Master Landlord. Subtenant is not obligated to permit the Master Landlord to conduct any independent programs in the Building or on the Premises without Subtenant's prior approval in Subtenant's discretion.

5.4. Subtenant's Books and Records; Financial Statements; Inspection by Landlord or Master Landlord.

5.4.1. In this Sublease, "**Books and Records**" means true, accurate, reasonably detailed, complete, and orderly records of accounts and activities.

5.4.2. Throughout the Term, Subtenant shall keep Books and Records at the Premises relating to Subtenant's finances, all sales and rentals permitted under this Sublease, and reflecting all other matters that this Sublease requires Subtenant to provide statements or reports about to Landlord or the Master Landlord. Subtenant shall keep the Books and Records it maintained during the Term for three years, including the three years following the Sublease Ending Date.

5.4.3. Without limiting the applicability of Section 5.4.2 above or any other specific requirements set forth elsewhere in this Sublease, Subtenant shall include in its Books and Records information about the following matters:

A. Subtenant's Programs and the number of participants in them, whether participation is paid or free.

B. All of Subtenant's Revenues and identifying each source of Revenue. Subtenant is not obligated to divulge the names of those persons and organizations that make donations to Subtenant (or to any Permitted Transferee in support of the Building or any of the Programs) on condition of anonymity, but

Subtenant shall nevertheless list separately the amount of each donation made anonymously.

C. Insurance required under Article 11.

D. All documents Subtenant files with the Pennsylvania Charitable Commission (or any successor agency) and any other governmental agency that requires filings by charitable organizations.

E. Subtenant's tax returns, including but not limited to filings with the United States Internal Revenue Service and with the Commonwealth of Pennsylvania Department of Revenue.

5.4.4. Throughout the Term, not later than 120 days following the end of Subtenant's fiscal year, Subtenant shall submit to the Master Landlord an audited financial statement of Subtenant's finances and operations, certified as true and correct by Subtenant's certified public accountant. Subtenant shall cause each financial statement to be prepared in accordance with generally accepted accounting principles, consistently applied. Subtenant shall also cause its audited financial statements to include Subtenant's balance sheet as of the last day of Subtenant's fiscal year, related statements of income and cash flows, and Subtenant's operating budget. Subtenant's obligation to submit an audited financial statement to Master Landlord under this Section 5.4.4 survives the Sublease Ending Date until Subtenant submits an audited financial statement to Master Landlord for the last Lease Year or partial Lease Year before the Sublease Ending Date.

5.4.5. Throughout the Term and for three years following the Sublease Ending Date, Subtenant shall permit Landlord and the Master Landlord, each at its own expense, to audit and copy Subtenant's Books and Records at any reasonable time.

5.4.6. Within 30 days following the Master Landlord's written request, but not more than once each year, Subtenant shall submit to the Master Landlord a written, detailed report of the matters that are the subject of Section 4.8 regarding the fees Subtenant (and its Permitted Transferees) charge and the populations served by the Programs, Section 4.9 regarding Subtenant's Revenues and spending of them, and Section 4.11.3 regarding the service of food and beverages in the Premises, and other matters related to Subtenant's use and occupancy of the Premises as Landlord or Master Landlord may require.

5.4.7. Subtenant represents and warrants that its fiscal year begins on _____ of each calendar year.

5.5. 1023 Application and Internal Revenue Service Determination Letter. Subtenant shall promptly send to Landlord and Master Landlord a copy of the United States Internal Revenue Service's letter in response to Subtenant's IRS Form 1023 application.

5.6. Signs; Name of Premises; Publicizing the Premises.

5.6.1. Signs: General Requirements. Throughout the Term, Subtenant shall not place, erect, hang, paint, post, tack, or permit any sign in, on, or about the exterior of the Building or the outdoor areas of the Premises without the prior written approval of the Commissioner and all other approvals required by Applicable Laws. Without limiting the applicability of the preceding sentence, and except as permitted by Section 5.6.7, throughout the Term

1. Subtenant shall not place, erect, hang, paint, post, tack, or permit any sign on the exterior of the Building and outdoor areas of the Premises without the prior approval of the Philadelphia Art Commission; and

2. Subtenant shall comply in all respects with the regulations and policies regarding signs in the Fairmount Park System.

5.6.2. Naming Rights. Subject to Section 5.6.1 and the other provisions of this Section 5.6, Subtenant may in its sole discretion name the Premises and any individual elements of them in connection with any donations made to Subtenant, Outward Bound or Audubon to pay for the Initial Construction, operation of any of the Programs, or any of Subtenant's Alterations, Maintenance or Repairs under this Sublease. Subtenant's naming rights under this Section 5.6.2 is strictly limited to the duration of the Initial Term and, if it becomes effective, the Renewal Term.

1. Subtenant may retain all Revenues paid to it for naming rights of the Premises and any individual elements of them.

2. After the Sublease Ending Date, the City may name the Premises and any individual elements of it in the City's sole discretion, except that if the Sublease Ending Date occurs before expiration of the Term, including the Renewal Term, any name that the Subtenant has designated for the Premises or any individual element of them before the Sublease Ending Date remains in effect through the earlier of

(A) the term of Subtenant's applicable agreement establishing that naming right, or

(B) the balance of what would have been the Initial Term and, if it becomes effective, the Renewal Term.

5.6.3. Site Sign. Subject to Section 5.6.1, throughout the Term Subtenant shall maintain a prominent, clearly legible sign at the entrance to the Premises or other location on the Premises that is prominently visible to passersby that reads as follows:

[Name of the Center]
Fairmount Park

or other wording that the Commissioner approves in advance in writing. Subtenant shall obtain the prior written approval of the Commissioner of the entrance sign.

5.6.4. Subtenant's Stationery. At all times during the Term, Subtenant shall include in its regularly used stationery letterhead and all its printed, broadcast, and electronic publicity, advertising, and fundraising materials, an easily legible statement that acknowledges that the Premises is part of Fairmount Park and is operated in cooperation with the Department (for example, without limitation: "East Park Leadership and Conservation Center in Fairmount Park, in cooperation with Philadelphia Parks and Recreation").

5.6.5. Prohibitions on Signs and Names. Despite the other provisions of this Section 5.6 and any other provisions of this Sublease, Subtenant may not

1. place, erect, hang, paint, post, tack, or permit any sign in, on, or about the Premises with the name of,

2. name the Premises or any individual elements of the Premises, the Building, the West Basin, or any other Improvement or part of the Premises for, any business or organization that manufactures, sells, promotes, or provides tobacco products, alcoholic beverages, firearms or ammunition, gambling, or any product or activity that is prohibited from billboard advertisements or business operations within 1,000 feet of a school.

5.6.6. Publicity. Subtenant shall use good faith efforts to publicize the Premises and the Programs with the intent of making the Premises and the Programs attractive to individuals, families, schools, tourists and other groups of people. Subtenant's publicity may include, without limitation, advertising in newspapers, radio, on line, and in other media; off-Premises billboard and signs; cooperating with the Philadelphia School District; contacting community groups and individual schools; and distributing brochures and literature to schools, community groups, and through appropriate tourism information outlets.

5.6.7. Signs Permitted. Despite the other provisions of this Section 5.6, but subject nevertheless to Section 5.6.5, Subtenant may place, erect, hang, paint, post, tack or permit (A) any sign required by any Applicable Law (for example, exit signs, parking signs, directional signs), and (B) temporary signs in connection with special or private events held on the Premises (for purposes of this Section 5.6.7, a temporary sign is one that is in place not longer than 10 days in a row, and not more than 30 days in any single Lease Year).

5.7. Landlord's Fee. In consideration of Landlord's services in connection with this Sublease, the Subtenant shall pay to Landlord \$_____.

5.8. Subtenant's Cooperation Regarding LWCF. Subtenant's use of some or all of the Premises may be subject to restrictions or requirements in the LWCF. Subtenant shall use its best faith efforts to help Master Landlord obtain all approvals the LWCF requires in connection with Subtenant's use and occupancy of the Premises. Without limiting the generality of Subtenant's obligation under the preceding sentence, Subtenant shall at its cost pay for preparation of all studies, reviews, and appraisals the LWCF requires Master Landlord to provide

in order to obtain approvals required under the LWCF. If Master Landlord's efforts to obtain approvals under the LWCF will benefit other lessees of property under the Department's jurisdiction, Subtenant is not obligated to pay all the Master Landlord's costs associated with those efforts. Nevertheless, Subtenant shall pay not more than \$12,500 towards Master Landlord's LWCF approval application.

5.9. Public Access Plan. Throughout the Term, Subtenant shall comply with the Public Access Plan. To the extent the Public Access Plan expresses goals, Subtenant shall use its best faith efforts to achieve those goals. It is a material consideration to the Landlord under this Sublease, and to the Master Landlord under the Master Lease, that Subtenant make the Building and Programs reasonably accessible to disadvantaged groups in Philadelphia.

ARTICLE 6 WATER DEPARTMENT CONSTRUCTION IN EAST PARK RESERVOIR

6.1. Planned Construction. The Water Department has started to prepare a design to replace water storage in the Reservoir's Northeast basin (the "**Water Storage Project**"). The Water Storage Project will involve construction or installation of pre-stressed concrete tanks that will occupy the area now comprised of the Northeast, Northwest and South basins (the "**Storage Tank Facilities**"). The Water Storage Project will involve extensive improvements to the Reservoir. Landlord, however, makes no representation or warranty regarding the scope, duration, or manner of Water Storage Project or any other aspect of the Water Storage Project. Subject to Section 5.1.2.2.C, during the Water Storage Project the Water Department may lower the water level in the West Basin from approximately eight feet to approximately six feet. Subtenant may ask the Water Department to lower the water level in the West Basin to seven feet instead of six.

6.2. Scope and Duration of Construction. The Water Storage Project

6.2.1. will be done in phases;

6.2.2. will involve heavy construction near the Premises for several years;

6.2.3. will involve earth moving, demolition, excavation, concrete construction, pipe installation, and heavy equipment and truck traffic;

6.2.4. may also include installation of security systems, including fences, lighting, and other security devices;

6.2.5. may generate noise, vibrations, airborne dust and dirt, and other common consequences of heavy construction.

6.3. Timing of Construction. The Water Department may begin the Water Storage Project in the year 2014, and the Water Storage Project may take 10 years to complete. The Water Department, however, does not have a specific timetable for starting or completing the Water Storage Project or any phases of it.

6.4. Subtenant Cooperation During Construction. Until the Water Department completes the Water Storage Project, Subtenant shall cooperate in good faith with the Water Department and with the Department to carefully coordinate Subtenant's activities under this Sublease with the Water Storage Project.

6.4.1. Subtenant shall confer with the Water Department's Deputy Commissioner for Operations and with the Commissioner before starting Subtenant's Initial Construction on the Premises.

6.4.2. Subtenant shall contact the Water Department's Deputy Commissioner for Operations and the Commissioner from time to time to discuss the status of Subtenant's construction.

6.4.3. After Subtenant has completed its Initial Construction, and throughout the Term, Subtenant shall inform the Water Department's Deputy Commissioner for Operations and the Commissioner about any Maintenance and Repairs planned by Subtenant on the Premises that reasonably could affect the Water Storage Project or the Storage Tank Facilities.

6.5. Water Storage Project Takes Precedence. The Water Department's work on the Water Storage Project takes precedence over other projects at the Reservoir, including Subtenant's Initial Construction and Subtenant's other activities under this Sublease. Subject to the preceding sentence,

6.5.1. Subtenant's Initial Construction generally can occur at the same time as the Water Storage Project,

6.5.2. Subtenant's construction Contractors may share the same access road from Reservoir Drive to the Premises as used by the City's contractors performing the Water Storage Project (the "**Access Drive**").

6.5.3. If requested by the Water Department's Deputy Commissioner for Operations, Subtenant shall temporarily suspend its use of the access drive or any area that is interfering with construction of the Water Storage Project to accommodate any special needs of the Water Storage Project or the City's contractors. For purposes of this Section 6.5.3, "temporarily" means not more than 48 hours.

6.6. Future Work On The Storage Tank Facilities. From time to time during the Term, the Water Department may perform maintenance, repairs, replacements, or alterations to the Storage Tank Facilities or do other work in the Reservoir. The Water Department's work on the Storage Tank Facilities and in the Reservoir takes precedence over other projects at the Reservoir, including Subtenant's Initial Construction and Subtenant's other activities under this Sublease.

ARTICLE 7
INITIAL CONSTRUCTION; ALTERATIONS; MAINTENANCE AND REPAIR

7.1. Initial Construction; Standard of Work; Ownership.

7.1.1. Subtenant shall not start any of the Initial Construction until the Commencement Date has occurred and Subtenant has obtained

1. the Commissioner's prior written approval of Subtenant's designs, and plans and specifications;
2. the Philadelphia Art Commission's final approval as required by Applicable Laws; and
3. all other approvals required by Applicable Laws, including consents, permits, and licenses.

