

City of Philadelphia



(Bill No. 050106)

AN ORDINANCE

Authorizing the Commissioner of Public Property, on behalf of the City of Philadelphia, to enter into a Sublease Agreement to lease from the Philadelphia Municipal Authority portions of the building located at 701 Market Street, for use by the City and affiliated agencies as office space, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Commissioner of Public Property, on behalf of the City of Philadelphia, is hereby authorized to enter into a Sublease Agreement (the "Agreement") to lease from the Philadelphia Municipal Authority portions of the building located at 701 Market Street, which the Philadelphia Municipal Authority has subleased from Mellon Bank, N.A.

SECTION 2. The Agreement shall be in the form set forth in Exhibit A to this Ordinance attached hereto and made a part hereof.

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SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") is made as of July 1, 2004, between PHILADELPHIA MUNICIPAL AUTHORITY, a municipal authority organized under the Pennsylvania Municipal Authorities Act of 1945 (the "Authority") and THE CITY OF PHILADELPHIA, a body politic and corporate organized under the laws of the Commonwealth of Pennsylvania (the "City").

BACKGROUND

A. The Authority this day has entered into a Lease Agreement for a portion of the fifth floor in the building known as the Mellon Independence Center, 701 Market Street, Philadelphia, as of the same date hereof, a copy of which is attached hereto as Exhibit "A" (the "Lease") with **MELLON BANK, N.A.**, ("Landlord") a national banking association organized and existing under the laws of the United States of America with an office at Mellon Independence Center, Seventh and Market Streets, P.O. Box 7899, Philadelphia, Pennsylvania, 19101-7899 for premises described in the Lease (the "Leased Premises").

B. The Lease contemplates the sublease of the entire Leased Premises to the City.

C. The Authority and the City wish to set forth their agreements in writing as to the Leased Premises.

NOW THEREFORE, subject to the covenants, terms, provisions and conditions of this Sublease and the Lease, the Authority hereby subleases to the City, and the City hereby accepts the Leased Premises for the term and on the conditions set forth herein.

1. Term. The term of this Sublease shall be concurrent with the term of the Lease, minus one (1) day, unless sooner terminated, as provided herein.

2. Possession. Subject to the terms and provisions of this Sublease, the City shall have possession of the Leased Premises during all periods during which the Authority is entitled to possession under the Lease, minus one (1) day.

3. Rent and Other Payments.

(a) The City shall pay to the Authority at 100 South Broad Street, Land Title Building, Suite 1525, Philadelphia, PA 19110, or at such other place as the Authority may from time to time designate in writing, in coin or currency which, at the time of payment, is legal tender for private or public debts in the United States of America, all amounts required to be paid under the terms of the Lease, whether designated minimum rent, additional rent or otherwise

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designated, which amounts shall be paid at times which will permit the Authority to make payments when due under the Lease.

(b) The City acknowledges and agrees that under the Lease, the Authority has irrevocably granted Landlord the right to demand that the City pay, sue the City for or otherwise collect and receive from the City all rents, revenues, payments and income due thereunder upon or at any time while an Event of Default by the Authority exists under the Lease. The City agrees that for so long as this Sublease is in effect Landlord shall have the right to demand and collect from the City unpaid rent and other amounts due under the Lease after an Event of Default by the Authority and City agrees to pay the same over to Landlord upon such demand. The City hereby authorizes Landlord to bring suit against the City if rent and other amounts due remain unpaid and such non-payment constitutes an Event of Default by the Authority under the Lease.

4. Use of the Premises. The City shall use the Leased Premises in accordance with the provisions of the Lease. The City specifically acknowledges and consents to, and agrees to be bound by, Article V and Article VIII of the Lease.

5. Lease Requirements.

(a) This Sublease is subject and subordinate to the Lease, and the parties intend that the terms and conditions of this Sublease shall be identical to the terms and conditions of the Lease, except as to specific matters and payments referred to herein, and the obligations of the Authority, as tenant under the Lease, are incorporated herein as the obligations of the City, and the City agrees that it shall have and perform all obligations of the Authority as tenant under the Lease, and the Authority shall have all rights and remedies hereunder that the Landlord has as landlord under the Lease. The City agrees, however, that it shall not be relieved of any obligations set forth herein, explicitly or by reference, by reason of any default or failure of the Authority hereunder.

(b) Any notice, determination, or decision to be made by the Authority as tenant under the Lease shall be made in consultation with the City, provided that any notice, determination, or decision made by the Authority as tenant under the Lease shall be binding upon the Authority and the City, and may be relied upon by the Landlord under the Lease.

(c) The Authority agrees that it will enforce, for the benefit of the City, all of its rights as Tenant under the Lease and will apply for all benefits owed to the Tenant under the Lease, including, but not limited to, any rent credits or payments due from the Landlord.

6. Notices. All notices to be given under this Sublease shall be in writing and shall be deemed sufficiently given or delivered if delivered personally or deposited in the United States mail, certified or registered mail, with return receipt requested, postage prepaid, addressed as follows:

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(a) if to the Authority:

100 South Broad Street
Land Title Building
Suite 1525
Philadelphia, PA 19110

or to such other person or such other address designated by notice sent by the Authority to the City.

(b) if to the City:

Commissioner, Department of Public Property
1030 Municipal Services Building
1401 John F. Kennedy Blvd.
Philadelphia, Pennsylvania 19102-1677

with copy to:

Divisional Deputy City Solicitor, Real Estate & Economic Development
The City of Philadelphia Law Department
17th Floor, One Parkway
1515 Arch Street
Philadelphia, Pennsylvania 19102-1595,

or to such other person or such other address designated by notice sent by the City to the Authority.

7. Non-discrimination and Disadvantaged Business Enterprises.

(a) This Sublease is entered into under the terms of the Philadelphia Home Rule Charter and in the performance of this Sublease, the Authority shall not discriminate nor permit discrimination against any person because of race, color, religion, or national origin. Any such discrimination constitutes a breach of this Sublease entitling the City to exercise any or all of its rights and remedies at law, in equity, or under this Sublease.

(b) In accordance with Chapter 17-400 of The Philadelphia Code, the Authority 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

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ancestry, constitutes, without limiting the generality of any other provision of this Sublease, a substantial breach of this Sublease entitling the City to all rights and remedies provided in this Sublease or otherwise available at law or in equity. The Authority agrees to include appropriate nondiscrimination language in all subcontracts which are entered into under this Lease. The Authority further agrees to cooperate with the Commission on Human Relations of the City in any manner which the said Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of The Philadelphia Code; provided, however, that such cooperation will not require the Authority to expend any funds. Without limiting the generality of any other provision of this Sublease, failure to so cooperate shall constitute a substantial breach of this Sublease entitling the City to all rights and remedies provided herein or otherwise available at law or in equity.

(c) In accordance with Executive Order 1-03, the City is committed to the policy of fostering an environment of inclusion in which all businesses are free to participate in business opportunities and to flourish without the impediments of discrimination. The Authority supports this policy and has voluntarily agreed to use its best efforts to provide that Minority-, Women-, and Disabled-Disadvantaged Business Enterprises have the maximum practicable opportunity to compete for work under this Sublease pursuant to new contracts entered into by Authority after the commencement date under the Lease that pertain to the Leased Premises.

8. Certification of Non-indebtedness. The Authority hereby certifies and represents that the Authority and the Authority's parent company(ies) and subsidiary(ies) are not currently indebted to the City, and will not at any time during the term of this Sublease (including any extensions or renewals thereof) be indebted to the City, 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), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City at law or in equity, the Authority acknowledges that any breach or failure to conform to this certification may, at the option of the city, result in the termination of this Sublease for default.

9. The parties hereto agree that no amendment to this Sublease shall be effective without the prior written consent of Landlord; provided, however, that Landlord's consent shall not be required for amendments to this Sublease that have no effect or impact whatsoever on Landlord or the Lease or Landlord's rights hereunder or under the Lease, it being understood, however, that any amendment that may have such effect or impact shall not be effective without Landlord's consent. By way of example, and not limitation, any amendment to this Sublease that changes the term of this Sublease or changes the monetary or other obligations of the City shall be subject to Landlord's prior written consent.

10. The parties hereto agree that no termination of this Sublease shall be effective without the prior written consent of Landlord.

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IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first above written.

**PHILADELPHIA MUNICIPAL
AUTHORITY**

Attest:

By: *L. B. Doherty* By: *Kemel W. Dawkins*
Title: Asst. Secretary/Asst. Treas. Title: CHAIRMAN

Approved as to form:
Pedro A. Ramos, City Solicitor

**CITY OF PHILADELPHIA, acting
through the Department of Public
Property**

Per: *Harish S. Shah*
Harish S. Shah
Deputy City Solicitor

By: *Joan Schlotterbeck*
Joan Schlotterbeck
Commissioner of Public Property

Deleted: 060204

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SUBLEASE AGREEMENT

between

MELLON BANK, N.A.,

Landlord

and

PHILADELPHIA MUNICIPAL AUTHORITY

Tenant

Date: _____, 2004

Building: Mellon Independence Center
Market Street
Philadelphia, Pennsylvania

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SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Lease"), is made as of _____, 2004 between MELLON BANK, N.A., a national banking association organized and existing under the laws of the United States of America with an office at Mellon Independence Center, Seventh and Market Streets, P.O. Box 7899, Philadelphia, Pennsylvania, 19101-7899 (the "Landlord"), and PHILADELPHIA MUNICIPAL AUTHORITY, a municipal authority organized and existing under the Pennsylvania Municipal Authorities Act of 1945, with an office at 1610 Walnut Street, Suite 1108, Philadelphia, Pennsylvania 19102 (the "Tenant").

BACKGROUND

Landlord has the full right, power and authority to lease the Leased Premises (hereinafter defined) to Tenant pursuant to the provisions of Article 8 of that certain Restatement of Lease Agreement (Sublease Two) (as the same has been or may be amended or supplemented from time to time, the "Master Lease") dated as of April 3, 1998 and effective as of December 26, 1996 between Independence Center Realty L.P. II, as "Landlord" ("Master Landlord"), and Landlord as "Tenant", covering space in the building known as Mellon Independence Center (the "Building") located on the land (the "Land") described in Exhibit A hereto and made a part hereof.