7.1.2. Upon obtaining all the approvals required under Section 7.1.1, Subtenant shall perform the Initial Construction diligently, in a good and workmanlike manner, in accordance with Applicable Laws, and in accordance with the plans and specifications the Commissioner and Art Commission approved.

7.1.3. Subtenant shall not make any material change in its design or its plans and specifications for the Initial Construction without on each occasion presenting drawings of the proposed changes at least 30 days in advance to the Commissioner and Art Commission and obtaining the Commissioner's express written approval and the Art Commission's approval. For purposes of this Section 7.1.3, a material change is any change that would alter the exterior appearance of the Building or any other of the Improvements or the appearance of publicly used spaces in the interior of the Building or any other of the Improvements.

7.1.4. Upon Subtenant's starting the Initial Construction, title to the Building and all the other Improvements and fixtures constructed or installed by Subtenant as part of the Initial Construction, or that are under construction as part of the Initial Construction, vests in Subtenant and remains in Subtenant until the Sublease Ending Date.

7.1.5. Upon Subtenant's completion of the Initial Construction, Subtenant shall promptly provide to the Commissioner completed "as built" drawings of the Building and all other Improvements made or installed by Subtenant.

7.1.6. Upon Subtenant's completion of the Initial Construction, Subtenant shall restore the Access Drive to good condition to the reasonable satisfaction of the First Deputy.

7.2. Alterations Generally. Subtenant shall not make any Alterations that (1) affect the external appearance of the Premises, (2) affect the West Basin, or (3) materially affect the interior of the Building, without the prior approval of the Commissioner and the Art Commission.

7.2.1. Subtenant shall promptly inform the Commissioner if Subtenant believes or knows that the Premises need any Alteration to eliminate any unsafe condition or that the Premises would otherwise benefit from any Alterations.

7.2.2. As part of the Commissioner's consideration of Subtenant's proposed Alterations, the Commissioner may require Subtenant to submit detailed design drawings and plans and specifications of the proposed Alterations. Subtenant shall promptly provide all design drawings and plans and specification the Commissioner requires.

7.3. Title to Improvements and Fixtures And Control Of Them During Term; Title Following Sublease Ending Date.

7.3.1. Without limiting the general application of Section 7.1.4, all Improvements and fixtures that Subtenant constructs or installs on the Premises at any time prior to the Sublease Ending Date are the property of Subtenant, are Subtenant's sole responsibility, and are under Subtenant's exclusive care, custody, and control through the Sublease Ending Date, subject only to the provisions of this Sublease and the Master Lease. Throughout the Term, neither Landlord nor Master Landlord has exclusive care, custody, or control of the Premises or any of the Improvements.

7.3.2. The Building and all other Improvements and fixtures constructed or installed on the Premises by Subtenant automatically become the property of the Master Landlord immediately following the Sublease Ending Date, except as provided in Section 7.4. On and after the Sublease Ending Date, the Master Landlord may use, lease, demolish, or otherwise dispose of those Improvements and fixtures without any obligation or liability to Subtenant. Despite the immediately preceding sentence, Subtenant shall promptly execute and acknowledge a deed, bill of sale, and any other documents reasonably required by the Master Landlord to effectuate the provisions of this Section 7.3.2, but at no or nominal cost to Subtenant. Subtenant's covenants under this Section 7.3.2 survive the Sublease Ending Date.

7.4. Designation Of Improvements Subtenant Is To Remove. In the Commissioner's review of Subtenant's proposed Initial Construction and any subsequent Alterations that Subtenant proposes, the Commissioner may designate some or all of Subtenant's proposed Improvements that the Commissioner wants Subtenant to remove on or before the Sublease Ending Date ("**Designated Improvements**").

7.4.1. On or before the 90th day following the Sublease Ending Date, Subtenant shall remove the Designated Improvements from the Premises and restore the Premises previously occupied by the Designated Improvements to landscaped recreation area, to the reasonable satisfaction of the Commissioner.

7.4.2. Subtenant's covenants under this Section 7.4 survive the Sublease Ending Date.

7.4.3. For purposes of this Section 7.4, the Building and any Alterations to it approved by the Commissioner are not one of the Designated Improvements, and Subtenant is not obligated to remove the Building on or before the Sublease Ending Date.

7.5. No Liens on Fee; Performance and Labor and Materialmen's Bonds.

7.5.1. Subtenant shall not permit Landlord's or the Master Landlord's interest in the Premises to be subjected to liens of any nature by reason of any act or omission by or on behalf of Subtenant, including but not limited to mechanics' and materialmen's liens. All persons dealing with Subtenant are placed on notice by this provision that those persons may not look to Landlord, the Master Landlord, or to Landlord's or the Master Landlord's credit or assets (including Landlord's and the Master Landlord's interest in the land constituting the Premises, or the Improvements or furnishings on the Premises) for payment or satisfaction of any obligations incurred by or on behalf of the Subtenant in connection with the Premises. Subtenant has no power, right or authority to subject Landlord's or Master Landlord's interest in the Premises to any mechanic's or materialman's lien or claim of lien.

7.5.2. Without limiting the application of Section 7.5.1, before starting the Initial Construction and each other Alteration that is reasonably expected to cost in excess of \$20,000, Subtenant shall provide, or cause its contractors to provide, performance bonds and labor and materialmen's bonds for the prompt payment of any amounts due for materials, supplies, labor, services, and equipment in connection with the Initial Construction or Alteration, as the case may be. Subtenant shall cause the bonds

1. to be in a form approved by the City of Philadelphia City Solicitor;
2. given by a surety company approved in advance by the Master Landlord in its reasonable discretion; and
3. to name Landlord and the Master Landlord as additional obligees.

7.5.3. If any mechanics' or other lien or claim is filed against Subtenant's interest in the Premises or the Improvements, then Subtenant shall, at its sole cost and expense, cause the same to be discharged by payment, bond or otherwise within 30 days after the date on which Subtenant receives written notice of the filing of the lien. If Subtenant fails to cause the lien to be discharged of record within the 30-day period, then Landlord or Master Landlord may cause the lien to be discharged by payment, bond, or otherwise, without investigation as to the validity of the lien or as to any counterclaim, offsets, or defenses to the lien, and Subtenant shall repay as Additional Rent to Landlord or Master Landlord, as the case may be, on demand for all amounts relating to discharge of the lien.

7.6. Landlord's and Master Landlord's Access to Documents. Without limiting the applicability of Section 5.4.5 [regarding inspection of Subtenant's Books and Records], upon written request of Master Landlord, Subtenant shall promptly make available to Master Landlord, at reasonable times, all books, records, documents, plans, specifications, progress reports, photographs and other materials of Subtenant relating to the design, construction,

Alteration, maintenance, repair, or replacement of the Premises (including maintenance of the Overflow Control), or any of those individual matters, and of operation of Subtenant's Educational Programs, for examination and copying by the Master Landlord, at the Master Landlord's sole cost and expense.

7.7. Initial Construction, Alterations, and Bird Habitat. Subtenant's Initial Construction and any of Subtenant's Alterations may disturb bird nesting areas in the Premises and otherwise disturb birds and scare them away from the Premises. Subtenant's Initial Construction and performance of all Alterations, including the timing of the Initial Construction and each Alteration, is at Subtenant's sole risk regarding the effect on the immediate and long-term presence and nesting of birds in the Premises.

ARTICLE 8
MAINTENANCE AND REPAIR; WEST BASIN WALLS AND FENCE

8.1. Maintenance by Subtenant Generally. Throughout the Term, Subtenant shall perform maintenance and repairs as set forth below at no cost to Landlord or Master Landlord.

8.1.1. Subtenant shall perform all Maintenance and Repairs necessary to keep the Premises and all Improvements on the Premises in good, attractive, and safe condition, in compliance with Applicable Laws, and suitable for Subtenant's use in accordance with this Sublease.

1. Without limiting the general application of the preceding sentence, Subtenant shall promptly and diligently Maintain and Repair

- A. the Overflow Control;
- B. the Building;
- C. all trails on the Premises;
- D. the Outdoor Training Facilities;
- E. any docking facility for watercraft; and

F. any landscape features on the Premises installed, created or planted by Subtenant.

2. Despite the preceding provisions of this Section 8.1, Subtenant may contest the application to Subtenant or the Premises of any Applicable Laws affecting Subtenant's Maintenance and Repairs that Subtenant, in good faith, believes are inapplicable; provided

- A. Subtenant provides prior, written notice to the Commissioner;

B. Subtenant conducts its contest by appropriate legal proceedings conducted in good faith and with due diligence;

C. Subtenant conducts its contest at its sole cost;

D. neither Master Landlord, Landlord, either of their interests in the Premises or any Improvements on the Premises, or either of their other assets, is subject to any lien of enforcement or any civil or criminal liabilities by virtue of the contest, unless Subtenant discharges or precludes any lien by posting a bond as provided in subsection E below; and

E. Subtenant posts a bond sufficient to pay any fines, interest, and civil and criminal penalties and other liabilities, and to completely satisfy and discharge any lien, imposed by virtue of Subtenant's noncompliance with the Applicable Laws.

3. Subtenant's Maintenance and Repair obligations under this Section 8.1 do not include (A) those maintenance and repair obligations that the Master Lease expressly imposes on Master Landlord regarding the East Side Fence and the East Side Wall, and (B) those Improvements and facilities that this Sublease expressly states Subtenant is not obligated to Maintain or Repair. In addition, Subtenant's Maintenance and Repair obligations regarding the West Basin walls are governed by Section 8.2.

8.1.2. Subtenant shall keep the water level in the West Basin no greater than eight feet in depth.

8.1.3. Subtenant shall take all reasonable precautions against fire.

8.1.4. Subtenant shall not allow any public nuisance to exist or be maintained on the Premises. Provided that Subtenant maintains all necessary and prudent security measures against unauthorized or inappropriate use of the Walking Trails, Watercraft, and Outdoor Training Facilities, then the Walking Trails, Watercraft, and Outdoor Training Facilities are not a public nuisance under this Sublease.

8.1.5. Subtenant shall Maintain and Repair all parking areas created or constructed by Subtenant in, on, about, or in close proximity to, the Premises.

8.1.6. Subtenant shall arrange for regular and prompt removal of trash from the Building and the Premises. Subtenant shall not permit trash and debris to be piled on any outdoor portion of the Premises.

8.1.7. Subtenant shall perform all landscape Maintenance on the Premises, including the wooded areas of the Premises. Subtenant shall perform landscape Maintenance of the area outside the Premises identified on **Exhibit A**.⁴ Subtenant may request the Department's assistance for tree pruning and removal of dead, dying, or

dangerous trees. Subtenant intends to allow the wooded areas of the Premises to remain in their natural state.

8.1.8. Landlord is not obligated to perform any Maintenance or to make any Repairs to the Premises. Except as expressly provided in the Master Lease, Master Landlord is not obligated to perform any Maintenance or to make any Repairs to the Premises.

8.1.9. Subtenant expressly waives all rights to make Repairs at Landlord's or the Master Landlord's expense under the provisions of any Applicable Law.

8.1.10. Subtenant shall perform all Maintenance and Repairs on the Premises and the Improvements (A) that the Master Lease or this Sublease do not expressly make the obligation of Master Landlord or Landlord, or (B) which this Sublease expressly excludes from Subtenant's responsibility.

8.2. Maintenance of West Basin Fences, Walls and Other West Basin Improvements.

8.2.1. Subtenant is not obligated to Maintain or Repair the following:

- A. The East Side Fence.
- B. The East Side Wall.

8.2.2. Throughout the Term, Subtenant shall permit Water Department officials, consultants and contractors to come into the West Basin to inspect the East Side Fence and the East Side Wall, and to perform maintenance or repairs to the East Side Fence and East Side Wall, or either of them as the case may be.

8.2.3. Subtenant shall perform the day-to-day Maintenance of the wall on the north, west, and south sides of the West Basin shown on **Exhibit A-2**, at no cost to Landlord or Master Landlord. Subtenant shall Repair normal wear and tear to the wall on the north, west, and south sides of the West Basin at no cost to Landlord or Master Landlord, but Subtenant is not obligated to make capital Repairs to the West Basin or the walls around the it. Without limiting the general application of the preceding provisions of this Section 8.2.3., Subtenant shall do the following:

1. Subtenant shall maintain the landscape, vegetation, and wildlife on the Premises in the same general condition as on the Effective Date or better so that those matters do not impair or weaken the structure of the West Basin, including the wall around the West Basin;
2. Subtenant shall maintain the security fences around the West Basin (other than the East Side Fence), including performing routine inspections of the fences for damage and regular visual inspections of the perimeter of the West Basin;

3. Subtenant shall perform monthly evaluations and readings of the water height and quality in the West Basin; and

4. Subtenant shall make all Repairs made necessary because of Subtenant's modifications, if any, to the West Basin or because of the Programs operated by Subtenant or Outward Bound or Audubon, or by the Improvements constructed by any of them.

8.2.4. Subtenant shall, at no cost to the Master Landlord or Landlord, hire an engineering firm acceptable to the Water Department to do annual inspections of the north, west, and south sides of the West Basin wall. Subtenant shall cause that firm to provide copies of each annual report to the Commissioner and to the Water Department's Deputy Commissioner for Operations. Provided Subtenant hires a reputable engineering firm acceptable to the Water Department to do the annual inspection, Subtenant is not liable for the engineering firm's failure to properly conduct the inspection or for its inaccurate or incomplete report of its findings.

8.2.5. Subtenant is not responsible for catastrophic failure of any portion of the wall around the West Basin; except, however, Subtenant is liable for the catastrophic failure of any portion of the wall around the West Basin caused by (1) Subtenant, Outward Bound, Audubon, or any other Permitted Transferee, (2) any other person or organization for whom Subtenant, Outward Bound or Audubon is responsible or for whose presence on the Premises any of them is responsible, or (3) Subtenant's breach of any provision of this Sublease or a breach of this Sublease by Outward Bound, Audubon, or any other Permitted Transferee. Subtenant shall Repair any portion of the wall around the West Basin to the extent caused by any matter under clauses (1), (2), or (3) in this Section 8.2.5.

8.2.6. Subtenant is not liable for any latent or patent defects in the Basin Walls.

ARTICLE 9

PAYMENT OF IMPOSITIONS, INCLUDING TAXES AND OTHER CHARGES

9.1. Payment of Impositions. Starting on the Commencement Date, Subtenant shall promptly pay, or cause to be promptly paid, all Impositions before any Imposition becomes delinquent and before any fine, interest or penalty is assessed by reason of its nonpayment or late payment. Subtenant's obligation to pay Impositions under this Section 9.1 survives the Sublease Ending Date as to those Impositions Subtenant is obligated to pay but has not paid on or before the Sublease Ending Date.

9.1.1. If at any time during the Term the methods of taxation that prevail on the Commencement Date are altered so that in lieu of any Imposition described in this Section 9.1 there is levied, assessed or imposed an alternate tax, however designated, then that alternate tax is deemed an Imposition for the purpose of this Article 9 and Subtenant shall pay and discharge that Imposition as provided by this Article 9.

9.1.2. If the Commencement Date is a day other than the first day of a “tax” or “fiscal” year (in either case, a “**Tax Year**”), all Impositions are to be prorated. Subtenant shall pay only for those Impositions, or portions of Impositions, that accrue or are payable in connection with the Premises on and after the Commencement Date through the Sublease Ending Date. The proration is to be based on the ratio that the number of days in the fractional Tax Year bears to 365.

9.1.3. Subtenant’s payment of Impositions with respect to the final Tax Year within the Term shall be prorated as provided in Section 9.1.2, and Subtenant shall pay only those Impositions that accrue or are payable on or before the Sublease Ending Date.

9.1.4. Despite the preceding provisions of this Section 9.1, if before the Commencement Date or after the Sublease Ending Date any Imposition is not payable with respect to the Premises because Landlord is exempt from paying the Imposition under Applicable Laws, then that Imposition is not to be prorated and Subtenant shall pay 100% of the Imposition attributable to the period following the Commencement Date or prior to the Sublease Ending Date, as the case may be.

9.1.5. [Reserved.]

9.1.6. Landlord shall endeavor to promptly furnish to Subtenant a copy of any notice relating to any Imposition received by Landlord.

9.2. Contesting Impositions. Despite Section 9.1 and the other provisions of this Sublease, Subtenant may apply for an exemption from any or all Impositions.

9.2.1. If Subtenant desires to contest any Imposition or otherwise have it reviewed by appropriate legal or administrative proceeding, Subtenant shall give Landlord and Master Landlord written notice of Subtenant’s intention to contest the Imposition. After giving those notices, Subtenant will not be in default under this Sublease for failure to pay the contested Imposition if Subtenant obtains and furnishes to the applicable taxing authority a bond or other security to the extent required by Applicable Laws and sufficient to pay the contested Imposition and all penalties and interest that may be reasonably payable in connection with it.

9.2.2. Subtenant shall at its sole cost conduct any contest or other proceeding that Subtenant brings free of expense to Landlord and Master Landlord. Subtenant shall pay the amount of any Imposition determined to be due after a court’s final, unappealable determination, together with all costs, expenses, interest, and penalties related to it.

9.2.3. To the extent necessary for Subtenant to lawfully contest any Imposition, Landlord shall reasonably cooperate with Subtenant by providing copies of documents for the proceeding, but at no cost or expense to Landlord and without the obligation to testify on behalf of Subtenant.

9.3. Payment by Landlord. Unless Subtenant is contesting any Impositions as provided in Section 9.2, Landlord may, at any time after the date any Imposition is delinquent, give written notice to Subtenant specifying the Imposition and its delinquency.

9.3.1. If Subtenant continues to fail to pay or contest the Imposition, then at any time after ten days from Subtenant's receipt of Landlord's notice, Landlord may pay the Imposition specified in the notice.

9.3.2. Subtenant shall promptly pay Landlord any amount Landlord pays or expends in the payment of the Imposition following Landlord's demand to Subtenant for payment, together with interest on the amount Landlord paid at the Default Rate from the date of Landlord's payment until fully repaid by Subtenant.

9.4. Utilities.

9.4.1. Subtenant shall, at its sole cost, arrange for all utility services at the Premises that Subtenant may want and that are necessary and desirable for operation of the Premises. Subtenant shall, at its sole cost, arrange for all metering necessary or desirable to measure Subtenant's use of utilities on the Premises, including any submetering Subtenant may want in connection with any Permitted Transferees.

9.4.2. Subtenant shall arrange to be billed directly by all utility companies providing utility service to the Premises. Landlord agrees to cooperate with Tenant to accomplish this task, at no cost to Landlord.

9.4.3. Subtenant shall pay before delinquency all water, sewer, stormwater, gas, electricity, and other public utilities and utility services provided to or used upon to the Premises during the Term. Subtenant shall not permit any judgment or lien to be filed against any part of the Premises relating to failure to pay for any utility or utility service provided to the Premises unless Subtenant contests the judgment or lien in the manner permitted for contesting Impositions provided in Section 9.2.

ARTICLE 10 ENVIRONMENTAL MATTERS

10.1. Environmental Compliance. Starting on the Commencement Date, Subtenant shall comply with all Environmental Laws related to Subtenant's use of the Premises and shall cause all Permitted Sub-Subtenants and Permitted Licensees to comply with all Environmental Laws related to their respective use of the Premises.

10.1.1. Subtenant shall at its own sole cost maintain in effect all permits, licenses or other governmental approvals related to Hazardous Substances, if any, required for Subtenant's use of the Premises.

10.1.2. Subtenant shall make all disclosures required of Subtenant by any Environmental Laws.

10.1.3. Subtenant shall comply with all orders issued by any governmental authority with jurisdiction over the Premises with respect to Subtenant's use of the Premises and its employees', agents', contractors' and invitees' use of the Premises. Subtenant shall take all actions required by any governmental authority with jurisdiction over the Premises to bring Subtenant's activities on the Premises into compliance with all Environmental Laws affecting the Premises, but Subtenant may assert all reasonable defenses to any of those orders and requirements.

10.1.4. Subtenant shall take all necessary and prudent steps to prevent Contamination in, on, or about the Premises, whether potentially resulting from conditions existing on or before the Effective Date or caused by Subtenant from and after the Commencement Date.

10.2. Pre-Existing Conditions. Despite any provision of this Article 10 to the contrary, Subtenant is not obligated to pay any penalty or assessment, or to take any action, under Environmental Laws governing the Premises in connection with the presence of any Contamination in, on, about, or beneath the Premises that existed prior to the Commencement Date, except

10.2.1. to the extent any Contamination is caused, exacerbated or spread by Subtenant's acts; and

10.2.2. after the Commencement Date, to the extent necessary for Subtenant to safely construct any Improvements and safely operate any of the Programs.

10.3. Notices. If at any time during the Term Subtenant becomes aware, or has reasonable cause to believe, that any Contamination has occurred in, on, or about the Premises, Subtenant shall promptly give written notice of that condition to Master Landlord and Landlord. In addition, upon becoming aware, or having reasonable cause to believe, that Contamination has occurred, Subtenant shall promptly notify Master Landlord and Landlord in writing of

10.3.1. any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed, or threatened pursuant to any Environmental Laws;

10.3.2. any claim made or threatened by any person against Master Landlord, Landlord, Subtenant or the Premises arising out of or resulting from the Contamination; and

10.3.3. any reports made to any local, state, or federal environmental agency arising out of or in connection with the Contamination.

10.4. Indemnity for Environmental Matters. Subtenant shall promptly indemnify, defend, and hold harmless the Master Landlord and Landlord in accordance with the provisions of Section 11.2.

10.5. Sub-Subtenants. Subtenant shall include in every Permitted Transfer under Article 16 the same environmental covenants and obligations in favor of the Master Landlord and Landlord as apply to Subtenant under this Article 10.

ARTICLE 11
SECURITY AND SAFETY; INDEMNIFICATION; RELEASE; INSURANCE

11.1. Security and Safety. Subject only to the Master Landlord's title to the Premises and the Master Landlord's express maintenance and repair obligations under the Master Lease, starting on the Commencement Date and continuing through the Sublease Ending Date, Subtenant has exclusive care, custody and control of the Premises.

11.1.1. Subtenant shall, at its sole cost and expense, ensure the safety and security of the Premises and of all persons and property in, on, and about the Premises.

11.1.2. Subtenant shall arrange for 24-hours-a-day security for the Premises. Subtenant's security measures do not necessarily require the presence of a security guard or other personnel on the Premises 24-hours-a-day. Subtenant may satisfy its obligation to arrange for 24-hours-a-day security for the Premises by the combined use of fencing, gates, locks, security cameras, emergency contact phone numbers, and additional measures.

1. Despite Section 11.1.2 above, but without limiting the general application of Section 11.1.1, Subtenant shall maintain the three chain link fences around the north, west, and south sides of the West Basin that exist on the Effective Date in order to prevent unlawful entry into the Premises and to keep the West Basin from becoming an attractive nuisance.

2. Subtenant may take any additional measures it deems prudent to prevent unlawful entry into the Premises and to keep the West Basin from becoming an attractive nuisance.

3. Subtenant may propose to the Commissioner alternative security measures against unlawful entry, but to be acceptable to the Commissioner those measures must be at least as secure as the three-fence arrangement that exists on the Effective Date.

11.1.3. Before Subtenant may occupy the Building and start or permit operation of the Programs, Subtenant must obtain the Commissioner's written approval of Subtenant's security measures. Subtenant shall obtain the Commissioner's prior written approval of any material changes in Subtenant's security measures from measures the Commissioner previously approved.

11.1.4. Subtenant shall promptly inform the Commissioner of any material incidents of security breaches into or on the Premises.

11.1.5. Subtenant shall provide to Master Landlord all keys, alarm codes, and other devices and information to enable Master Landlord to come onto the Premises immediately at any time in the event of an emergency that requires action by municipal authorities.

11.2. Indemnification.

11.2.1. Subtenant shall promptly indemnify, defend, and hold harmless the Indemnitees from and against any and all claims, liabilities, losses, litigation, actions, damages, and expenses (including but not limited to attorneys' and experts' fees and litigation costs), including but not limited to those in connection with loss of life, bodily and personal injury, or damage to property (real or personal, and regardless of ownership), which occur or arise, in whole or in part, as a result of or in connection with

1. Subtenant's Work: any work or thing done, or any violation of Applicable Laws, in, on or about the Premises or any part of the Premises or in connection with, under, or related to this Sublease, by Subtenant or any Subtenant officer, director, employee, agent, contractor, servant, assignee, successor, assign, invitee, or licensee;

2. Environmental Matters:

(A) any fine, penalty, or order imposed or issued by any governmental authority under any Environmental Law,

(B) all costs that Master Landlord and Landlord incur,

(C) any loss in value of the Premises and Improvements,

arising from or caused by, in whole or in part, directly or indirectly, on or after the Commencement Date,

(X) the presence in, on, under, or about the Premises of any Hazardous Substance,

(Y) any discharge or release in or from the Premises of any Hazardous Substance, or

(Z) Subtenant's failure to comply with its covenants under Section 10.1 above;

3. Acts or Omissions: any act or omission of Subtenant, or any of its officers, directors, employees, agents, contractors, servants, assignees, invitees, or licensees, or anyone for whom Subtenant is legally responsible;

4. Use of Premises: the use, non-use, possession, occupancy, operation, maintenance, or management of the Premises or any part of the Premises by Subtenant or any of its officers, employees, agents, contractors, servants, licensee, or invitees, or anyone for whom Subtenant is legally responsible;

5. Rights and Obligations: the exercise of any right or performance of any obligation by Subtenant under or pursuant to this Sublease;

6. Accidents: any accident, injury, or damage to any person or property occurring in, on, or about the Premises or any part of the Premises on or after the Commencement Date; and

7. Breach of Sublease: any failure on the part of Subtenant to keep, observe and perform any of the provisions contained in this Sublease on Subtenant's part to be kept, observed, or performed;

provided, however, that Subtenant is not obligated to indemnify the Indemnitees for any matter that Subtenant is not liable for under Section 10.2, or for any claims, liabilities, losses, litigation, actions, damages, and expenses caused by the gross negligence or willful misconduct of any of the Indemnitees.