ARTICLE I. LEASED PREMISES; TERM

1.01 Leased Premises. Landlord hereby leases to Tenant and Tenant hereby takes and hires from Landlord approximately 26,758 rentable square feet of space on the fifth floor of the portions of the Building designated as Building B North and Building C North, as more particularly shown on Exhibit 1.01 attached hereto and made a part hereof (the "Leased Premises"), on the terms and conditions set forth herein.

1.02 Common Area. The Leased Premises are leased, together with the appurtenances thereto, including, without limitation, the right to use in common with others the Common Areas (hereinafter defined).

1.03 Master Lease. Tenant understands and agrees that this Lease and Tenant's rights hereunder are subject to and governed by the Master Lease, a copy of which has been furnished to and reviewed by Tenant, and that Landlord shall not be responsible hereunder for the duties and obligations of the Master Landlord under the Master Lease, but Landlord shall use reasonable efforts to cause the Master Landlord to carry out its obligations and duties under the Master Lease. Further, Tenant acknowledges that this Lease and Tenant's rights hereunder are subject to the provisions of the Bond Lease and Sublease One and to the First Mortgage, all as referred to in the Master Lease. As between the Landlord and the Tenant, to the extent of inconsistencies between this Sublease and the Master Lease the terms and agreements of this Sublease shall control.

1.04 Term. The term of this Lease (the "Initial Term") shall commence on the Commencement Date (hereinafter defined) and shall end on the last day of the 12th

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month following the Commencement Date, unless the Initial Term shall terminate sooner pursuant to any of the terms of this Lease or pursuant to law. Tenant shall pay the Fixed Rent and Additional Rent hereinafter set forth, all on the covenants, conditions and agreements hereinbefore and hereinafter stated. TENANT HEREBY EXPRESSLY WAIVES NOTICE TO VACATE THE PREMISES (INCLUDING, WITHOUT LIMITATION, ANY NOTICE PROVIDED FOR UNDER THE PENNSYLVANIA LANDLORD AND TENANT ACT OF 1951, AS AMENDED, 68 Pa. C.S.A. §250.101 et seq.) AND AGREES THAT LANDLORD SHALL BE ENTITLED TO THE BENEFIT OF ALL PROVISIONS OF LAW RESPECTING THE SUMMARY RECOVERY OF POSSESSION OF THE PREMISES FROM A TENANT HOLDING OVER TO THE SAME EXTENT AS IF STATUTORY NOTICE HAD BEEN GIVEN.

1.05 [OMITTED]

1.06 Renewal Option. Provided that this Lease is in full force and effect, if the Council Approval (defined below) is not obtained and the Initial Term of this Lease is scheduled to end after one year, Tenant shall have the right and option to extend the term of this Lease for one additional period of one year (the "**Renewal Term**"); provided that: (i) Tenant is not in default under this Lease or an event which but for the passage of time, the giving of notice or both would constitute an Event of Default has not occurred at the time of exercise of the option or thereafter; and (ii) Tenant shall notify Landlord of its exercise of its option in writing at least three months prior to the date upon which the Renewal Term commences. Tenant may exercise the Option only as to the entire Leased Premises. If Tenant provides such renewal notice for the Renewal Term, the term of this Lease shall be deemed to be extended for the Renewal Term upon all of the covenants, agreements, terms, provisions and conditions set forth in this Lease, and at the same Fixed Rent (as set forth on the Short Term Rent Schedule). During the Renewal Term, Tenant shall continue to pay Additional Rent as provided in this Lease.

Landlord and Tenant agree that once Council Approval is obtained the term of this Lease shall convert to an 11 year term as set forth in Section 1.01 below and that this Section 1.06 shall be rendered null and void and of no further effect.

1.07 Council Approval. Landlord and Tenant agree that it is the intention of the parties that the Initial Term of this Lease be for a longer period of time than as set forth above. However, Tenant may enter into a longer term lease only with the formal authorization of the City of Philadelphia. From and after the date hereof, Tenant intends to use reasonable and diligent efforts to introduce a proposed ordinance to the City Council of Philadelphia authorizing a longer initial term (i.e., 11 years) for this Lease. Therefore, notwithstanding the foregoing provisions in this Article I, once such ordinance is enacted by City Council and the Mayor of Philadelphia ("**Council Approval**"), (i) the Initial Term set forth above shall automatically convert to an eleven (11) year term, (ii) the Eleven Year Rent Schedule set forth in Article IV below shall apply, and (iii) the Renewal Option (set forth in Section 1.06) and the early termination provisions (contained in Section 1.08) shall be of no further effect.

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1.08 Termination Fee. Should Council Approval not be obtained, this Lease shall end after the Initial Term, or if Tenant exercises its Option for the Renewal Term, this Lease shall end after the end of the Renewal Term. In either case, if Council Approval is not obtained on or before the end of the Initial Term or Renewal Term, as the case may be, Tenant shall be obligated to pay to Landlord a **Termination Fee** as follows:

- | | |
|--|--------------------------------|
| (1) If the term of this Lease ends after one year | \$721,395.68 (\$26.96 per rsf) |
| (2) If the term of this Lease ends after two years | \$493,952.68 (\$18.46 per rsf) |

Tenant shall pay the Termination Fee on or before the last day of the term of this Lease.

ARTICLE II. DEFINITIONS

2.01 Definitions. The capitalized terms used in this Lease shall have the meanings herein specified. Such definitions shall be applicable to both singular and plural use of such terms.

“Additional Rent” means all payments made or to be made by Tenant pursuant to the terms of this Lease, excepting Fixed Rent.

“Applicable Law” shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree, or award or any permit, approval or license granted by any Governmental Authority, including without limitation those relating to zoning, subdivision, building, safety, fire protection, accessibility to, usability by or discrimination against disabled individuals or environmental matters.

“Building” has the meaning given to such term in the Background Section hereof.

“Business Days” has the meaning given to such term in Section 23.08 hereof.

“City” means the City of Philadelphia.

“City Agency” means an entity, agency, department or instrumentality (i) created by or under the control of the City of Philadelphia, or (ii) organized pursuant to legal authority granted to the City by ordinance.

“Commencement Date” means June 28, 2004.

“Common Areas” shall mean all areas and facilities of any kind and nature (including, without limitation, all sidewalks, landscaped areas and windows), from time to time on the Land or in or appurtenant to the Building which are made available by Landlord and/or Master Landlord to Tenant and to other tenants and occupants of the

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Building and/or to the general public, in common and which pursuant to the Master Lease are to be maintained by Master Landlord.

“Event of Default” has the meaning given to such term in Article 19 hereof.

“Fixed Rent” has the meaning given to such term in Section 4.01.A hereof.

“Governmental Authority” shall mean any government or political subdivision, or any agency, authority, bureau, central bank, commission, department or instrumentality of either or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

“Landlord’s Premises” shall mean that portion of the Building and the Land leased by Landlord from Master Landlord under the Master Lease.

“Normal Business Hours” for the Building shall mean from 8:00 a.m. to 6:00 p.m. weekdays (Saturdays, Sundays and holidays excepted) and 9:00 a.m. to 1:00 p.m. Saturdays (Sundays and holidays excepted).

“Operating Expenses”, for any calendar year, shall mean the aggregate of the following actual and reasonable expenses incurred by Landlord in such calendar year: (i) all those expenses of every kind and character in respect of the operation, management, maintenance, replacement and repair of Landlord’s Premises in accordance with accepted principles of sound management and accounting practices as applied to the operation, management, maintenance, replacement and repair of comparable office buildings in the City of Philadelphia, including without limitation the following: premiums for all insurance carried by Landlord; compensation and all fringe benefits paid by Landlord to its employees engaged in the cleaning, operation, maintenance and management of Landlord’s Premises, and all payroll taxes and workmen’s compensation insurance premiums paid by Landlord with respect to such employees; electric, steam, water, gas and sewer and all other utility charges; the cost of supplies, material, equipment and repairs, the cost of said equipment to be depreciated over its useful life; payments to independent contractors under service contracts for cleaning, operating, maintaining, repairing and managing of Landlord’s Premises; the amount paid to any managing agent in connection with the management of Landlord’s Premises, or if none then an annual management fee or five (5%) percent of the total Operating Expenses; all amounts paid by Landlord to Master Landlord pursuant to Section 3.07 of the Master Lease, and all other reasonable and necessary expenses incurred in connection with the cleaning, operation, maintenance and management of Landlord’s Premises (and all appurtenances thereto), plus (ii) in the event that Landlord’s Premises is less than 95% occupied those additional expenses which Landlord reasonably determines it would have incurred during such year had the Landlord’s Premises been 95% occupied.

Operating Expenses shall not include (i) costs associated with the operation of the business of the entity which constitutes Landlord as the same are

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distinguished from the costs of operation of the Landlord's Premises, (ii) costs which are uniquely related to that portion of the Landlord's Premises that is occupied by Landlord, to the extent that such costs are for services or other benefits which are not offered to Tenant or for which Tenant would be charged directly but which are provided at the space occupied by Landlord, (iii) legal fees and costs incurred as a result of disputes with other tenants or enforcing other leases, (iv) leasing commissions, (v) the cost of improving space for other tenants, (vi) Landlord's cost of electricity or other services sold to tenants for which Landlord is to be reimbursed directly by such tenants as a charge over the rent and additional rent payable by such tenants, (vii) capital improvements, capital repairs and capital equipment costs, except that the annual amortization of these costs shall be included in Operating Expenses to the extent permitted by this Lease, (viii) nonrecurring costs incurred to remedy structural defects in original construction of the Landlord's Premises, (ix) any costs or fines incurred because Landlord violated any governmental rule or law, (x) costs of defending litigation brought against Landlord by a third party for Landlord's gross negligence or misconduct, and (xi) Fixed Rent payments under the Master Lease. No exclusion set forth in subitems (ii) through (ix) above shall be deemed to exclude or operate to exclude from Operating Expenses those expenses which Landlord is required to pay pursuant to Section 3.07 of the Master Lease, except to the extent of those capital items which are specifically excluded in item (vii) above.

"Person" means any individual, corporation, partnership, joint venture, joint-stock company, trust, unincorporated organization or governmental agency or political subdivision thereof.

"Default Rate" has the meaning given to such term in Section 4.04 hereof.

"Rent" shall mean Fixed Rent and Additional Rent.

"Rules and Regulations" are the rules and regulations listed on Exhibit 21.01 attached hereto, as they may be changed by Landlord and/or Master Landlord from time to time.

"Taxes" means the total (regardless of whether billed to Landlord, the Master Landlord or any other party) of all real estate taxes, assessments, water and sewer charges and all other governmental levies imposed upon or assessed with respect to the Land and the Building and any franchise, income, profit, value added, use, capital levy tax or a tax upon revenues or rents derived from real estate or a corporation franchise tax or any other tax howsoever denominated by whatsoever authority with respect to the Land and the Building (including, but not limited to, any municipal, county, state or federal authority) included in or imposed in addition to, in whole or partial substitution for, or in lieu of an increase (in whole or in part) in, such real estate taxes, whether due to a change in the method of taxation or otherwise, including "Taxes" paid or payable by Landlord as "Tenant" under the Master Lease. Taxes shall not include penalties for late payments.

"Tenant's Percentage" means Tenant's proportionate share of space in the Landlord's Premises expressed as a percentage, as calculated from time to time by

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dividing the rentable square feet of the Leased Premises by the rentable square feet in Landlord's Premises (i.e., 585,742 square feet as of the date hereof) and multiplying such quotient by 100. The Tenant's Percentage as of the date hereof is 4.568%.

ARTICLE III. CONDITION OF LEASED PREMISES – TENANT IMPROVEMENTS

3.01 Tenant Improvements. Prior to the date hereof Landlord has made certain improvements (the "**Tenant Improvements**") in order to prepare the Leased Premises for Tenant's occupancy, in accordance with the plans and specifications prepared by John Partridge Architects, Inc. dated May 11, 2004 ("**Plans**") and pursuant to a Reimbursement Agreement between Landlord and the City of Philadelphia dated May 4, 2004, as the same has been amended.

3.02 Condition of Leased Premises. Tenant acknowledges and hereby agrees that the T/I Work (herein defined) has been completed by Landlord in accordance with the Plans, and that Tenant and Landlord have, prior to the Commencement Date, performed a joint walk through and prepared a punch list. Tenant accepts the Leased Premises in "as-is" and "where is" condition. Tenant has had the opportunity to, and has fully inspected the Leased Premises and all systems servicing the Leased Premises with agents, architects, engineers and similar professionals as selected by Tenant and hereby agrees to unconditionally accept same without any reservation as to the physical condition thereof, based solely on such inspections. Neither Landlord nor the officers, employees of Landlord nor any other person acting or purportedly acting for or on behalf of Landlord has given or made any warranty, claim, promise or statement, written or oral, as to the physical condition, or fitness for any use or purpose of the Leased Premises or any portion thereof, and Tenant has not relied in any manner upon any such warranty, claims, promise or statement in entering into this Lease. Tenant acknowledges and agrees that Landlord is not under any duty to make repairs or alterations to or in the Leased Premises at the time of letting or any time thereafter, except as otherwise specifically provided herein. Notwithstanding the foregoing, as of the Commencement Date, the Leased Premises and Building shall be in good operating condition and repair, including without limitation, the Building's roof, exterior walls, foundation, structural frame, plumbing and sewage disposal systems, mechanical systems, utility systems and heating, air conditioning and electrical systems.

3.03 Tenant Improvement Work. Construction of the Tenant Improvements (the "**T/I Work**") has been performed by contractors selected by Landlord and approved by Tenant. Landlord and Tenant have cooperated with each other in the approval and construction process for the T/I Work and have kept within the Construction Schedule attached hereto as Schedule 3.03.

3.04 Costs of T/I Work. Tenant shall bear all costs and expenses of the T/I Work in excess of the Allowance. In addition, Tenant shall pay Landlord a construction management fee equal to \$18,000, such fee to be paid by Tenant as Additional Rent in one lump sum on the Commencement Date.

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3.05 Allowance. Landlord shall provide an allowance in an amount equal to \$35.00 per rsf (i.e., \$936,530.00) (the "**Allowance**"). The Allowance shall be applied toward the costs of the T/I Work (including, without limitation, hard and soft costs, demolition, approvals and permitting). The Allowance shall not be applied toward the costs of unforeseen work that is necessitated by underlying conditions of the Building, and not contemplated by the Plans, such as, by way of example, asbestos abatement. Landlord makes no representation or warranty as to whether the Allowance is sufficient to cover the costs of the T/I Work. If the Allowance should exceed the total costs of the T/I Work, then Tenant may apply up to \$12.50 per rsf of such excess towards the construction management fee, moving expenses, and/or cabling, furniture and fixture installation in connection with Tenant's initial move in and occupancy of the Leased Premises. All costs and expenses of the T/I Work that exceed the Allowance shall be paid by Tenant as Additional Rent, on or before the first day of the second calendar month of the Initial Term.

3.06 Access. Tenant acknowledges that Tenant has been given access to the Leased Premises prior to the Commencement Date for the purpose of installing Tenant's telecommunications and computer cabling. Tenant shall not be required to pay Rent during such access, but shall be bound by all of the other covenants and obligations hereunder, including, without limitation, the insurance obligations contained in Article XVI of this Lease.

3.07 Changes. [OMITTED]

3.08 Delivery of Possession. Possession of the Leased Premises shall be delivered to Tenant on the Commencement Date, subject to Landlord's completion of any outstanding items on the existing punch list.

ARTICLE IV. RENT

4.01 Rent.

A. Commencing on the Commencement Date and thereafter during the term of this Lease, Tenant shall pay to Landlord "**Fixed Rent**" as set forth in this **Article 4** in lawful currency of the United States payable in advance on or before the first day of each month during the term of this Lease without any previous demand therefor and without any setoff or deduction (except as may be specifically provided for in this Lease) at the office of Landlord in Landlord's Premises or such other place as Landlord may designate.

B. Until Council Approval is obtained, or if Council Approval is not obtained, Tenant shall pay Fixed Rent according to the Short Term Rent Schedule.

Short Term Rent Schedule

Commencement Date	\$25.00 per rsf
through 12 th month	\$668,950/annual; \$55,745.83/month

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Schedule shall be made available to Tenant on a retroactive basis, once Council Approval is obtained.

(i) If the Council Approval is obtained in calendar year 2004, the "surplus" rent paid by Tenant under the Short Term Rent Schedule up to the date of the Council Approval will be credited to Tenant in equal monthly installments over the period of time beginning on the first day of the seventh month after Council Approval and will continue through the end of the Initial Term.

(ii) If Council Approval is obtained after December 31, 2004, then Fixed Rent adjustments will begin on first day of the 37th month after the Commencement Date and shall continue through the end of the Initial Term.

Once Council Approval is obtained, Landlord and Tenant will jointly prepare a Fixed Rent Schedule that reflects the Eleven Year Rent Schedule rates and the actual monthly payments to be made by Tenant, reflecting the adjustment described above.

E. (i) Commencing with calendar year 2005 and during each calendar year thereafter until the term of this Lease expires, Tenant shall pay to Landlord, as Additional Rent, an amount equal to Tenant's Percentage of the amount, if any, by which the Taxes for such year exceed the Taxes for calendar year 2004. Landlord shall bill Tenant, and Tenant shall pay when billed, in monthly installments in advance on the first day of each month during the term of this Lease on the basis of the amount of Taxes levied or imposed for the preceding year, or on the basis of a reasonable estimate of such Taxes for the current year made by the Master Landlord, if any. When the amount of the same is determined, the amount of Tenant's payments to Landlord shall be adjusted between them accordingly.

(ii) Commencing with calendar year 2005 and during each calendar year thereafter until the term of this Lease expires, Tenant shall pay to Landlord, as Additional Rent, an amount equal to Tenant's Percentage of the amount, if any, by which the Operating Expenses incurred in such year exceed the Operating Expenses incurred in calendar year 2004. Landlord shall bill Tenant, and Tenant shall pay when billed, in monthly installments in advance on the first day of each month during the term of this Lease on the basis of Operating Expenses incurred for the previous year or on the basis of a reasonable estimate of Operating Expenses made by Landlord. When Operating Expenses for such year are determined at the end of such year, the amount of Tenant's payments shall be adjusted between Landlord and Tenant accordingly.

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(iii) Landlord shall determine the actual amount of Tenant's Percentage of Operating Expenses and Taxes for each year as soon as practicable after the end of such year and deliver a statement to Tenant. If Landlord determines that such yearly adjustment of Tenant's Percentage of Taxes and/or Operating Expenses resulted in Tenant paying less than Tenant is required to pay hereunder, Landlord shall invoice Tenant for such deficiency and Tenant shall pay such deficiency within five (5) days of invoice. If Tenant has prepaid Taxes and/or Operating Expenses, Tenant shall receive a credit for such overpaid amounts.

F. Landlord agrees to use reasonable diligence to obtain discounts available for early payment of Taxes and utility charges. In the event Landlord obtains such discounts, Landlord shall pass the benefit of such discounts through to Tenant.

G. Right to Inspect. Statements of Operating Expenses and Taxes given by Landlord shall be conclusive and binding upon Tenant unless within three years after the receipt of the statement Tenant shall notify Landlord that Tenant desires to audit Landlord's records at Tenant's expense. If such audit results in a dispute over the correctness of Landlord's calculations, and such dispute shall not have been settled by agreement, Tenant shall submit the dispute to binding arbitration within thirty (30) days after the audit. Pending the determination of such dispute by agreement or arbitration as aforesaid, Tenant shall, within twenty (20) days after receipt of Landlord's year end statement, pay the amount of Additional Rent as calculated by Landlord and such payment shall be without prejudice to Tenant's position. If the dispute shall be determined in Tenant's favor, Landlord shall forthwith pay Tenant the amount of Tenant's overpayment of Additional Rent. If the dispute is resolved in Tenant's favor and reveals that Landlord's calculations overstated Operating Expenses by 5% or more during any calendar year, Landlord shall reimburse Tenant for the costs of the audit as they relate to that calendar year. Provided Tenant notifies Landlord in accordance with the foregoing terms that Tenant will undertake an audit, Tenant or its CPA (as defined below) shall have the right, at Tenant's sole cost and expense, provided Tenant utilizes a Certified Public Accountant (the "CPA") compensated on an hourly basis, upon at least twenty (20) days prior notice to Landlord at any time during regular business hours to audit, review and photocopy Landlord's records pertaining to Operating Expenses and Taxes for the immediately previous calendar year. Tenant agrees to keep all information thereby obtained by Tenant confidential (subject to disclosure in connection with arbitration or as otherwise required by applicable law) and, upon Landlord's request, Tenant and its CPA shall enter into a confidentiality agreement in form and substance reasonably satisfactory to Landlord.