11.2.2. Subtenant's indemnification obligations under Section 11.2.1.2 include, whether foreseeable or unforeseeable, any and all reasonable costs incurred in connection with any site investigation, and any and all costs for repair, cleanup, detoxification, decontamination, disposal, transportation, or other remedial action, of or relating to the Premises.

11.2.3. If any action or proceeding is brought against any of the Indemnitees relating to any matter for which Subtenant has indemnified the Indemnitees, then, upon written notice from the Indemnitees, or from any of them, Subtenant shall, at its sole cost, resist or defend the action or proceeding by counsel reasonably approved by the City Solicitor in writing.

1. Subtenant is not obligated to obtain an Indemnitee's approval, however, in each and every instance where the claim is resisted or defended by counsel of an insurance carrier obligated to resist or defend the claim.

2. Despite Subtenant's defense obligations, Landlord and Master Landlord may engage at their expense their own counsel to participate in the defense of any claim.

3. Subtenant's obligations under the provisions of this Section 11.2.3 survive the Sublease Ending Date.

11.3. Release.

11.3.1. In consideration for the rights granted to Subtenant by this Sublease, Subtenant does by this Sublease, for itself and all the other Releasors, remise, quitclaim, release and forever discharge the Releasees, from any and all, and all manner of, actions and causes of action, suits, claims and demands whatsoever in law or in equity which Subtenant or any of the Releasors may have against the Releasees or any of them relating in any way whatsoever, directly or indirectly to

1. the Premises and all conditions existing in, on, or about the Premises on the Effective Date or in the future, and

2. Subtenant's use, occupancy, operation, maintenance, and repair of the Premises or any part of the Premises.

11.3.2. Subtenant voluntarily and knowingly assumes all risk of loss, damage and injury, including death, which may be sustained by Subtenant or any of the Releasors, and the public in general, in connection with the Premises or Subtenant's use, occupancy, operation, and maintenance of the Premises.

11.3.3. Despite the other provisions of this Section 11.3, Subtenant does not release (A) Master Landlord from any detrimental change in the condition of the Premises after the Commencement Date caused primarily and directly by Master Landlord's failure to perform its obligations under the Master Lease, or (B) Landlord for any detrimental change in the condition of the Premises caused primarily and directly by Landlord's gross negligence or willful misconduct on the Premises after the Commencement Date.

11.4. Property Insurance. Throughout the Term, Subtenant shall, at its sole cost, keep the Improvements insured against loss or damage by fire, windstorm, tornado, hail, water damage, lightning, vandalism, malicious mischief, sprinkler damage, flood, and earthquake, and against loss or damage by other, further and additional risks as are now or in the future may be embraced by the standard "all risk" forms or endorsements, in each case in the full amount of the replacement value of the Improvements with no penalty for co-insurance, but with commercially reasonable deductibles.

11.5. Additional Insurance. Throughout the Term, Subtenant shall, at its sole cost, procure and maintain in full force and effect:

11.5.1. Workers' Compensation Insurance. Workers' compensation insurance in not less than statutory limits as required under Applicable Laws and coverage for Employer's Liability and also Occupational Disease, to limits of not less than \$100,000 each accident, \$100,000 each employee, \$500,000 policy limit, or increased minimum levels required by Applicable Laws from time to time. Subtenant shall cause the insurance to include coverage under the Broad Form All States Endorsement.

11.5.2. Commercial General Liability Insurance. Liability insurance against claims for bodily injury, death or property damage occurring in, on, or about the Premises, including the public areas adjacent to them. Subtenant shall cause the insurance to afford immediate protection at the Commencement Date for not less than (A) \$1,000,000 per occurrence combined single limit, (B) \$2,000,000 aggregate, and (C) \$1,000,000 products and completed operations per occurrence and \$2,000,000 aggregate. Subtenant shall cause the coverage to include premises operations, blanket contractual liability, personal injury liability, products and completed operations, independent contractors, cross liability, employees as additional insureds, broad form property damage liability, explosion, collapse and underground coverage.

11.5.3. Excess and Umbrella Liability Insurance. Excess and umbrella liability insurance on a form following basis covering all insureds to bring the total maximum

collective limits of liability (in excess of primary limits stated above) to \$5,000,000 for each occurrence and in the aggregate.

11.5.4. Automobile Insurance. Commercial automobile liability coverage of all claims for bodily injury, death and property damage arising from the use of owned, non-owned, hired, and leased vehicles used in connection with providing services for the Premises and Subtenant's operations, in a combined single limit of \$1,000,000. Despite the immediately preceding sentence, automobile insurance is not required so long as Subtenant does not own, hire or lease vehicles to be used in connection with providing services for the Premises and Subtenant's operations on the Premises.

11.6. Contractors and Subcontractors' Insurance. Subtenant shall cause its Contractors to obtain and maintain in full force and effect the types of insurance listed below during the Initial Construction, all Alterations, and any other construction or renovation period(s):

11.6.1. Commercial General Liability insurance at a minimum limit of \$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability. Subtenant shall cause its contractors' and subcontractors' coverage to include premises operations, blanket contractual liability, personal injury liability, products and completed operations, independent contractors, cross liability, employees as additional insureds, broad form property damage liability, explosion, collapse and underground coverage.

11.6.2. Automobile Liability insurance covering liability arising from the maintenance and use of all owned, non-owned, hired and leased vehicles for bodily injury, death, or property damage, with a combined single limit of \$1,000,000.

11.6.3. Workers' Compensation affording statutory coverage and Employers Liability insurance at limits of \$100,000 each accident, \$100,000 each employee, \$500,000 policy limit.

11.6.4. Professional Liability insurance for architectural and or engineering services at a limit of \$1,000,000 with a deductible not to exceed \$50,000. Subtenant shall cause its contractors' and subcontractors' coverage to include errors and omissions coverage including liability assumed under contract. This coverage may be written on a claims-made basis; provided that coverage for occurrences that happen during the performance of services required under the contract must be maintained in full force and effect under the policy or "tail" coverage for a period of at least two years after the completion of the services.

11.7. Additional Insureds; Insurance Proceeds.

11.7.1. Subtenant shall cause all policies of insurance this Sublease requires, except for Workers' Compensation and Employers' Liability, (1) to include the Additional Insureds as additional insureds; and (2) to include an endorsement stating that the coverage afforded the Additional Insureds is primary to any other coverage available

to them and that no act or omission by any of the Additional Insureds invalidates its coverage.

11.7.2. Subtenant shall cause all the policies of property insurance to provide that the loss proceeds, if any, are payable to Subtenant, and that proceeds under liability policies may be made directly to the appropriate Additional Insured and to third-party claimants.

11.7.3. Subtenant shall use the proceeds of liability policies for the payment of liability claims and Subtenant's indemnification obligations under this Sublease. Except as expressly provided in Section 12.2, Subtenant shall use the proceeds of property insurance policies for the restoration or repair of the Building and, if proceeds remain, of Subtenant's personalty.

11.8. Insurance in General. To satisfy the insurance requirements set forth above in this Article 11, each policy of insurance this Sublease requires must satisfy the following conditions:

11.8.1. Each policy must include provisions that the holder of the policy shall not cancel or terminate the policy, or cause or permit the policy to expire or lapse, or cause to non-renew, and that coverages under the policy may not be materially reduced, unless at least 30 days' notice of the proposed expiration, lapse, non-renewal or reduction has been provided to all the insureds and Additional Insureds named in the policy by the policy holder (and at least 10 days' notice for nonpayment of premium).

11.8.2. Unless waived in writing by Landlord and Master Landlord, each policy must be issued by an insurance company duly authorized to conduct business in the Commonwealth of Pennsylvania with an A. M. Best Company, Inc. general policyholders rating of at least "A-, VII".

11.8.3. Each policy of property insurance must include a provision for a waiver of subrogation in favor of Landlord and Master Landlord.

11.8.4. Each policy of liability insurance, except professional liability insurance, must be written on an "occurrence" basis and not a "claims made" basis.

11.9. Evidence of Insurance Coverage. Subtenant shall cause certificates of insurance evidencing the required coverages to be submitted to Landlord and to the Master Landlord (at the address below) not later than 24 hours after the Commencement Date and at least 10 days before the expiration of any insurance policy.

11.9.1 Despite the occurrence of the Commencement Date, it is a condition precedent to Subtenant's right to come on to the Premises that Subtenant have obtained the required coverages, and caused its Contractors to obtain the required coverages, as applicable, and that Subtenant have caused the required evidences of those coverages to be delivered to Landlord and Master Landlord.

11.9.2. If Landlord or the Master Landlord send a written request to Subtenant to furnish certified copies of the original policies of insurance this Sublease requires, then Subtenant shall provide a copy of the original policies to the Landlord or Master Landlord (at the address below) not later than 10 days after receiving the written request:

City of Philadelphia
Division of Risk Management
One Benjamin Franklin Parkway – 14th Floor
1515 Arch Street
Philadelphia, PA 19102

or another address as the Master Landlord may designate by notice to Subtenant.

11.10. Adjustment of Loss. Subtenant may in its sole discretion adjust any loss under any policy of insurance this Sublease requires.

11.11. No Blanket Insurance. Subtenant shall not take out insurance of the kind and in the amounts required under this Article 11 under any blanket insurance policy which covers other properties owned or operated by Subtenant, its Permitted Sub-Subtenants, or its Affiliates.

11.12. Primary and Excess Coverages. Subtenant may satisfy the limits of liability for the required insurance policies by primary insurance or a combination of both primary and excess insurance coverages.

11.13. Insurance Non-Contributory. Subtenant shall not carry separate insurance, concurrent in form and contributing, in the event of loss, for any insurance required under the provisions of this Article 11 unless, in conformity with the requirements of this Article 11, all the Additional Insureds are included as additional insureds on that separate insurance. Subtenant shall promptly notify Landlord and Master Landlord of the separate insurance policy and deliver to Landlord and Master Landlord evidence of the separate insurance policy in accordance with Section 11.9.

11.14. Additional Insurance Coverage. Subtenant shall obtain additional amounts and types of insurance coverage from time to time as Landlord or Master Landlord deem reasonably necessary or prudent. Subtenant shall obtain the new required coverage not longer than 90 days following the date Landlord or Master Landlord, as the case may be, notifies Subtenant of the new required coverage.

11.15. Insurance Amounts no Limit of Subtenant's Obligations. The insurance requirements set forth in this Article 11 do not modify, limit or reduce the indemnification obligations of Subtenant under this Sublease and do not limit Subtenant's liability under this Sublease to the proceeds of or premiums due upon the policies of insurance that this Sublease requires.

11.16. No Master Landlord or Landlord Obligation to Insure. Landlord and Master Landlord have no obligation to insure, and no liability for any damage to, any improvements, equipment or other personal property of Subtenant or its invitees, or to any part of the Premises.

ARTICLE 12
DAMAGE OR DESTRUCTION

12.1. Damage. If at any time during the Term of this Sublease the Improvements are damaged or destroyed from any cause, Subtenant shall give prompt notice of the damage to Landlord and Master Landlord. Subject to the provisions of Article 7, Subtenant shall immediately take action as is reasonably necessary to assure that the Improvements do not constitute a public nuisance or otherwise present a health or safety hazard. Subtenant shall perform the work at Subtenant's sole cost. Subtenant's obligation under this Section 12.1 is not contingent upon the availability of any Insurance Proceeds, but Subtenant may reimburse itself up to the full amount of its costs for the work to the extent any Insurance Proceeds are available.

12.2. Cancellation of Sublease For Damage. If at any time during the Term the Improvements are so damaged that Subtenant determines in its reasonable discretion that restoration of the Improvements is not feasible because of the projected cost, despite the availability of Insurance Proceeds, Subtenant may terminate this Sublease by providing written notice to Landlord and the Master Landlord within 90 days after the occurrence of the damage.

12.2.1. If Subtenant determines that restoration of the Improvements is not feasible, Subtenant shall promptly

A. raze the Building and other Improvements it constructed or installed (but not the fencing);

B. remove all debris from the Premises;

C. grade and seed (or sod or cover with grass netting) those portions of the Premises from which the Improvements were removed and restore them to open park land to the Commissioner's satisfaction;

D. install additional, suitable rows of fencing to close any gaps in the security fencing created by removal of the Improvements so as to secure the entire perimeter of the Premises; and

E. complete all other work required by Applicable Laws or Subtenant's insurance carriers necessary, or that is reasonably prudent, to protect and secure the public from injury to persons and property.

12.2.2. Upon Subtenant's completion of the work listed above to the reasonable satisfaction of the Commissioner, this Sublease automatically terminates. After the Sublease Ending Date, neither party has any further liability to the other except for those liabilities and obligations that expressly survive the Sublease Ending Date. This Section 12.2 survives the Sublease Ending Date.

12.3. Restoration. If Subtenant does not terminate this Sublease as provided in Section 12.2, Subtenant shall repair or restore the damaged Improvements within 180 days following the

adjustment of any insurance claim arising from the damage or destruction, but not later than 18 months following the date of the damage or destruction.

12.4. Insurance Proceeds. All Insurance Proceeds attributable to any damage or destruction to the Premises are payable to Subtenant. Subtenant may retain any unused Insurance Proceeds.

12.5. Waivers. Except as expressly set forth in this Article 12, Subtenant waives any rights it has under any Applicable Laws to surrender this Sublease or to quit or surrender some or all of the Premises, or to receive any suspension, diminution, abatement or reduction of the Rent, Additional Rent, or other sums and charges this Sublease obligates Subtenant to pay, on account of any damage or destruction or damage.

ARTICLE 13 EMINENT DOMAIN

13.1. Total Taking. If all or substantially all of the Premises is taken (in either case, a “**Total Taking**”) for a public or quasi-public use by the exercise of the power of eminent domain or by purchase under threat of condemnation, this Sublease automatically terminates in its entirety on the date the condemning authority actually consummates the taking of the Premises as if it were the Expiration Date.

13.1.1. After the Sublease Ending Date, neither party has any further liability to the other except for those liabilities and obligations that expressly survive the Sublease Ending Date.

13.1.2. If a Total Taking occurs and NEITHER the City nor the Philadelphia Redevelopment Authority is the condemning authority, then

1. Subtenant and Landlord shall, together with Master Landlord, make one claim for an award for their combined interests in the Premises, including an award for severance damages if less than all the Premises is taken; and

2. all condemnation proceeds are to be distributed

A. first, to Subtenant to the extent it is attributable to Subtenant’s estate in the Premises or Subtenant’s personal property and Subtenant’s costs for the Initial Construction and all Alterations (as those costs are amortized over 10 years under GAAP), Subtenant’s fixtures and personal property, interruption or damage to Subtenant’s business, and Subtenant’s relocation (but Subtenant is not entitled to make a claim for business interruption or business damages, or for relocation expenses, unless Subtenant relocates its business within the City);

B. second, to the Master Landlord to the extent it is attributable to Master Landlord’s estate in the Premises; and

C. third, to Landlord to the extent it is attributable to Landlord's estate in the Premises.

13.1.3. If a Total Taking occurs and either the City or the Philadelphia Redevelopment Authority is the condemning authority, then only Subtenant may make a claim against the City to reimburse Subtenant for its estate in the Premises, Subtenant's Improvements and Alterations, its fixtures and personal property, interruption or damage to its business, and its relocation expenses (but Subtenant is not entitled to make a claim against the City for business interruption or business damages, or for relocation expenses, unless Subtenant relocates its business within the City).

13.1.4. Subtenant's rights under this Section 13.1 survive the Sublease Ending Date.

13.2. Partial Taking. If a Partial Taking occurs, Subtenant shall give prompt written notice of the Partial Taking to Landlord and Master Landlord. Following a Partial Taking, the following provisions control:

13.2.1. If Subtenant determines in its reasonable discretion that the remaining portion of the Premises cannot be adapted and operated for the purposes contemplated by this Sublease and in substantially the same manner as it was operated prior to the Partial Taking, then Subtenant may terminate this Sublease by providing written notice to Landlord and Master Landlord not later than 90 days following the taking. This Sublease terminates on the later of (1) the date specified in Subtenant's notice, and (2) the latter date that both Landlord and Master Landlord receive Subtenant's notice. After the Sublease Ending Date, neither party has any further liability or obligation to the other except for those liabilities and obligations that expressly survive the Sublease Ending Date.

13.2.2. If Subtenant does not terminate this Sublease as provided in Section 13.2.1, then, to the extent of condemnation proceeds paid to Subtenant, Subtenant shall, with reasonable promptness,

1. perform all necessary Repairs and restore the Premises to an operationally viable unit in strict accordance with all Applicable Laws and the requirements of Article 7; and

2. Repair the Premises as nearly as possible to the condition the Premises was in immediately prior to the Partial Taking.

13.2.3. If a Partial Taking occurs and the City IS NOT the condemning authority, then

1. Subtenant and Landlord shall, together with Master Landlord, make one claim for an award for their combined interests in the Premises, including an award for severance damages if less than all the Premises is taken; and

2. all condemnation proceeds are to be distributed

A. first, to the Master Landlord to the extent it is attributable to Master Landlord's estate in the Premises;

B. second, to Subtenant to the extent it is attributable to Subtenant's estate in the taken portion of the Premises, Subtenant's costs to restore the Premises, Subtenant's personal property, and Subtenant's costs for the Initial Construction and all Alterations to the extent detrimentally affected by the taking, Subtenant's fixtures and personal property, interruption or damage to Subtenant's business; and

C. third, to Landlord to the extent it is attributable to Landlord's estate in the Premises.

13.2.4. Subtenant's rights under this Section 13.2 survive the Sublease Ending Date.

13.3. Temporary Taking. This Sublease is not affected by a temporary taking of all or part of the Premises. All condemnation proceeds as a result of a temporary taking are the property of Subtenant.

ARTICLE 14 DEFAULT

14.1. Events of Default. It is a breach of this Sublease by Subtenant if any of the following events occur (individually an "**Event of Default**" and collectively "**Events of Default**"):

14.1.1. Subtenant fails to pay any amount due to Landlord or Master Landlord under this Sublease within 15 days of when due and Subtenant does not cure its failure within five days after its receipt of written notice from Landlord respecting the overdue payment.

14.1.2. Subtenant fails to pay any charge, Imposition or any other obligation of Subtenant requiring the payment of money under the terms of this Sublease within 15 days of when due and Subtenant does not cure its failure within 15 days after receipt of written notice from Landlord respecting the overdue charge, Imposition, or other obligation.

14.1.3. Subtenant fails to perform any term, covenant, or condition of this Sublease to be performed by Subtenant, except those requiring the payment of money,

and Subtenant does not cure its failure within 30 days after written notice from Landlord, where the failure reasonably can be cured within the 30-day period; provided, however, that where Subtenant's failure cannot reasonably be cured within the 30-day period, then Subtenant will not be in default unless it has failed to promptly start to cure within the 30-day period and subsequently continues to make diligent and reasonable efforts to cure the failure as soon as reasonably practicable, but in no event may Subtenant fail to complete the cure in more than 120 days after the Landlord's written notice.

14.1.4. Subtenant abandons the Premises or its subleasehold estate, except as expressly provided in this Sublease.

14.1.5. Any right or interest of Subtenant under this Sublease is subject to attachment, execution, or other levy, or to seizure under legal process, if not released or appropriately bonded within 90 days after receipt of written notice by Landlord.

14.1.6. The appointment of a receiver to take possession of the Premises and or the Improvements or of Subtenant's estate or of Subtenant's operations for any reason if not discharged within 90 days of the appointment, including an assignment for the benefit of creditors or voluntary or involuntary bankruptcy proceedings, but not including receivership instituted by Landlord, the Event of Default being not the appointment of a receiver at Landlord's instance but the event justifying the receivership, if any.

14.1.7. Subtenant makes an assignment for the benefit of creditors or files a voluntary bankruptcy petition, or has an involuntary bankruptcy petition filed against it, under any law; or for extending time for payment, adjustment, or satisfaction of Subtenant's liabilities to creditors generally; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within 90 days after the assignment, filing, or other initial event.

14.2. Landlord's Remedies. If any Event of Default by Subtenant has occurred, Landlord may exercise the following remedies in addition to all other rights and remedies provided by law or equity, to which Landlord may resort cumulatively, in any combination, or in the alternative:

14.2.1. Termination. Landlord may terminate this Sublease by giving Subtenant written notice of termination. Upon Subtenant's receipt of Landlord's termination notice, or upon a later date Landlord may in its discretion specify in its notice, all of Subtenant's rights in the Premises terminate. Following the termination,

1. Subtenant shall promptly surrender and vacate the Premises and the Improvements in broom-clean condition in accordance with Section 15.1; and

2. Landlord may reenter and take possession of the Premises and eject all parties in possession or eject some and not others or eject none; but Landlord may not eject any sub-subtenant other than Outward Bound and Audubon with a nondisturbance agreement;

3. Subtenant is not relieved from (A) its obligation to pay to Landlord or Master Landlord any Rent or other sums previously accrued, accruing, or due under this Sublease, plus interest at the Default Rate starting from the later to occur of (1) the Event of Default, or (2) the date due, up to the date of payment, or from (B) any claim for damages previously accrued or then accruing against Subtenant, plus interest at the Default Rate up to the date of payment; and

4. Subtenant's obligations under this Section 14.2.1 survive the Sublease Ending Date.

14.2.2. Reentry Without Termination. Landlord may, by giving Subtenant written notice, elect to continue this Sublease in effect until a time as Landlord elects to terminate Subtenant's right to possession (but not longer than six months). Subject to the rights of sub-subtenants, if any, provided with nondisturbance agreements, upon Subtenant's receipt of Landlord's reentry notice, or upon a later date Landlord may in its discretion specify in its notice, the following provisions apply:

1. Landlord may reenter the Premises and, without terminating this Sublease, at any time and from time to time, re-let the Premises or any part or parts of them for the account and in the name of Subtenant or otherwise.

2. Landlord may eject all persons or eject some and not others or eject none. Any re-letting may be for the remainder of the Term or for a longer or shorter period.

3. After Landlord's reentry, Subtenant shall pay to Landlord Rent, less the amount of rental, if any, that Landlord receives from any others to whom Landlord leases the Premises.

4. After Landlord's reentry expires or otherwise ends, (A) Subtenant shall surrender the Premises in accordance with Section 15.1, and (B) Subtenant's liability to Landlord under this Sublease automatically terminates except for any continuing indemnity obligations arising under provisions of this Sublease and other provisions and obligations that expressly survive the Sublease Ending Date.

5. No act by or on behalf of Landlord under this Section 14.2.2 terminates this Sublease before six months from Landlord's reentry unless Landlord gives Subtenant an express notice of termination.

6. Subtenant's obligations under this Section 14.2.2 survive Landlord's reentry on the Premises and the Sublease Ending Date.

14.2.3. Suspension. Landlord may suspend this Sublease for up to one year by giving Subtenant written notice of the suspension. Upon Subtenant's receipt of the Landlord's suspension notice, all of Subtenant's rights in the Premises are immediately suspended. Subject to the rights of sub-subtenants, if any, provided with a nondisturbance agreement, after Subtenant receives Landlord's suspension notice,

1. Subtenant shall promptly surrender and vacate the Premises in accordance with Section 15.1;

2. Landlord may reenter and take possession of the Premises and eject all parties in possession or eject some and not others or eject none.

3. Subtenant is not relieved from (A) its obligation to pay to Landlord or Master Landlord any Rent or other sums previously accrued, accruing, or due under this Sublease, plus interest at the Default Rate starting from the later to occur of (1) the Event of Default, or (2) the date due, up to the date of payment, or from (B) any claim for damages previously accrued or then accruing against Subtenant, plus interest at the Default Rate up to the date of payment.

4. During the period of the suspension, Subtenant may work to cure the Event of Default; provided, however, that Subtenant must execute a written license agreement with Master Landlord before performing any Alteration or other work on the Premises or Improvements.

5. At the end of the suspension period, and any time during the suspension period, Landlord may, in its sole discretion, reinstate this Sublease and Subtenant's rights under this Sublease, or terminate this Sublease in accordance with Section 14.2.1.

14.2.4. Subtenant's Personal Property Located in the Premises. In the case of Landlord's reentry and until the reentry expires or otherwise ends, Landlord may use Subtenant's personal property and trade fixtures located on and used in connection with the management and operation of the Premises, or any of Subtenant's property and fixtures (but expressly excluding any Subtenant Property), without compensation and without liability for use or damage, or store them for the account and at the cost of Subtenant. The election of one remedy for any one item does not foreclose an election of any other remedy for another item or for the same item at a later time.