4.02 Adjustments to Additional Rent. The obligation for payment of Additional Rent shall survive the expiration of the term of this Lease. In the event of nonpayment thereof, Landlord shall have all the rights and remedies with respect thereto as are herein provided for in case of nonpayment of Fixed Rent. All Rent shall be payable by Tenant to Landlord without prior demand, offset, reduction, abatement, counterclaim and/or deductions, unless expressly provided hereunder.

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4.03 Recalculation of Rent. If any of the Rent payable under the terms of this Lease shall be or become uncollectible, reduced or required to be refunded because of any rent control, federal, state or local law, regulation, proclamation or other legal requirement, Tenant shall enter into such agreement(s) and take such other steps (without additional expense to Tenant) as Landlord may request and as may be legally permissible to permit Landlord to collect the maximum Rent which, from time to time during the continuance of such rent restriction, may be legally permissible (and not in excess of the amounts then reserved therefor under this Lease). Upon the termination of such rent restriction, (a) the Fixed Rent and Additional Rent shall become and shall thereafter be payable in accordance with the amounts reserved herein for the periods following such termination and (b) Tenant shall promptly pay in full to Landlord, unless expressly prohibited by law, an amount equal to (i) Rent which would have been paid pursuant to this Lease but for such rent restriction less (ii) the Rent actually paid by Tenant during the period such rent restriction was in effect.

4.04 Interest on Overdue Payments. If Tenant shall fail to pay any installment of Rent within 5 days after its due date. Tenant shall also pay Landlord interest on such installment of Rent from the due date thereof until paid, at a rate per annum equal to 3% above the prime rate in effect at Mellon Bank, N.A. from time to time (the "**Default Rate**") and each time the prime rate shall change, so shall the rate charged to Tenant. Landlord's right to collect interest on overdue payments shall continue after an Event of Default hereunder and shall be in addition to any and all rights available to it under Article 19 hereof. Notwithstanding the foregoing, Landlord shall waive such interest payment the first time in each calendar year in which Rent is late, as long as Tenant makes payment within the grace period provided in Section 19.01(A) of this Lease.

4.05 Abated Rent. If Council Approval is obtained, Landlord hereby agrees to waive Fixed Rent during the seven-month period after the Commencement Date ("**Abated Amounts**"). No other amounts due to Landlord other than the Abated Amounts shall be waived.

4.06 Rent Credit. In addition to the Fixed Rent abatement provided for in Section 4.05, Tenant shall be entitled to credit against Fixed Rent, as Fixed Rent becomes due, an amount equal to 1.6% of the aggregate value of this Lease for the Initial Term (such amount being deemed accrued upon execution of this Lease, the first day of the Renewal Term [if applicable] and, if applicable the day that the Initial Term "converts" to an 11 year term as described in Section 4.01(D)). Should the conversion contemplated by Section 4.01(D) take place, then such rent credit shall be appropriately adjusted so that Tenant gets the full benefit of the rent credit but does not receive a duplicate credit). The total rent credit received by the Tenant shall not exceed 1.6% of the aggregate rent paid by Tenant over the term of this Lease.

ARTICLE V. USE

5.01 Permitted Uses. Tenant may use and occupy the Leased Premises only for general office purposes and for no other use or purpose without the prior written consent of Landlord.

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5.02 Prohibited Uses. At no time shall the Leased Premises, or any part thereof be used or occupied, nor shall Tenant permit same, or any part thereof, to be used or occupied (a) in violation of the certificate or statement of occupancy for the Leased Premises and/or the Landlord's Premises or in such manner as shall interfere with the ability of Landlord or any over landlord to obtain a certificate or statement of occupancy for any other portion of the Building; (b) for sale at retail of any goods or merchandise at or from the Leased Premises; (c) in any manner which would materially interfere with the use of its premises by any other tenant or occupant in the Building; (d) in any manner which would make unobtainable at standard rates from any reputable insurance company authorized to do business in Pennsylvania, fire insurance with extended coverage, or liability, elevator, boiler, umbrella or other insurance; (e) in any manner which would cause injury or damage to the Building or to any building equipment or to Landlord's Premises; (f) in any manner which would constitute a public or private nuisance; (g) in any manner which would emit objectionable noise, fumes, vibrations, heat, chilled air, vapors or odors into or from the Building or the Building equipment; (h) in any manner would be impair or interfere with any of the Building services or systems, including the furnishing of electrical energy or the proper and economical heating, ventilation, air conditioning and other servicing of the Building, the Building equipment and/or Landlord's premises; (i) for any of the prohibited uses set forth in Exhibit 5.02 attached hereto and made a part hereof, or (j) for any use that involves the provision of services to the public beyond that generally considered as incidental to office or administrative uses, such as, by way of example, drug and alcohol counseling; medical, clinical, diagnostic, or rehabilitation activities; psychiatric, psychological, or mental health care or counseling; hearings or judicial proceedings; public welfare; or therapy sessions. Nothing in the foregoing subitem (j) shall be deemed to mean that the Leased Premises cannot be (1) used as intake offices for the administrative task of registering members of the public into public programs or (2) used as offices for case managers whose job is to provide the kind of services described in subitem (j) in the field (i.e. outside the Building). Landlord will notify Tenant in writing of any violation of Section 5.01 or Section 5.02.

5.03 Licenses and Permits. If any governmental license or permit, other than a statement of occupancy, shall be required for the proper and lawful conduct of Tenant's business (or any subtenant's business) in or occupancy of the Leased Premises, Tenant, at its sole expense, shall procure and thereafter maintain (or cause to be maintained) such license or permit and submit the same to Landlord for inspection upon Landlord's request. Tenant shall comply with the terms and conditions of each such license and/or permit.

ARTICLE VI. USE AND OCCUPANCY TAX

6.01 Use and Occupancy Tax. Tenant shall reimburse Landlord, as Additional Rent, for the amount of all taxes paid by Landlord for Tenant's use and occupancy ("Use and Occupancy Tax") of the Building and/or the Leased Premises charged by the City of Philadelphia, existing now or in the future. Tenant represents that as long as Tenant is the named Tenant on page one of this Lease, it is exempt from Use and Occupancy Tax. Upon notification of the monthly amount of such payments, and any change thereto,

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Tenant shall make such payments on or before the first day of each month during the term of this Lease without further demand therefor and without setoff or deduction in the same manner as set forth in Article IV.

ARTICLE VII. SURRENDER OF LEASED PREMISES AND HOLDOVER

7.01 Surrender of Leased Premises. Upon the expiration or other termination of the term of this Lease, Tenant shall quit and surrender the Leased Premises in as good order and condition as the Leased Premises existed on the Commencement Date, ordinary wear and tear and damage by fire or other insured casualty excepted, and shall remove all of its personal property, equipment, voice and data cabling installed by or for Tenant, and trade fixtures therefrom (i.e., all property which is able to be removed without causing material damage to the Building and/or the Leased Premises and which is not integral to any of the base building systems). In addition, at Landlord's option Tenant shall be required to remove any alterations, decorations, installations, additions or improvements to the Leased Premises made, installed or constructed by or for Tenant, as Landlord may elect. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease. Any personal property, equipment or trade fixtures of Tenant or any alterations, decorations, installations, additions or improvements to the Leased Premises made, installed or constructed by or for Tenant which Landlord desires to be removed, but which are not removed at the end of the term of this Lease shall be deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine at Tenant's cost and expense.

7.02 Holdover. If the Leased Premises are not surrendered at the end of the term of this Lease, unless otherwise agreed in writing by Landlord, Tenant shall pay to Landlord one and one-half (1½) times the monthly Rent that was payable during the last month of the term, together with all other sums payable hereunder ("**Holdover Rent**"), for each month or portion thereof that such holdover exists. If such holdover continues beyond 90 days, then, in addition to Holdover Rent, Tenant shall be obligated to reimburse Landlord for any damages and expenses incurred by Landlord as a result of a third party claim resulting from Tenant's delay in surrendering the Leased Premises. The provisions of this Section shall not (a) operate as a waiver by Landlord of any remedies herein provided or (b) extend the term. Unless otherwise expressed in a written notice to Tenant and not otherwise, such holding over shall constitute a renewal of this Lease from month to month.

ARTICLE VIII. ASSIGNMENT; SUBLETTING

8.01 Assignment and Subletting.

A. Except as otherwise provided herein, Tenant may not assign this Lease, sublet all or any portion of the Leased Premises or permit any other party to use or occupy all or any portion of the Leased Premises (a "**Transfer**") without the prior written consent of Landlord (and Master Landlord, if required), Landlord's consent not to be unreasonably withheld. Landlord shall respond to any request made by Tenant within 15

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business days of Tenant's written request that includes the information required by this Article VIII.

B. Landlord hereby acknowledges that Tenant will sublease the entire Leased Premises to the City pursuant to the sublease agreement attached hereto as Exhibit 8.01 ("City Sublease"). Tenant agrees that (i) the City Sublease shall not be amended or terminated without Landlord's prior written consent, (ii) the City shall not, without Landlord's prior written consent, assign the City Sublease, and (iii) the City shall not, without Landlord's prior written consent, sub-sublet or permit occupancy of, all or any portion of the Leased Premises other than to City Agencies, as provided herein. Notwithstanding anything to the contrary contained in this Article VIII, the City may sub-sublet or permit occupancy of all or a portion of the Leased Premises to City Agencies without Landlord's consent, provided that (a) such sub-sublease or use or occupancy is under and subject to this Lease and the Master Lease; (b) the terms of such sub-sublease or use or occupancy are not inconsistent with the terms of this Lease and the Master Lease and are acceptable to Landlord; (c) Tenant remains liable hereunder; (d) there does not exist at the time of such subletting or use or occupancy an Event of Default hereunder; (e) the City Agency and such sub-sublease or terms of use will be in compliance with the criteria set forth in Section 8.02 (except for the criteria in 8.02(b), 8.02(d), 8.02(i) or 8.02(a) to the extent 8.02(a) applies to Item 6 of Schedule V to the Master Lease), and (f) each such sub-sublease shall provide that the City Agency shall not assign the sub-sublease or permit any other party to further sublet, use or occupy any portion of the Leased Premises. On the Commencement Date, Tenant or the City shall give Landlord a written list of all City Agencies that will be occupying the Leased Premises. During the term, Tenant or the City shall give Landlord written notice of additional or substitute City Agencies occupying the Leased Premises within 10 days after the sub-subletting, use or occupancy occurs.

C. If at any time Tenant or the City desires to sublease all or part of the Leased Premises to, or permit occupancy by, a party that is not a City Agency but that is under contract with the City for services, then Landlord's consent shall be required as if the same were a Transfer .

8.02 Standard for Approval. Sub-leases to City Agencies shall comply with the terms and conditions of this Section 8.02 (subject to the excluded clauses described in 8.01). In addition, Landlord shall not unreasonably withhold its consent to a Transfer provided that Tenant has complied with each and every requirement, term and condition of this Section 8.02. Tenant acknowledges and agrees that each requirement, term and condition in this Section 8.02 is a reasonable requirement, term or condition. In cases where Landlord's consent is required, it shall be deemed reasonable for Landlord to withhold its consent to a Transfer if any requirement, term or condition of this Section 8.02 is not complied with or: (a) the Transfer would cause Landlord to be in violation of its obligations under another lease or agreement relating to the Building to which Landlord is a party; (b) in Landlord's reasonable judgment and based upon objective financial information provided to Landlord, a proposed assignee is not able financially to pay the rents due under this Lease as and when they are due and payable; (c) a proposed assignee's or subtenant's business will impose a burden on the Premises' utilities that is

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significantly greater than the burden imposed by Tenant, in Landlord's good faith and reasonable judgment; (d) a proposed assignee or subtenant refuses to enter into a written assignment agreement or sublease, reasonably satisfactory to Landlord, which provides that it will abide by and assume all of the terms and conditions of this Lease for the term of any assignment or sublease and containing such other terms and conditions as Landlord reasonably deems necessary including, without limitation, in the case of an assignment of this Lease, a confession of judgment clause; (e) the use of the Leased Premises by the proposed assignee or subtenant is not a use permitted by this Lease; (f) the use of the Leased Premises by the proposed assignee or subtenant will not be conducive to those types of occupancies generally found in commercial office buildings and will, in Landlord's reasonable judgment, jeopardize the security of the Building or burden the security measures at the Building in a material way that is greater than the burden imposed by Tenant, (g) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in a business, or the Premises or any part of the Premises will be used in a manner, that is not in keeping with the then standards of the Building, or that is inappropriate for an office Building, or that will violate any negative covenant as to use contained in any other lease of space in the Building; (h) Tenant is in default as defined in Article XIX at the time of the request; (i) if requested by Landlord, the assignee or subtenant refuses to sign a non-disturbance and attornment agreement in favor of Landlord's lender; (j) Landlord has sued or been sued by the proposed assignee or subtenant or has otherwise been involved in a legal dispute with the proposed assignee or subtenant; or (k) the assignee or subtenant will use, store or handle Hazardous Substances of a type, nature, quantity not acceptable to Landlord, in Landlord's sole discretion.

8.03 Consent Limited. A consent by the Master Landlord or Landlord to any Transfer shall not be a waiver of or constitute a diminution of the Master Landlord's right or Landlord's right to withhold its consent to any other assignment, subletting or use or occupancy by others and shall not be construed to relieve Tenant from obtaining Landlord's and Master Landlord's express written consent to any other or further assignment, subletting or use or occupancy by others (to the extent consent is required by this Article VIII). Such reasonable attorneys' fees as may be incurred by Landlord in connection with a Transfer (other than a sublease to a City Agency) shall be paid by Tenant, not to exceed \$1,000.00 in each instance.

8.04 Landlord's Rights to Collect Rents. If this Lease shall be assigned, or if the Leased Premises or any part thereof be sublet or occupied by any person or persons other than Tenant, Landlord may, after default by Tenant in payment of Rent which continues for seven (7) days after written notice from Landlord, or after termination of this Lease as a result of such default or for any other reason, collect Rent from the transferee and apply the net amount collected to the Rent herein reserved, but no such transfer or collection of Rent shall be deemed a waiver of the covenants in this Article, nor shall it be deemed an acceptance of the assignee, subtenant or occupant as a tenant or a release of Tenant from the full performance by Tenant of all of the terms, conditions and covenants of this Lease.

8.05 Assumption by Transferee. Each permitted transferee of Tenant's interest in this Lease shall assume and be deemed to have assumed this Lease and shall be and

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remain liable jointly and severally with Tenant for the payment of the Rent and for the due performance of all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed for the term of this Lease. Tenant shall promptly deliver to Landlord a duplicate original of the instrument of assignment, in form reasonably satisfactory to Landlord, containing a covenant of assumption by the transferee of all of the obligations aforesaid.

8.06 Liens. Tenant shall not, by operation of law or otherwise, mortgage or otherwise encumber this Lease.

ARTICLE IX. SUBORDINATION, ESTOPPEL CERTIFICATE

9.01 Subordination. This Lease shall be subject and subordinate to the Master Lease, the leases and mortgage mentioned in Section 1.03, to any other ground lease or overriding lease, and to the lien of any mortgages and other encumbrances now existing or hereafter created on or against the Land, the Landlord's Premises and/or the Building, without the necessity of any further instrument or act on the part of Tenant, but Tenant agrees to execute, acknowledge and deliver such reasonably satisfactory instruments as shall be desired by any mortgagee or proposed mortgagee, such instruments to include an agreement of nondisturbance from the mortgagee.

9.02 Subsequent Purchasers. If the interests of Landlord hereunder are transferred by reason of or assigned in lieu of foreclosure or other proceedings for enforcement of any such superior mortgage or termination of any such superior lease, or if the holder of any such superior mortgage acquires a lease in substitution therefor, then Tenant will, at the option to be exercised in writing by such purchaser, assignee or lessor, as the case may be, (i) attorn to it and will perform for its benefit all the terms, covenants and conditions of this Lease on Tenant's part to be performed with the same force and effect as if such purchaser, assignee or lessor, were the landlord originally named in this Lease, or (ii) enter into a new sublease with such purchaser, assignee or lessor, as landlord, for the remaining term of this Lease and otherwise on the same terms and conditions and with the same options then remaining, as long as such purchaser, assignee or lessee, as the case may be, agrees in writing to perform for the benefit of Tenant all the terms, covenants and conditions of this Lease on the Landlord's part to be performed with the same force and effect as if such purchaser, assignee or lessee, as the case may be, were the landlord originally named in this Lease.

9.03 Future Modifications. If a bank, insurance company, real estate investment trust or other recognized institutional lender shall request reasonable modifications in this Lease as a condition to extending financing to either Landlord or the Master Landlord, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not decrease the length of the term of this Lease or result in increased obligations or a decrease in the rights of Tenant.

9.04 Estoppel Certificates. Tenant shall, at any time, and from time to time, upon not less than fifteen (15) days' prior notice by Landlord, execute, acknowledge and deliver to Landlord, a statement in writing addressed to Landlord certifying that this

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Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates to which the Fixed Rent, Additional Rent and other charges have been paid, and stating whether or not to the best knowledge of the signer of such certificate, there exists any default in the performance of any covenant, agreement, term, provision or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by the Master Landlord, any mortgagee or prospective mortgagee of any mortgage affecting the Landlord's Premises, the Land and/or Building, and by any purchaser or prospective purchaser of the Landlord's Premises, the Land and/or Building and by any landlord under a ground, overriding or underlying lease affecting the Landlord's Premises, the Land and/or Building.

ARTICLE X. ENTRY; RIGHT TO CHANGE PORTIONS OF THE BUILDING

10.01 Landlord's Right to Enter. Tenant shall permit Landlord and the Master Landlord to erect, use, repair, replace and maintain pipes, conduits, utility lines and mechanical equipment in and through the Leased Premises to the extent that installations in and through the Leased Premises also service any leasable areas in the Building not leased to Tenant and/or any Common Areas. Landlord and the Master Landlord or either of their agents or designees shall have the right to enter the Leased Premises, after 24 hours notice to Tenant (which may be oral), for the purpose of making such repairs or alterations as may be required by Landlord and/or the Master Landlord and, subject to the foregoing, shall also have the right to enter the Leased Premises for the purpose of inspecting them or exhibiting them to prospective purchasers or lessees of the Building or the Landlord's Premises, or to prospective mortgagees or to prospective assignees of any such mortgagees. Landlord and the Master Landlord shall be allowed to take all material into and upon the Leased Premises that may be required for the repairs or alterations above mentioned without the same constituting an eviction of Tenant in whole or in part and Rent shall in no wise abate, except as otherwise provided in this Lease, while said repairs or alterations are being made. Any such inspection, exhibition, repairs or alterations shall be done in such a manner as not to materially adversely affect Tenant's quiet enjoyment or unreasonably interfere with Tenant's occupancy of the Leased Premises.

10.02 Changes to the Building. Provided that Tenant's use and occupation of the Leased Premises is not materially adversely affected thereby, Landlord and the Master Landlord shall each have the right at any time without thereby creating an actual or constructive eviction or incurring any liability to Tenant therefor, to change the arrangement or location of entrances, passageways doors and doorways, corridors, stairs, toilets and other like public service portions of the Building.

ARTICLE XI. APPLICABLE LAWS, REQUIREMENTS OF GOVERNMENTAL AUTHORITIES

11.01 Compliance. Subject to Section 11.03, Tenant shall, at its expense, comply with all Applicable Laws, with any direction made pursuant to Applicable Law or

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any public officers arising directly from Tenant's occupancy, use or manner of use of the Leased Premises or any installations made therein by or at Tenant's request, or required by reason of a breach of any of Tenant's covenants or agreements hereunder.

11.02 Notice of Violations. If Tenant receives written notice of any violation of any Applicable Law, Tenant shall give prompt notice thereof to Landlord.

11.03 Landlord's Compliance. Landlord shall, at its sole cost and expense (except with respect to the Tenant's use as described in Section 11.01 and with respect to Alterations described in 13.01), promptly comply with all Applicable Laws of which Landlord receives a notice of violation. Such Applicable Laws shall include but not be limited to Building Permits, Licenses, and any Governmental Approvals necessary for the Tenant Improvements, and the Philadelphia Code to the extent applicable to the Tenant Improvements and the Building and Land.