14.3. Cumulative Remedies. Landlord's remedies under this Article 14 are not exclusive but rather are cumulative with and in addition to all remedies now or in the future allowed by law, in equity, or provided elsewhere in this Sublease.

14.4. Waiver of Breach. No waiver by Landlord of Subtenant's breach of any provision of this Sublease or any Event of Default waives any other breach by Subtenant or other Event of Default, whether of the same or any other covenant or condition.

14.4.1. Landlord's voluntary waiver or giving of any benefit, privilege, or service, gives Subtenant any contractual right by custom, estoppel, or otherwise to additional or continuing waivers, benefits, privileges, or services.

14.4.2. Landlord's failure to respond to any request by Subtenant for a waiver, extension, benefit, privilege, or service from or by Landlord, is not Landlord's agreement

to Subtenant's request, and Subtenant shall continue to comply with the provision of this Sublease as if Landlord expressly declined Subtenant's request.

14.5. Limit on Personal Liability. Except in the case of an individual who commits fraud or knowingly commits a tortious act, Subtenant's officers, directors, and employees are not personally liable for Subtenant's failure to observe the provisions of this Sublease.

ARTICLE 15

SURRENDER OF PREMISES ON SUBLEASE ENDING DATE; DISSOLUTION OF SUBTENANT

15.1. Surrender upon Expiration or Termination. Upon the Sublease Ending Date, Subtenant shall (A) remove its personal property and vacate and surrender the Premises to Landlord without delay, broom clean, and in good order, condition and repair, except for ordinary wear and tear and for condemnation if this Sublease is terminated pursuant to Article 13, and (B) remove Improvements in accordance with Section 7.4.

15.1.1. Following the Sublease Ending Date, Master Landlord may deem, in its sole discretion, that title to any personal property of Subtenant or any other party not removed from the Premises by Subtenant vests in the Master Landlord without the need for any party to execute any further instrument. Subtenant shall, however, at no or nominal cost to it, execute all appropriate documents as Landlord or Master Landlord may reasonably request to transfer, or confirm the transfer of, title to any personal property to the Master Landlord.

15.1.2. Subtenant's surrender of the Premises does not cause a merger of the Master Landlord's estate in the Premises and Subtenant's estate, or of Landlord's estate and Subtenant's estate, unless Master Landlord or Landlord expressly agrees in writing to a merger of the respective estates, as the case may be.

15.1.3. If Master Landlord does not take title to some or all of Subtenant's personal property that Subtenant leaves on the Premises after the Sublease Ending Date, then Master Landlord may dispose of those items in Master Landlord's sole discretion, including by sale, and Subtenant shall promptly pay all of Master Landlord's costs arising from or related to the disposition of those items, and Master Landlord may retain all proceeds from any items Master Landlord sells.

15.2. Dissolution of Subtenant. If Subtenant discontinues its existence as a non-profit entity, then upon Subtenant's dissolution, determination, or cessation, this Sublease terminates and Subtenant shall promptly surrender the Premises under Section 15.1. Prior to its discontinuance, Subtenant shall make arrangements to execute all appropriate documents as may be reasonably requested by Landlord or Master Landlord to confirm the transfer of title to such personal property to the Master Landlord, at no or nominal cost to Subtenant.

15.3. Subtenant's Obligations Continue. Subtenant's obligations under this Article 15 survive the Sublease Ending Date.

15.4. Title to Improvements. Title to Improvements on the Premises on the Sublease Ending Date is governed by Section 7.3 [Title to Improvements and Fixtures During Term; Title Following Sublease Ending Date].

ARTICLE 16
ASSIGNMENTS, SUB-SUBLEASES, MORTGAGES AND OTHER TRANSFERS

16.1. Subtenant Shall Not Sub-Sublease, Mortgage, Assign or Transfer. Master Landlord obtained the approval of Philadelphia City Council and entered into the Master Lease in reliance on Subtenant's anticipated commitment under this Sublease to the stewardship of the Premises and operation of the Educational Programs, and in reliance upon Subtenant's unique qualifications to do so as a nonprofit corporation formed by Outward Bound and Audubon. Likewise, Landlord has entered into this Sublease in reliance on Subtenant's commitment to the stewardship of the Premises and operation of the Educational Programs, and in reliance upon Subtenant's unique qualifications to do so as a nonprofit corporation formed by Outward Bound and Audubon. Accordingly, throughout the Term, Subtenant shall not

16.1.1. sub-sublease or sub-space lease, or enter into any concession agreement with respect to, all or any portion of the Premises;

16.1.2. mortgage, pledge, assign, execute a deed in trust, or otherwise encumber or transfer its right or interest in this Sublease or the Premises; or

16.1.3. transfer, convey, or otherwise dispose of this Sublease, or all or any portion of the Premises.

16.2. Prohibited Sub-Sublease a Default. Any sub-sublease, sub-space lease, mortgage, pledge, assignment, execution of a deed in trust, encumbrance, or other transfer, conveyance or other disposal of the Sublease or Premises by Subtenant in violation of Section 16.1 is void and, at Landlord's sole discretion, may be deemed an Event of Default without opportunity to cure that entitles Landlord to exercise any or all of its remedies at law, in equity, and as provided in this Sublease.

16.3. Sale or Transfer of Control of Subtenant Prohibited. It is an assignment in violation of Section 16.1 if any of the following occur:

16.3.1. A sale or transfer of all of Subtenant's shares or assets.

16.3.2. A sale or transfer of a direct or indirect controlling interest in Subtenant or of rights or options which one or more third parties could assert or exercise to obtain a direct or indirect controlling interest in Subtenant.

16.3.3. Subtenant's shares or assets merge with those of any third party.

16.3.4. A new trustee is substituted in place of Subtenant for any trust held or administered by Subtenant.

16.4. Permitted Assignment or Sublease. Despite Sections 16.1 and 16.2, Subtenant may transfer its rights under this Sublease as provided below (each instance a “**Permitted Transfer**”) to third parties described below (each party a “**Permitted Transferee**”) and subject strictly to all the conditions set forth below:

16.4.1. Subtenant may assign or sublease its rights under this Sublease to (1) Audubon or any Audubon Affiliate, (2) Outward Bound or any Outward Bound Affiliate, or (3) any successor or assign of any entity described in subsections (1) and (2); provided the successor or assignee is a non-profit entity with the same mission and similar programs as its respective predecessor or assignor.

16.4.2. Subtenant may license or give permits for portions of the Premises to third parties for them to perform Subtenant’s obligations or exercise Subtenant’s authority under

- A. Section 4.4 [Use of Building],
- B. Section 4.6 [Use of West Basin; Watercraft],
- C. Section 4.8 [Fees and Charges], and
- D. Section 4.11.3 [Other Uses Permitted, serve food and beverage sales].

16.4.3. Subtenant may license, sublease, or give a permit for, portions of the Premises to other non-profit entities whose missions and programs are comparable with, contributory to, or complimentary to the Programs.

16.4.4. Despite any Permitted Transfer, Subtenant (1) shall comply with all its obligations under this Sublease, (2) shall cause each Permitted Transferee to comply with the provisions of this Sublease, and (3) subject to Article 14 [Default], is liable for Subtenant’s and each Permitted Transferee’s breach of any of provision of this Sublease. A breach of this Sublease by any Permitted Transferee is a breach of this Sublease by Subtenant.

ARTICLE 17

STANDARD CITY PROVISIONS: DISCRIMINATION PROHIBITED; MEMBERSHIP FEES AND OTHER EXPENSES; NO DEBT TO CITY; NO GIFTS, GRATUITIES AND FAVORS; FINANCIAL ASSISTANCE; SLAVERY ERA DISCLOSURE

17.1. Discrimination Prohibited. In fulfilling its obligations and exercising its rights under this Sublease, Subtenant shall not discriminate or permit discrimination against any person on the basis of race, color, religion, national origin, sex, sexual orientation, gender identification, ancestry, or disability. Discrimination on any of those prohibited bases is a material breach of this Sublease that entitles Landlord and Master Landlord to exercise any or all of its rights and remedies at law, in equity, or under this Sublease. Subtenant covenants that in every contract relating to any Improvements constructed or installed pursuant to this Sublease, and Subtenant’s operations under this Sublease, the contractor and all subcontractors shall not discriminate on any the bases set forth above.

17.2. Membership Fees and Other Expenses.

17.2.1. In accordance with Chapter 17-400 of the Philadelphia Code, as it may be amended from time to time, Subtenant agrees that its payment or reimbursement of membership fees or other expenses associated with participation by its employees in an exclusionary private organization, insofar as such participation confers an employment advantage or constitutes or results in discrimination with regard to hiring, tenure of employment, promotions, terms, privileges or conditions of employment on the basis of race, color, sex, sexual orientation, religion, national origin or ancestry, constitutes, without limiting the generality of Article 14 above, a substantial breach of this Sublease entitling the Landlord and Master Landlord to all rights and remedies provided in this Sublease or otherwise available at law or in equity.

17.2.2. Subtenant agrees to cooperate with the Commission on Human Relations of the City of Philadelphia (or its successor commission, agency, department, or office) in any manner which the Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of the Philadelphia Code. Failure to so cooperate shall constitute, without limiting the applicability of Article 14 above, a substantial breach of this Sublease entitling Landlord and the Master Landlord to all rights and remedies provided in this Sublease or otherwise available at law or in equity.

17.3. No Debt to City; Qualified Contractors.

17.3.1. Subtenant represents and warrants that Subtenant, Outward Bound, Audubon, and all their respective Affiliates, and all entities under common control with Subtenant or controlled by Subtenant, are not currently indebted to the City of Philadelphia.

17.3.2. Subtenant covenants that Subtenant, its Affiliates, and all entities under common control with Subtenant, will not at any time during the term of this Sublease (including any renewals or extensions) be indebted to the City of Philadelphia for or on account of any delinquent taxes (including but not limited to taxes collected by the City on behalf of the School District of Philadelphia), water bills, sewer bills, liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established.

17.3.3. Subtenant shall remain current during the Term of this Sublease with all such payments and shall inform the Landlord and the Master Landlord in writing of Subtenant's receipt of any notices of delinquent payments within five days after receipt.

17.3.4. Without limiting Article 14 above, Subtenant acknowledges and agrees that any violation of this Section 17.3 is a material breach of this Sublease. In addition, Subtenant acknowledges and agrees that false certification or representation by Subtenant is subject to prosecution under Title 18 Pa.C.S.A. Section 4904. This Section 17.3 does not restrict Subtenant's rights under Section 9.2 to contest any Imposition in strict accordance with Section 9.2.

17.3.5. Throughout the Term, with respect to its activities on the Premises, the Subtenant shall hire only Contractors that

A. are not delinquent to the City of Philadelphia for taxes; and

B. have made all disclosures regarding political contributions that would be required if those contractors bid for, or were awarded, contracts directly by the City, and

C. are not otherwise disqualified from receiving any contract from the City.

17.4. Prohibited Gifts, Gratuities, and Favors.

17.4.1. No Gift of Any Value. Subtenant shall not offer, make, or render any Gift to any City Official or employee where receipt of the Gift by the recipient would be prohibited under Section 2 of Executive Order No. 3-11 issued by the Mayor of Philadelphia on January 25, 2011.

17.4.2. Sanctions. Any person, including any person doing or seeking to do any business with the City, who violates Section 4 of Executive Order 3-11 [which prohibits a person from making Gifts to a City official or employee] is subject to sanctions with respect to future City contracts. Those sanctions may range from disqualification from participation in particular City contracts, to debarment, depending on the nature of the particular violation, as determined, after consultation with the Chief Integrity Officer of the City (or the official or department that succeeds to the powers and duties of the Chief Integrity Officer), by the Procurement Department for competitively bid contracts, or the Office of the Director of Finance, for noncompetitively bid contracts.

17.4.3. Defined Terms. For purposes of this Section 17.4, the words “Gift” and “Person” have the meanings assigned to them in Executive Order 3-11.

17.5. Financial Assistance. In accordance with Chapter 17-1400 of the Philadelphia Code, Subtenant represents that no contribution(s) have been made by Subtenant, or by any party whose contribution is attributed to the Subtenant, that would render the Subtenant ineligible to apply for or receive Financial Assistance under the provisions of Philadelphia Code Sections 17-1404(1) and 17-1405; and Subtenant agrees to complete the Certifications and Covenants of Recipient Of Financial Assistance attached to this Sublease as **Exhibit I**.

ARTICLE 18
PARTICIPATION OF DISADVANTAGED BUSINESS ENTERPRISES

18.1. Economic Opportunity Plan. Subtenant shall comply with the Economic Opportunity Plan in all aspects of Subtenant’s use and operation of the Premises under this Sublease.

ARTICLE 19
NOTICE

19.1. Notices. To be effective, any notice, approval, demand or other communication required or desired to be given pursuant to this Sublease must be in writing sent by (1) professional messenger service or air express service that provides signed receipts, (2) sent by United States certified mail, return receipt requested, in either case addressed as set forth below.

If to Landlord: General Counsel
Philadelphia Authority for Industrial Development
2600 Centre Square West
1500 Market Street
Philadelphia, PA 19102

with a copy to: First Deputy Commissioner
Parks and Recreation – Parks and Facilities
One Benjamin Franklin Parkway – 10th floor
1515 Arch Street
Philadelphia, PA 19102

and to: Commissioner
City of Philadelphia Department of Public Property
City Hall – Room 790
Philadelphia, PA 19107

and to: Divisional Deputy City Solicitor – Real Estate Division
City of Philadelphia Law Department
One Parkway Building – 17th Floor
1515 Arch Street
Philadelphia, PA 19102

If to Subtenant: National Audubon Society/Audubon Pennsylvania
John James Audubon Center at Mill Grove
1201 Pawlings Road
Audubon, PA 19403
Attn: Phillip S. Wallace, Executive Director

with a copy to: Stradley Ronon
2005 Market Street, Suite 2600
Philadelphia, PA 19103-7018
Attn: Andrew S. Levine, Esq.

and to: Outward Bound Philadelphia
3250 W. Sedgely Drive - East Fairmount Park
Philadelphia, PA 19130
Attn: Katie Newsom Pastuszek, Executive Director

and to: Hangley Aronchick Segal Pudlin & Schiller
One Logan Square
27th Floor
Philadelphia, PA 19103
Attn: David Scolnic, Esquire

19.2. Delivery. Notice sent in accordance with Section 19.1 will be deemed received upon delivery or upon the recipient's refusal to accept delivery.

19.3. Change of Address. Landlord and Subtenant may change its respective address or the address(es) to which the other party must provide notice or copies of notice by giving written notice to the other in accordance with the provisions of Section 19.1.

ARTICLE 20 ESTOPPEL CERTIFICATES; NONDISTURBANCE AGREEMENT

20.1. Estoppel Certificates. Following Landlord's request, Subtenant shall promptly execute and deliver an Estoppel Certificate to Landlord or its designee. Promptly following Subtenant's request, Landlord shall promptly execute and deliver an Estoppel Certificate to Subtenant or its designee and shall request that Master Landlord execute and deliver an Estoppel Certificate to Subtenant under the Master Lease. Subtenant's failure to execute and deliver an Estoppel Certificate within ten business days following Landlord's written request is deemed conclusive that, as of the date of the request for the Estoppel Certificate, Subtenant affirms

1. this Sublease is in full force, without modification except as may be represented by Landlord;
2. there are no uncured defaults in Landlord's obligations under this Sublease that Subtenant knows of or after reasonable investigation should know of;
3. no Rent has been paid in advance except as expressly provided in this Sublease, as represented by Landlord; and
4. other facts regarding the Sublease represented by Landlord.

20.2. Lease Recognition Agreement from Master Landlord. Contemporaneously with execution of this Sublease, Master Landlord, Landlord, and Subtenant have executed a lease recognition agreement in the form attached as **Exhibit K**.

20.3. No Modification to Master Lease. Landlord shall not modify the Master Lease in any way that materially and adversely affects Subtenant's rights under this Sublease or increases Subtenant's obligations under this Sublease.

20.4. Mortgages and Encumbrances. Landlord shall not do or agree to any of the following without Subtenant's prior written consent, which Subtenant may not withhold unreasonably,

1. encumber its Master Lease interest in the Premises with a mortgage;
2. grant any easements, covenants, conditions, restrictions, rights-of-way or other encumbrances of record regarding the Premises;
3. enter into any recorded or unrecorded contracts or leases intended to directly affect the Premises;
4. seek any zoning changes or other governmental approvals with respect to the Premises; or
5. knowingly and intentionally do anything adverse to the Premises or the condition of title to the Premises.

20.5. Landlord's Rights. Despite Section 20.4, Landlord may take any action in its sole discretion regarding its legal existence, general operations, public financings and issuance of debt instruments, and other matters that may have the legal effect of creating a covenant, condition, restriction, or encumbrance affecting the Premises as part of a general covenant, condition, restriction, or encumbrance affecting Landlord's assets.

ARTICLE 21
MASTER LANDLORD IS THIRD PARTY BENEFICIARY OF SUBLEASE;
APPROVALS BY LANDLORD AND MASTER LANDLORD;
ENFORCEMENT OF SUBLEASE BY MASTER LANDLORD

21.1. Master Landlord is Third Party Beneficiary. Master Landlord is a third party beneficiary of all provisions in this Sublease, including those that require Subtenant to submit a document or matter to, or to obtain the consent or approval of, the Commissioner, First Deputy, Master Landlord, or other City officials, officers, boards, commissions, and agencies. Master Landlord may enforce the provisions of this Sublease directly against Subtenant.

21.2. Subtenant's Submission of Matters for Approval. Wherever this Sublease expressly requires the approval of both Landlord and Master Landlord, Subtenant may submit the matter requiring approval simultaneously to Landlord and Master Landlord.

21.3. Enforcement by Master Landlord; Effect of Master Landlord's Approvals. All of Landlord's authorities, rights, and remedies under this Sublease may be exercised and enforced directly against Subtenant by Master Landlord. Except where the provisions of this Sublease expressly require separate approval, consent, permission, or review by both Landlord and Master Landlord, any approval, consent, or permission given, and any review conducted, by Master Landlord under this Sublease will be deemed approval, consent, or permission given, and review conducted, by Landlord under this Sublease.

21.4. Official Granting Approval and Manner of Approvals. Except as expressly provided otherwise in this Sublease, wherever this Sublease requires the approval, consent, or

review of the Master Landlord, that approval, consent or review is not valid and may not be relied upon or enforced by Subtenant, unless given, made or performed by the First Deputy or other member of the Parks and Recreation staff as the First Deputy designates in writing, and given, made or performed in the manner required. In addition, wherever this Sublease specifies that an approval, consent or review must be given, made or performed by a person or entity other than the First Deputy, then that approval, consent or review is not valid and may not be relied upon or enforced by Subtenant unless given, made, or performed by the specified person or entity and in the manner required.

21.5. [Reserved]

21.6. Master Landlord Approvals Not Approval Under Applicable Laws. The Master Landlord's approval of any matter submitted to it by Subtenant under this Sublease, regardless of the official granting the approval, is not approval by any City of Philadelphia department, board, or commission otherwise required under Applicable Laws. The Master Landlord's help for Subtenant to obtain any approval required under Applicable Laws is not itself the approval required under Applicable Laws.

21.7. Master Landlord Approval Not A Representation or Warranty. The Master Landlord's approval of Subtenant's designs, plans, and specifications, or its approval of any report, information, or request that Subtenant provides to Master Landlord under this Sublease or under the Master Lease, is not a representation or warranty by the Master Landlord regarding the accuracy or suitability, or any other quality, of the designs, plans, specifications, report, information, or request. The Master Landlord's help for Subtenant to obtain any approval required under Applicable Laws is not a representation or warranty by the Master Landlord regarding the accuracy, suitability, or any other quality of the matter for which the Subtenant seeks approval. Subtenant uses its own judgment in determining the accuracy, suitability, or any other quality of the matter for which the Subtenant seeks Master Landlord's approval.

ARTICLE 22

SUBTENANT'S REPRESENTATIONS AND WARRANTIES

22.1. Representations and Warranties. Subtenant represents and warrants the following:

22.1.1. Subtenant is a Pennsylvania nonprofit corporation validly formed and existing under the laws of the Commonwealth of Pennsylvania.

22.1.2. Exhibit D contains true, complete, unmodified copies of Subtenant's articles of incorporation, by laws, and IRS Form 1023 application to the United States Internal Revenue Service asking the Internal Revenue Service to determine that Subtenant is a 501(c)(3) charitable, nonprofit corporation under federal law.

22.1.3. The persons signing this Sublease in the name of Subtenant have been authorized to do so by Subtenant's board of directors' resolution; a true, complete, and

unmodified copy of that resolution is attached in Exhibit D; and that resolution remains in effect without any modification.

22.2. Subtenant's Corporate Status. Subtenant shall promptly send notice to Landlord and Master Landlord of any change in Subtenant's corporate status under Pennsylvania law

ARTICLE 23 QUIET ENJOYMENT; LANDLORD'S RIGHT TO INSPECT

23.1. Quiet Enjoyment. Starting on the Commencement Date, if Subtenant observes, keeps, and performs all covenants, conditions, and limitations applicable to it under this Sublease, and Subtenant has not breached any other written agreement between Landlord and Subtenant beyond any applicable cure period, Subtenant has quiet and peaceful possession of the Premises against Landlord and any person claiming by, through or under Landlord or the Master Landlord.

23.2. Landlord's Rights of Entry. Despite Section 23.1, upon reasonable prior notice to Subtenant, Landlord and Master Landlord may enter the Premises and the Improvements during normal business hours for purposes of conducting normal and periodic inspections of the Premises and to ensure Subtenant's compliance with this Sublease. In addition, the City may enter the Premises at any time and without advance notice to Subtenant to perform the City's normal police, fire, and other municipal functions, or in the case of an emergency posing a threat to the health, safety or welfare of persons or property. This Section 23.2 does not limit Subtenant's obligations or the Master Landlord's rights under Section 8.2. [Maintenance of West Basin Fences, Walls and Other West Basin Improvements] and under Section 11.1.5. [regarding devices and information to enable entry for emergency].

ARTICLE 24 GENERAL PROVISIONS

24.1. [Reserved.]

24.2. Counterparts. This Sublease may be executed in one or more counterparts, each of which is an original, and all of which together are a single agreement.

24.3. Force Majeure. Any obligation that a party cannot satisfy due a Force Majeure Event is excused until the cessation of the Force Majeure Event.

24.3.1. In no event, however, does any Force Majeure Event excuse any of Subtenant's obligations for longer than a 24-month period from the occurrence or start of the Force Majeure Event.

24.3.2. Despite the occurrence or continuance of a Force Majeure Event, Subtenant shall take all reasonable measures to comply with Subtenant's obligation by alternative means as soon as reasonably practicable.

24.3.3. If Subtenant sends written notice to Landlord that Subtenant believes that it cannot perform its obligation after the 24-month period because the Force Majeure Event continues, then this Sublease automatically terminates upon delivery of Subtenant's notice.

24.4. Severability. If any one or more of the provisions in this Sublease is held to be invalid, illegal or unenforceable in any respect, then the invalidity, illegality or unenforceability does not affect any other provision of this Sublease, and this Sublease is to be construed as if the invalid, illegal or unenforceable provision had not been contained in this Sublease. Despite the preceding sentence, if any provision of this Sublease is held to be invalid, illegal, or unenforceable so that Landlord is deprived of a material aspect of the consideration to it under this Sublease, or Master Landlord is deprived of a material aspect of the consideration to it under the Master Lease, then Landlord may terminate this Sublease by providing 180 days advance written notice to Subtenant.

24.5. Interpretation; Articles, Sections, Captions, Exhibits.

24.5.1. The language in all parts of this Sublease is to be construed as a whole according to its fair meaning, and not strictly for or against either Landlord or Subtenant. When the context of this Sublease requires, the neuter gender includes the masculine and feminine, and the singular includes the plural.

24.5.2. Landlord and Subtenant each participated in the writing of this Sublease. The rule of interpretation that a document or provision is to be construed against its drafter does not apply to interpretation of this Sublease.

24.5.3. Unless expressly stated otherwise, as used in this Sublease the words "include," "includes," and "including," have the same meaning as "including but not limited to."

24.5.4. Unless expressly stated otherwise, as used in this Sublease the word "must" creates a condition precedent.

24.5.5. Except where expressly stated otherwise, each reference in this Sublease to any article, section, or exhibit is a reference to an article, section, and exhibit of this Sublease.

24.5.6. The captions used in this Sublease are for the purpose of convenience only and do not limit or extend the meaning of any provision of this Sublease.

24.6. Successors and Assigns; No Beneficiaries. Without limiting or modifying the restrictions set forth in Article 16 regarding sub-subleases, mortgages, assignments, and transfers, the conditions, authorities, rights, and covenants in this Sublease are binding upon and inure to the benefit of Landlord and Subtenant, Landlord's successors and assigns, and each Subtenant Permitted Transferee. Except as provided in Section 21.1, there are no third party beneficiaries of this Sublease

24.7. Waivers. No breach of any term, covenant or condition in this Sublease is waived for any reason unless Landlord waives it in writing. Landlord's waiver of any breach of any term, covenant or condition in this Sublease is not a waiver of that term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition in this Sublease.