ARTICLE XII. REPAIRS

12.01 Repairs.

A. Tenant shall maintain the Leased Premises in good order, reasonable wear and tear excepted.

B. Subject to the waiver of subrogation as contained in Section 16.06 of this Lease, all damage or injury to the Leased Premises, or the Building, and to its fixtures, glass, appurtenances and equipment and/or to any other part of the Building or to fixtures, glass, appurtenances and equipment caused by Tenant's negligence or its moving property in or out of the Building or by installation or removal of furniture, fixtures or other property, or, except as specified in Article 17, damage to Tenant's property, fixtures, or equipment or to improvements paid for by Tenant resulting from fire, explosion, air conditioning unit or system malfunction, short circuits, flow or leakage of water, steam, illuminating gas, sewer gas, sewerage or odors or by frost or by bursting or leaking of pipes or plumbing works or gas, or from any other cause of any other kind or nature whatsoever, unless caused by the negligence or willful misconduct of Landlord, the Master Landlord or either of their agents, shall be repaired, restored or replaced promptly by Tenant at its sole cost and expense. All aforesaid repairs, restorations and replacements shall be in quality and class equal to the original work or installations and shall be done in a good and workmanlike manner. If Tenant fails to make such repairs, restorations or replacements, same may be made by Landlord or the Master Landlord at the expense of Tenant and all sums so spent and expenses incurred by Landlord or the Master Landlord, together with interest thereon at a rate equal to the Default Rate from the date so spent or incurred, shall be collectible as Additional Rent and shall be paid by Tenant within thirty (30) days after rendition of a bill or statement therefor.

12.02 Landlord Repairs. Subject to (i) the provisions of Section 12.01(B) and except in the case where damage or casualty has occurred in which case Article 17 shall apply, and (ii) Tenant's obligation to reimburse Landlord for certain repair and

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replacement costs which are provided for in this Lease (including the obligation to reimburse Landlord for increases in certain items which constitute Operating Expenses), and except for repair obligations which are the responsibility of the Master Landlord pursuant to the terms of the Master Lease, Landlord agrees, notwithstanding the provisions of Section 12.01(a), to repair and maintain the following items: the Common Areas inside the Landlord's Premises (including, without limitation, elevators, and lighting systems), windows, and the Building systems serving the Leased Premises and the Landlord's Premises (including, without limitation, electrical systems, electrical facilities, and plumbing system, except for fixtures and equipment inside the Leased Premises). Notwithstanding anything in this Section 12.02 to the contrary, Landlord shall have the right to either repair or to require Tenant to repair any damage to any portion of the Landlord's Premises caused by or created due to any act, omission, negligence or willful misconduct of Tenant or Tenant's employees or agents.

ARTICLE XIII. ALTERATIONS; FIXTURES

13.01 Alterations. Tenant shall make no alterations, decorations, installations, additions or improvements in or to the Leased Premises or the electrical, plumbing, mechanical or heating, ventilating and air conditioning systems serving the Leased Premises, without the prior written consent of Landlord and, if required, Master Landlord. All such work, alterations, decorations, installations, additions or improvements shall be done at Tenant's sole expense and in full compliance with all Applicable Laws. Notwithstanding anything to the contrary in this Lease or in any other writing signed by Landlord, neither this Lease nor any other writing signed by Landlord shall be construed as evidencing, indicating, or causing an appearance that any erection, construction, alteration or repair to be done, or caused to be done by Tenant is or was in fact for the immediate use and benefit of Landlord. Further, notwithstanding anything contained herein to the contrary, nothing contained in or contemplated by this Lease shall be deemed or construed in any way to constitute the request on the part of Landlord, for the performance of any work or services or the furnishing of any materials for which any lien could be filed against the Leased Premises, the Land or the Building, or any part thereof, nor as giving Tenant any right, power, or authority to contract for or permit the performance of any work or services or the furnishing of any materials for which any lien could be filed against the Leased Premises, the Land or the Building or any part thereof. Notwithstanding the foregoing, if any mechanic's lien is filed against the Leased Premises, the Land and/or the Building for work claimed to have been done for, or materials claimed to have been furnished to Tenant, it shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's expense, by filing the bond required by law or by payment or otherwise. In addition, Tenant shall defend, save and hold Landlord and the Master Landlord harmless from any such mechanic's lien or claim, including, without limitation, Landlord's or the Master Landlord's, as appropriate, attorney's fees, costs and expenses actually incurred. Neither the Master Landlord nor Landlord shall be liable for any failure of any Building facilities or services, including, but not limited to, the heating, ventilating and air conditioning equipment in the Leased Premises, whether or not installed by Landlord and/or the Master Landlord, caused by alterations, installations, and/or additions by Tenant and Tenant shall correct any such faulty installation. Upon Tenant's failure to correct same, Landlord or the Master Landlord

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may make such correction and charge Tenant for the cost thereof. Such sum due Landlord or the Master Landlord, together with interest thereon at a rate equal to 3% in excess of the Default Rate if not paid within 30 days of invoice, shall be deemed Additional Rent and shall be paid by Tenant promptly upon being billed therefor.

13.02 Prior Review by Landlord. Prior to commencing any work pursuant to the provisions of Section 13.01 Tenant shall furnish to Landlord:

- A. a copy of the plans and specifications therefor, for Landlord's review and approval;
- B. copies of all governmental permits and authorizations which may be required in connection with such work;
- C. a certificate evidencing that Tenant's contractors have procured workmen's compensation insurance in statutory limits covering all persons employed in connection with the work who might assert claims for death or bodily injury against Landlord, Tenant or the Building;
- D. such additional personal injury and property damage insurance (over and above the insurance required to be carried by Tenant pursuant to the provisions of Section 16.03) and general liability insurance (with completed operations endorsement) for any occurrence in for about the Building, in such limits as Landlord may reasonably require because of the nature of the work to be done by Tenant and with insurers satisfactory to Landlord; the foregoing insurance requirement may be satisfied through Tenant's contractor; and
- E. lien waivers, in form reasonably satisfactory to Landlord, from all contractors with whom Tenant has contracted for the performance of any work or the furnishing of any materials to or for the Leased Premises, or any portion thereof, together with proof reasonably satisfactory to Landlord that such waivers have been filed in the Office of the Prothonotary of Philadelphia County the earlier of (i) ten (10) days after the execution of each respective contract and (ii) the day prior to the commencement of the performance of the work or the furnishing of any materials. The foregoing lien waiver and filing requirements shall also apply to all such contracts entered into subsequent to such commencement of work.

13.03 Fixtures. All alterations, decorations, installations, additions or improvements upon the Leased Premises, made by either party, affixed to the realty so that they cannot be removed without material damage, unless otherwise specified by Landlord, become the property of Landlord and shall remain upon, and be surrendered with, the Leased Premises, as a part thereof, at the end of the term. All movable property, furniture, furnishings and trade fixtures, not affixed to the realty so that they cannot be removed without material damage, shall remain the property of Tenant, shall be removed by Tenant upon expiration or termination of this Lease, and, in case of damage by reason of their removal, Tenant shall repair any damage and restore the Leased Premises to the

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same order and condition as existed on the Commencement Date, ordinary wear and tear and damage by insured casualty excepted.

13.04 Additional Conditions.

A. In no event by reason of any alteration or addition shall Tenant's connected electrical load exceed the capacity of the distribution systems in and to the Leased Premises.

B. Only to the extent such expenses are not otherwise included in Operating Expenses, Tenant promptly shall reimburse Landlord for all reasonable and verifiable expenses paid by Landlord to the Master Landlord and/or superior lessor and/or mortgagee in connection with the decision of any superior lessor and/or superior mortgagee as to whether to approve the proposed alterations and/or additions, to determine whether the same are being or have been performed in accordance with the approved plans and specifications therefor and with all legal requirements and insurance requirements, including the fees and expenses of any attorney, architect or engineer employed by such Master Landlord and/or superior lessor and/or mortgagee for such purpose. If any proposed alterations and/or additions require consent by or notice to the Master Landlord or a superior lessor and/or mortgagee, Tenant, notwithstanding anything to the contrary contained in this Article, shall not proceed with the same until such consent has been received, or such notice has been given, as the case may be, and all applicable conditions and provisions of the Master Lease and/or superior lease and/or mortgage with respect to the proposed alterations and/or additions have been met or complied with at Tenant's sole expense. Any alteration and/or additions for which consent is required and has been received shall be performed in accordance with the approved plans and specifications therefor, and no material changes thereto shall be made without the prior consent of Landlord.

C. No alterations and/or additions for which Landlord's consent is required under Section 13.01 hereof shall be undertaken (i) except under the supervision of a licensed architect or licensed professional engineer satisfactory to Landlord, and (ii) except after at least thirty (30) days' prior notice to Landlord.

D. All alterations and/or additions shall at all times comply with all Applicable Laws and insurance requirements and all rules and regulations (including any Landlord may reasonably adopt with respect to the making of any improvements) and shall be made at such times and in such manner as Landlord may from time to time reasonably direct. Tenant, at its expense, shall (a) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of such alterations and/or improvements and for final approval thereof upon completion, (b) deliver three (3) copies to Landlord and (c) cause all alterations and/or improvements to be performed in a good and first class workmanlike manner, using new (or like new) materials and equipment at least equal in quality to the then standards for the Buildings established by the Master Landlord. All alterations and/or additions shall be commenced and completed promptly and shall be performed in such manner so as not to unreasonably interfere with the occupancy of any

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other tenant nor delay or impose any additional expense upon Landlord or Master Landlord in the maintenance, cleaning, repair, safety, management, or security of the Building (or the Building's equipment) or in the performance of any improvements. Upon completion, Tenant shall deliver a complete set of "As Built" drawings and plans to Landlord. No improvements shall involve the removal of any fixtures, equipment or other property from the Leased Premises which are not Tenant's sole and exclusive property without Landlord's prior consent and unless they shall be replaced promptly at Tenant's expense, with fixtures, equipment or other property, of like utility and at least equal value (which thereupon shall become the property of Landlord).

E. Tenant, at its sole expense, promptly shall procure the cancellation or discharge of all notices of violation arising from or otherwise connected with its alterations and/or additions which shall be issued by any public authority having or asserting jurisdiction.

F. Tenant will advise Landlord of the names of any contractor or subcontractor used or proposed to be used in the Leased Premises.

G. Tenant shall not at any time during the term of this Lease, either directly or indirectly, employ or permit the employment of any contractor, mechanic or laborer, or permit any materials in the Building or the Leased Premises, if the use of such contractor, mechanic or laborer or such materials would create any difficulty, work slowdown, sabotage, wildcat strike, strike or jurisdictional dispute with other contractors, mechanics and/or laborers engaged by Tenant or others, or would in any way disturb the peaceful and harmonious construction, maintenance, cleaning, repair, management, security or operation of the Building or any part thereof or the Leased Premises, or any part thereof. In the event of any interference or conflict, Tenant, upon demand of Landlord, shall cause all contractors, mechanics or laborers, or all materials causing such interference, difficulty or conflict, to leave or be removed from the Building or the Leased Premises, as the case may be, immediately.

H. No approval of any plans or specifications by Landlord or consent by Landlord allowing Tenant to make any improvements or any inspection of improvements made by or for Landlord shall in any way be deemed to be an agreement by the Landlord that the contemplated improvements comply with any legal requirements or insurance requirements or the statement of occupancy for the Building or the Leased Premises nor shall it be deemed to be a waiver by Landlord of the compliance by Tenant with any provision of this Lease.

13.05 Cosmetic Alterations. Landlord's prior consent shall not be required for any alterations proposed by Tenant which involve only wall coverings, painting, or carpeting and other cosmetic alterations which (a) are nonstructural in nature (e.g., do not involve changes to the structural elements of the Building, (b) do not involve Building systems, including, without limitation, electrical, plumbing and HVAC, (c) do not involve changes to the Building exterior or Common Areas, and (d) the cost of which will not exceed \$10,000.00 in each instance. Provided, Tenant shall notify Landlord of Tenant's intention to perform such an alteration prior to commencing the same.

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ARTICLE XIV. LANDLORD'S RIGHT TO CURE

14.01 Landlord's Right to Cure. If Tenant shall default in the observance or performance of any term or covenant (other than the payment of money owed to Landlord) on its part to be observed or performed under or by virtue of any of the terms or provisions in any Article of this Lease, and Tenant shall not have cured such default within the 30 days after written notice thereof from Landlord to Tenant (except in the event of an emergency, when no such notice shall be necessary); provided, however, that if the nature of the obligation is such that more than 30 days are required for its cure, then such longer period as long as Tenant commences a cure within such 30 day period, Landlord, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of Tenant. If Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith, including, but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, as well as any damages or fines or other expenses sustained or incurred by Landlord due to nonperformance of, noncompliance with, nonobservance or breach of any term, covenant or condition of this Lease on Tenant's part to be kept, observed performed or complied with, together with interest at the Default Rate and costs, shall be deemed to be Additional Rent hereunder and shall be paid to Landlord by Tenant on demand.

ARTICLE XV. NON-LIABILITY

15.01 No Representations By Landlord. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the Building, the Land or the Leased Premises except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth, in the provisions of the Lease.

15.02 Tenant's Obligations Unconditional. Except as specifically provided in this Lease, this Lease and the obligation of Tenant to pay Rent hereunder and perform all of the other covenants and agreements hereunder on the part of Tenant to be performed shall in no wise be excused because Landlord is unable to fulfill any of its obligations under this Lease or to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures, if Landlord is prevented or delayed from so doing by reason of strike or labor troubles or any other cause which is beyond the reasonable control of Landlord, including, but not limited to, governmental preemption in connection with a National Emergency or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency, or because of a failure of the Master Landlord to comply with the terms of the Master Lease. Landlord's obligations to Tenant under this Lease shall not be excused because Tenant is unable to fulfill any of its obligations under this Lease (other than any obligation that can be

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satisfied by the payment of money) if prevented from doing so by reason of strike or labor troubles or other cause that is beyond the reasonable control of Tenant.

15.03 Limitation of Liability. Subject to the waiver of subrogation as contained in Section 16.06 of this Lease, Landlord and its agents shall not be liable for any damage to property of Tenant, or of others entrusted to employees of the Building, nor for the loss of, or damage to, any property of Tenant by theft or otherwise unless such loss or damage is caused by the negligence or willful misconduct of Landlord or its agent. Landlord and its agents shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Building or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness or by other cause of whatsoever nature, unless such injury or damage results from the negligence or willful misconduct of Landlord or its agents, nor shall Landlord and its agents, be liable for any such damage caused by other tenants or persons in the Building or caused by operations in construction of any private, public or quasi-public work; nor shall Landlord be liable for any patent or latent defect in the Leased Premises or in the Building except to the extent otherwise expressly set forth in this Lease. Tenant acknowledges that certain of the windows in the Leased Premises were bricked over (or otherwise covered or closed) prior to the Commencement Date, and Tenant accepts the Leased Premises with such bricked over (or otherwise covered or closed) windows. Landlord agrees that, except as provided below, Landlord shall not close, darken or brick up any additional windows in the Leased Premises and shall not permit Master Landlord to exercise any right it may under Section 15.04 of the Master Lease to close, darken or brick up any additional windows in the Leased Premises, and if Landlord fails to perform its obligation set forth in this sentence, the provisions of Section 19.02 of this Lease relating to Landlord's failure to perform obligations shall be applicable. Notwithstanding the forgoing sentence, in the event of any of the following events or circumstances, Landlord shall not be deemed to have failed to perform its obligations under the forgoing sentence, Landlord shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement of Rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction:

(i) Any temporary closing, darkening or bricking up of any of the windows in the Lease Premises done in connection with maintaining, repairing, protecting or otherwise operating the Building.

(ii) Any temporary or permanent closing, darkening or bricking up any of the windows of the Building done to comply with Applicable Law.

(iii) Any de minimis darkening of any of the windows in the Leased Premises as a result of replacement of the window(s), installation of energy saving films or coatings or any similar Building operation or maintenance items.

(iv) Any temporary or permanent closing, darkening or bricking up of any of the windows of the Lease Premises as a result of the actions of any third party not under the control of Tenant, provided that any exercise by Master Landlord of any right it may have

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under Section 15.04 of the Master Lease to close, darken or brick up any windows in the Leased Premises shall not be considered an action of a third party for purposes of this clause (iv).

Tenant shall give immediate notice to Landlord in case of fire or accidents in the Leased Premises or in the Building or of defects therein or in any fixtures or equipment. Nothing herein shall be deemed to excuse Landlord from performing its obligations under this Lease.

15.04 Limitation of Recourse. For the satisfaction of any right of Tenant arising out of this Lease, or for the collection of a judgment or other judicial process or arbitration award requiring the payment of money by Landlord (i) Landlord's agents, incorporators, shareholders, employees, officers, directors, partners, agents, principals, joint venturers, or affiliates shall not in any case be subject to levy, lien, execution, attachment, or other enforcement procedure for the satisfaction of Tenant's rights and remedies under or with respect to this Lease, the relationship of Landlord and Tenant hereunder or under law, or Tenant's use and occupancy of the Leased Premises or any other liability of Landlord to Tenant, and (ii) Tenant shall seek satisfaction of any judgment against Landlord by executing against Landlord's interest in the Building, and the rents and profits therefrom.

ARTICLE XVI. INSURANCE; INDEMNITY

16.01 Compliance with Insurance Requirements. Tenant shall not knowingly do or permit to be done any act or thing in or upon the Building, the Land, the Landlord's Premises or the Leased Premises which will invalidate or be in conflict with the statement of occupancy or the terms of the standard form of fire, boiler, sprinkler, water damage or other insurance policies covering the Building, the Landlord's Premises and/or the Leased Premises and the fixtures and property therein; and to the extent applicable to the performance by Tenant of its obligations under this Lease, Tenant shall comply at its own expense with all rules, orders, regulations or requirements of the Board of Fire Underwriters or any other similar body having jurisdiction, and shall not knowingly do or permit anything to be done in or upon the Building, the Land, the Landlord's Premises or the Leased Premises or bring or keep anything therein or use the Building, the Land, the Landlord's Premises, the Leased Premises in a manner which increases the rate of fire insurance upon the Building, the Landlord's Premises and/or the Leased Premises or on any property or equipment located therein over the rate in effect at the commencement of the term of this Lease.

16.02 Increases in Premiums. If, by reason of any failure of Tenant to comply with the provisions of this Lease, the rate of fire, boiler, sprinkler, water damage or other insurance (with extended coverage) on the Building, the Landlord's Premises, the Leased Premises or on the property and equipment of Landlord, the Master Landlord or any other occupant, tenant or subtenant in the Building, shall be higher than it otherwise would be, Tenant shall reimburse such other party for that part of the fire, boiler, sprinkler, water damage or other insurance premiums thereafter paid which shall have been charged because of such failure, such reimbursement to be paid on the earlier of the date when

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billed for the same or on the first day of the month following such payment by such other party. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make up" of rates for the Building, the Landlord's Premises or the Leased Premises issued by the First Insurance Exchange or other body making fire insurance rates for said premises, shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate then applicable to said Building, Landlord's Premises or Leased Premises.

16.03 Insurance Requirements. A. Tenant shall obtain and keep in full force and effect during the term of this Lease, at its own cost and expense, naming and protecting Landlord, Landlord's agents, the Master Landlord, superior lessors and mortgagees and Tenant as insureds (a) public liability insurance (with contractual liability endorsements) to afford protection against any and all claims for personal injury, death or property damage occurring in, upon, about, or connected with the Leased Premises or the Land or the Building or any part thereof in an amount of not less than \$3,000,000.00 for injury or death arising out of any one occurrence and \$500,000.00 for damage to property in respect to any one occurrence, or in any increased amount reasonably required by Landlord (provided that any request made after receipt of a similar request by the Master Landlord under the Master Lease shall be deemed reasonable in all cases); and (b) insurance against loss or damage by fire and such other risks and hazards as are insurance under then available standard forms of fire insurance policies with extended coverage, to Tenant's property for the full insurable value thereof. During such time as Tenant shall be constructing any improvements, alterations and/or additions to the Leased Premises, Tenant shall also carry Builder's Risk insurance, completed value form, covering all physical loss, in an amount reasonably satisfactory to, and to specifically protect, Landlord, and the holder of any superior mortgage or lease and the Master Landlord.