24.8. Integration. This Sublease is the final, complete, and exclusive agreement between Landlord and Subtenant regarding the Premises, and there are no agreements or representations, or warranties between Landlord and Subtenant with respect to the Premises except as set forth in this Sublease. All prior negotiations and agreements between Landlord and Subtenant with respect to the Premises are superseded by this Sublease.

24.9. No Amendments. This Sublease may not be amended in any respect except by a written agreement signed by the persons holding the same offices of Landlord and Subtenant who originally executed this Sublease (or their legal successors). A party's failure to respond to a request to amend any provision of this Sublease is deemed that party's rejection of the request.

24.10. No Merger. The voluntary or other surrender of this Sublease by Subtenant, or a mutual cancellation of this Sublease, does not work a merger; provided, however, that, at any time after the surrender or cancellation, Landlord may elect to terminate this Sublease.

24.11. No Partnership. This Sublease does not create a partnership, joint venture, or association between Landlord and Subtenant, or between either of them and the Master Landlord, nor cause Landlord or Subtenant to be responsible in any way for the debts or obligations of the other party. This Sublease does not create any relationship between Landlord and Subtenant other than the relationship of landlord and tenant.

24.12. Commissions. Landlord and Subtenant each represent and warrant to the other that they have not employed any broker, finder or other person in connection with the transactions contemplated under this Sublease which might result in the other party being held liable for all or any portion of a commission hereunder. Landlord and Subtenant each agree to indemnify and hold the other free and harmless from and against all claims and liability arising by reason of the incorrectness of the representations and warranties made by them in this Section, including, without limitation, reasonable attorneys' fees and litigation costs.

24.13. Survival. Despite anything to the contrary contained in this Sublease, each provision of this Sublease (including, without limitation, covenants, rights, conditions, representations, warranties, and liabilities described in this Sublease) which from its sense and context is intended to survive the expiration or earlier termination of this Sublease (whether or not the provision expressly states that it survives) survives the Sublease Ending Date and continues to be binding upon the applicable party.

24.14. Memorandum of Sublease. Subtenant may record a memorandum of this Sublease with the Recorder of Deeds at Subtenant's cost. The Subtenant must, however, obtain the Tenant's approval of the form of memorandum of Sublease prior to filing it, which the Tenant may not unreasonably withhold, condition, or delay. If the Subtenant does file a memorandum of Sublease, then the Subtenant shall promptly provide to the Landlord and Master Landlord a copy of the memorandum as filed and recorded and shall cooperate with the Landlord

and Master Landlord to terminate the filing and recording promptly upon the Sublease Ending Date. The Subtenant's obligations under this Section 24.14 survive the Sublease Ending Date.

24.15. Choice of Law, Venue. This Sublease and all matters arising under or related to this Sublease are governed by the laws of the Commonwealth of Pennsylvania, without giving effect to its choice of law provisions. Landlord and Subtenant each shall file all claims arising under or related to this Sublease in the Common Pleas Court for Philadelphia County. The Landlord and Subtenant each waives its right to move or petition to remove any litigation arising under or related to this Lease to any federal court.

[Remainder of page intentionally left blank. Signature page follows.]

AS EVIDENCE OF THEIR AGREEMENT TO THE ABOVE PROVISIONS, Landlord and Subtenant have caused their duly authorized officials and representatives to execute and deliver this Sublease on the Effective Date.

LANDLORD:
PHILADELPHIA AUTHORITY FOR INDUSTRIAL
DEVELOPMENT

By: _____
Name:
Title: President

By: _____
Name:
Title: Secretary/Treasurer

SUBTENANT:
EAST PARK LEADERSHIP AND CONSERVATION
CENTER

By: _____
Name:
Title: President

By: _____
Name:
Title: Secretary

EXHIBIT A
TO
SUBLEASE AGREEMENT
BETWEEN

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

PLAN OF THE PREMISES

EXHIBIT B

**TO
SUBLEASE AGREEMENT
BETWEEN**

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND**

MASTER LEASE

EXHIBIT C

**TO
SUBLEASE AGREEMENT
BETWEEN**

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND**

**RESOLUTION OF LANDLORD'S BOARD OF DIRECTORS APPROVING MASTER
LEASE AND SUBLEASE**

EXHIBIT D

**TO
SUBLEASE AGREEMENT
BETWEEN**

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND**

FORM OF COMMENCEMENT DATE CONFIRMATION

EXHIBIT E

TO
SUBLEASE AGREEMENT
BETWEEN

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

SPECIFICATIONS FOR TRAILS

EXHIBIT F

**TO
SUBLEASE AGREEMENT
BETWEEN**

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND**

REQUIREMENTS FOR UNSUPERVISED PUBLIC ACCESS TO TRAILS

EXHIBIT G
TO
SUBLEASE AGREEMENT
BETWEEN
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

ECONOMIC OPPORTUNITY PLAN

EXHIBIT H

TO
SUBLEASE AGREEMENT
BETWEEN

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

NONDISTURBANCE AGREEMENT

EXHIBIT I
TO
SUBLEASE AGREEMENT
BETWEEN
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

[Reserved]

EXHIBIT J

**TO
SUBLEASE AGREEMENT
BETWEEN**

**PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND**

CERTIFICATIONS AND COVENANTS REGARDING FINANCIAL ASSISTANCE

EXHIBIT K
TO
SUBLEASE AGREEMENT
BETWEEN
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
OUTWARD BOUND

SUBLEASE

DATED _____, 2013

BETWEEN

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

AND

EAST PARK LEADERSHIP AND CONSERVATION CENTER

**FOR PREMISES LOCATED IN THE EAST PARK RESERVOIR WEST BASIN AND
ADJOINING LAND, FAIRMOUNT PARK, PHILADELPHIA**

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EXHIBITS

- Exhibit A-1: Premises
- Exhibit A-2: West Basin
- Exhibit A-3: East Side Fence and East Side Wall
- Exhibit A-4: Wooded Areas
- Exhibit B: Master Lease
- Exhibit C: Landlord’s Resolution
- Exhibit D: Subtenant’s Resolution and Corporate Documents [Section 22.1]
- Exhibit E: Form of Guaranty
- Exhibit F: Right-of-Entry Agreement
- Exhibit G: Commencement Date Letter [Form]
- Exhibit H: ~~Certification and Covenants of Recipient of Financial Assistance~~ Public Access Plan [Section 5.9]
- Exhibit I: Certification and Covenants of Recipient of Financial Assistance
- Exhibit J: Economic Opportunity Plan [Section 18.1]

Exhibit K: Lease Recognition Agreement [Section 20.2, Form]

City of Philadelphia
Economic Opportunity Plan
East Park Leadership and Conservation Center
3501 Reservoir Drive

I. Introduction

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged¹ ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of the East Park Leadership and Conservation Center (the "Project"), located at 3501 Reservoir Drive which may include design and construction. In support of this objective, City of Philadelphia will require that East Park Leadership and Conservation Center, a Pennsylvania nonprofit corporation, hereafter, Owner, commit to this Economic Opportunity Plan ("EOP" or "Plan").

This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with development of the Project. This Plan shall be a part of and incorporated into the resulting agreement(s) with the Owner.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan, is true and correct and is notified that the submission of false information is subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities and 18 Pa.C.S. Section 4107.2 (a)(4) relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply effort of firms that are certified as M/W/DSBEs by an OEO approved certifying agency² will be eligible to receive credit as a Best and Good Faith Effort. In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at www.phila.gov/oeo/directory.

For this Plan, the term "Best and Good Faith Efforts," the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met, when commitments are made within the M/W/DSBE Participation Ranges established for this development and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

The Project consists of a new development located at 3501 Reservoir Drive in the City of Philadelphia. The Project is proposed to include a two-story building (a total of approximately 17,000 square feet) that is nestled into the berm at the lake's edge to blend in with its natural setting. The site work have a new parking lot at street level, an upgrade of the Water Department's current entry road, an accessible path up

¹ Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oeo

to the building site, new planting in the vicinity of the building, and a trail along the west side of the lake. This trail will include overlooks constructed for observation of birds and wildlife.

III. Goals

1. M/W/DSBE Participation Ranges

As a benchmark for the expression of “Best and Good Faith Efforts” to provide meaningful and representative opportunities for M/W/DSBEs in the Project the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g. MBE and WBE and DSBE or WBE and DSBE) will only be credited toward one participation range as either an MBE or WBE or DSBE. The firm will not be credited toward more than one category. These ranges are based upon an analysis of factors such as the size and scope of the development and the availability of MBEs, WBEs, DSBEs and DBEs to participate in this development:

The following contract ranges have been set for the Project:

DESIGN	MBE	WBE
	10%-15%	7%-10%

CONSTRUCTION	MBE	WBE
	15%-20%	7%-10%

2. Employment Goals

The Owner agrees to exhaust Best and Good Faith Efforts to employ minority persons and females in its workforce of apprentices and journeymen at the following levels³:

- Minority Apprentices – 50% of all hours worked by all apprentices
- Minority Journeymen – 32% of all journey hours worked across all trades
- Female Apprentices – 7% of all hours worked by all apprentices
- Female Journeypersons - 7% of all hours worked across all trades

IV. Responsiveness

- A. The Owner shall identify all M/W/DSBE commitments and other agreements evidencing its intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitutes a representation that the M/W/DSBE is capable of providing

³ These goals, which have been adopted by the Economic Opportunity Cabinet, are the recommendations of the Mayor’s Commission on Construction Industry Diversity.

commercially useful goods or services relevant to the commitments and that the Owner has entered into a legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amount(s) set forth. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

- B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs, including the M/W/DSBE Participation and Workforce Commitments Form, become part of and an exhibit to the Agreement resulting from the RFP and/or Bid.
- C. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project to ensure that Best and Good Faith Efforts have been made.

V. Compliance and Monitoring of Best and Good Faith Efforts

- A. To the extent required by law, the Owner shall ensure that all its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeypersons; these documents are subject to inspection by OEO.
- B. Prompt Payment of M/W/DSBEs
 - 1. The Owner agrees and shall cause all its contractors to ensure that all M/W/DSBEs participating in the Project receive payment for their work or supply effort within five (5) business days after receipt of a proper invoice following satisfactory performance.
- C. Oversight Committee
 - 1. The Owner and/or at the discretion of the City of Philadelphia, in consultation with the appropriate agencies and entities, will establish and identify the members of a Project Oversight Committee, including representatives from the Owner, the Developer and/or the General Contractor and Construction Manager, The Office of Economic Opportunity, City Council, community organizations and the Building Trades. Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

VI. Remedies and Penalties for Non-Compliance

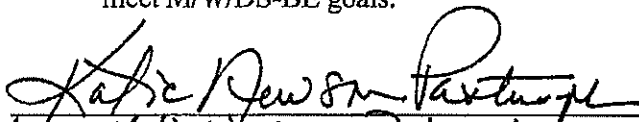
- A. The Owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and any

M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither nor the City intends to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

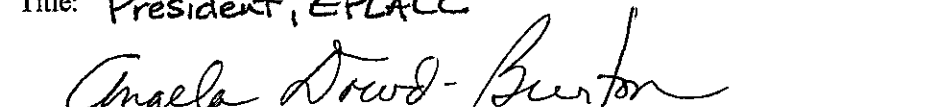
VII. Guidelines for Joint Venturing

A. Joint Venture relationships with certified M/W/DS-BE firms must meet the following criteria in order to receive credit towards participation goals:

- 1) The M/W/DS-BE partner(s) must be certified by OEO, Unified Certification Program or a qualified governmental agency authorized by law to certify such enterprises prior to proposal/bid submission.
- 2) The M/W/DS-BE partner(s) must be substantially involved in significant phases of the contract including, but not limited to, the performance (with its own work force) of a portion of the on-site work, and of administrative responsibilities, such as bidding, planning, staffing and daily management.
- 3) The business arrangements must be customary (i.e., each partner shares in the risk and profits of the joint venture commensurate with their respective ownership interests).
- 4) If a certified partner is an MBE, WBE or DSBE, the participation will be credited only to the extent of the partner's ownership interest in the joint venture; there will remain a requirement to meet M/W/DS-BE goals.


Name: Katie Newsom Pastuszek
Title: President, EPLACC

05/07/2013
DATE


ANGELA DROWD-BURTON, Executive Director, Office of Economic Opportunity⁵

06/11/2013
DATE

⁴The Owner's Representative is required to sign and date, but the City reserves the right to obtain the Owner's Representative signature thereon at any time prior to Plan certification. The Owner Representative will receive from the City a certified copy of its Plan which should be filed with the Chief Clerk of City Council within fifteen (15) days of the issuance and published by OEO, in a downloadable format, on the OEO website.

⁵Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.