All such insurance shall be written in form and substance reasonably satisfactory to Landlord by an insurance company of recognized responsibility licensed to do business in Pennsylvania. Upon failure of Tenant to procure, maintain and pay all premiums therefor, Landlord, at its option, may do so, and Tenant agrees to pay the cost thereof to Landlord upon demand as Additional Rent. Tenant shall cause to be included in all such insurance policies a provision to the effect that the same will be noncancellable and not permitted to lapse except upon thirty (30) days' prior notice to Landlord. Upon execution of this Lease, the original insurance policies or appropriate certificates shall be deposited with Landlord. Any renewals, replacements or endorsements thereto shall also be so deposited. Landlord recognizes that if Tenant self insures Tenant may not be able to fully comply with this subsection.

B. For so long as and only if the City Sublease is in full force and effect, Tenant may satisfy its insurance obligations hereunder by self insuring, on the following conditions:

- (i) "Self-insure" shall mean that Tenant is itself acting as though it were the insurance company providing the insurance required under the provisions hereof.

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(ii) All amounts which Tenant pays or is required to pay and all loss or damages resulting from risks for which Tenant has elected to self-insure shall be subject to the waiver of subrogation provisions of Section 16.06 hereof and shall not limit Tenant's obligations set forth in Section 16.04 hereof.

C. Landlord covenants and agrees to maintain at all times the insurance coverages required by the Master Lease. If such required coverages change during the term of this Lease, Landlord will notify Tenant.

16.04 Tenant Liable for Claims on Leased Premises. To the extent permitted by law, Tenant agrees to be liable for and to hold Landlord, and its officers and directors, harmless from and against, and to reimburse (as Additional Rent) Landlord and its officers and directors for any and all costs, losses and expenses (including reasonable attorneys' fees) incurred or suffered by Landlord and its officers and directors in connection with or as a result of, all claims for death, injury or damage to persons or property occurring in or about the Leased Premises (unless caused by the negligence or misconduct of Landlord or its employees, agents or contractors) or arising from, related to or in connection with the use or occupancy of the Leased Premises or the conduct of Tenant's business therein or therefrom. Landlord shall notify Tenant in writing of any claims covered by this Section 16.04. Thereafter Landlord and Tenant shall mutually agree on counsel to undertake the defense of the claim.

16.05 Certificate of Cost. Upon substantial completion of Tenant Improvements and of any subsequent alterations including, with limitation, those in any Expansion Space, Tenant shall deliver to Landlord a written certification of the actual cost of the portion of such construction constituting permanent leasehold improvements (i.e., the total cost less the cost of any trade fixtures, personal property and decorations which Tenant is required to insure under Section 16.03.B hereof). If on account of the failure of Tenant to comply with this paragraph, Landlord or the Master Landlord is adjudged a co-insurer by its insurance carrier then any losses or penalties Landlord or the Master Landlord sustains shall be borne by Tenant and shall be paid immediately by Tenant upon receipt of a bill and evidence of such loss.

16.06 Waiver of Subrogation. Notwithstanding anything contained in this Lease to the contrary, Landlord and Tenant hereby mutually waive any claim against the other and their respective employees, officers, and agents for any loss or damage to any of their property located on or about the Premises or the Building that is caused by or results from perils covered by commercial all-risk property insurance, whether or not due to the negligence of the other party or its employee, officer or agent. Notwithstanding the foregoing, Tenant's waiver of subrogation shall be effective regardless of Tenant's decision to self-insure. Because the foregoing waivers will preclude the assignment of any claim by way of subrogation to an insurance company or any other person, each party now agrees to immediately give to its insurer written notice of the terms of these mutual waivers and shall have their insurance policies endorsed to prevent the invalidation of the insurance coverage because of these waivers. Nothing in this Section 16.06 shall relieve a party of liability to the other for failure to carry insurance required by this Lease.

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16.07 No Waiver of the Political Subdivisions Torts Claims Act. Nothing in this Lease shall be construed as a waiver of the Tenant or the City under the Political Subdivision Tort Claims Act, 42 Pa. C.S.A. Section 8541 *et seq.* (the “**Torts Claims Act**”), nor as a limitation on the rights or defenses available to the Tenant and the City under such Act.

ARTICLE XVII. DAMAGE BY FIRE OR OTHER CAUSE; CONDEMNATION

17.01 Fire or Other Casualty. If the Building or any part thereof should be partially or totally damaged or destroyed by fire or other cause, then this Lease shall terminate if and to the extent that the Master Lease terminates and shall continue if and to the extent that the Master Lease continues, all as provided in the Master Lease. In the event that the repair of any such damage is undertaken pursuant to the terms of the Master Lease until such repairs are made, the Fixed Rent shall be apportioned and abated as to the part of the Leased Premises which is not usable by Tenant as a result thereof.

17.02 Landlord Not Liable. No damages, compensation or claim shall be payable by Landlord for inconveniences, loss of business or annoyance arising from any repair or restoration of any portion of the Leased Premises. Subject to the terms, requirements and conditions of the Master Lease, Landlord shall use all commercially reasonable efforts to effect such repairs with diligence and so as not to unreasonably interfere with Tenant’s occupancy.

17.03 Insurance on Tenant Fixtures. Landlord will not carry insurance of any kind on any of Tenant’s furniture, furnishing, fixtures or equipment.

17.04 Condemnation. If the Building or any part thereof is condemned or taken in any manner for any public or quasi-public use, then this Lease shall terminate if and to the extent that the Master Lease or any superior lease terminates and shall continue if and to the extent that the Master Lease and all superior leases continue. If any such condemnation or taking includes all or any portion of the Leased Premises (A) the Fixed Rent and Additional Rent shall be equitably apportioned and abated, and (B) Tenant shall not be entitled to receive any award in the condemnation proceedings including any award made for the value of the estate vested hereby in Tenant, and Tenant expressly assigns to the party entitled thereto under the Master Lease or any superior lease any and all right, title and interest now or hereafter arising in or to any such award or any part thereof, and Tenant shall be entitled to receive no part of such award. Tenant shall have no claim for the value of any unexpired term of this Lease. Nothing contained in this paragraph shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority, but not against Landlord, including, without limitation, for the value of, or damages to, and/or for the cost of removal of Tenant’s movable trade fixtures, equipment and other personal property and for Tenant’s moving expenses, to the extent the same are recoverable by Tenant in Tenant’s own right, provided further that no such claim shall diminish or otherwise adversely affect Landlord’s award.

17.05 Landlord’s Rights Preserved. Tenant acknowledges that under certain circumstances after a casualty described in Section 17.01 hereof or after a condemnation

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described in Section 17.04 hereof, superior leases may give Landlord the right to terminate or continue the Master Lease or such superior lease and that Landlord may exercise such rights without duty or obligation to Tenant.

ARTICLE XVIII. BANKRUPTCY

18.01 Tenant's Bankruptcy. If at any time between the date hereof and the date on which this Lease terminates, there shall be filed by or against Tenant in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy, or there shall be commenced a case by or against Tenant under the Bankruptcy Code (or similar legislation that may apply to governmental entities in lieu of the Bankruptcy Code); or a petition filed in insolvency or for reorganization or for the appointment of a receiver or trustee of substantially all of Tenant's property, and within ninety (90) days thereafter Tenant fails to secure a discharge thereof, or if Tenant makes an assignment for the benefit of creditors or petitions for or enters into an arrangement with its creditors that affects this Lease or Tenant's ability to pay Rent, this Lease, at the option of Landlord, exercised within a reasonable time after notice of the happening of any one or more of such events, may be cancelled and terminated, in which event neither Tenant nor any person claiming through or under Tenant by virtue of any statute or of an order of any court shall be entitled to possession or to remain in possession of the Leased Premises but shall forthwith quit and surrender the Leased Premises, and Landlord, in addition to the other rights and remedies given by Section 18.03 hereof, or which Landlord has by virtue of any other provision herein or elsewhere in this Lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any Rent, security, deposit or monies received by it from Tenant or others on behalf of Tenant.

18.02 Landlord's Right to Damages. It is stipulated and agreed that in the event of the termination of this Lease pursuant to Section 18.01 hereof, Landlord, notwithstanding any other provisions of this Lease to the contrary, shall be entitled to recover forthwith from Tenant as and for liquidated damages an amount equal to the difference between the Rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the Leased Premises for the same period. In the computation of such damages the difference between any installment of Rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Leased Premises for the period for which such installment was payable shall be discounted to the date of termination of the rate of four percent (4%) per annum. If the Leased Premises or any part thereof is relet by Landlord for the unexpired term of this Lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of reserved upon such reletting shall be deemed prima facie to be the fair and reasonable rental value for the part or the whole of the Leased Premises so relet during the term of the reletting. Nothing herein contained shall limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to or less than the amount of the difference referred to above.

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18.03 Security Deposit on Assignment. Without limiting any of the foregoing provisions of this Article, if pursuant to the Bankruptcy Code of 1978, as the same may be amended, Tenant is permitted to assign or otherwise transfer this Lease (whether in whole or in part) in disregard of the restrictions contained in this Article and/or Article 8 hereof, Tenant agrees that adequate assurance of future performance by the assignee or transferee permitted under such Code shall mean the deposit of cash security with Landlord in an amount equal to the sum of four months Fixed Rent then reserved hereunder plus an amount equal to all Additional Rent then payable under Article 4 or other provisions of this Lease for the calendar year preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord, for the balance of the term as a security for the full and faithful performance of all of the obligations under this Lease on the part of Tenant yet to be performed. If Tenant receives or is to receive any valuable consideration for such an assignment or transfer (in whole or in part) of this Lease, then after deducting therefrom any portion reasonably designated by the assignee or transferee as paid for the purchase of Tenant's personal property in the Leased Premises, such consideration shall be and become the sole exclusive property of Landlord and shall be paid over to Landlord directly by such assignee or transferee and shall be applied towards any outstanding amounts due to Landlord from Tenant and to reimburse Landlord for its expenses. Any such assignee or transferee may only use the Leased Premises for office use and such occupancy may not increase the number of individuals occupying the Leased Premises at the time a petition for bankruptcy (or reorganization) is filed by or against Tenant. Such assignee or transferee shall expressly assume this Lease by an agreement in recordable form.

ARTICLE XIX. DEFAULTS AND REMEDIES; WAIVER OF REDEMPTION

19.01 Defaults and Remedies.

A. Each of the following shall constitute an Event of Default hereunder: (i) if Tenant shall fail to pay any installment of Fixed Rent or Additional Rent reserved herein when first due, and such failure continues for seven (7) Business Days after written notice thereof from Landlord to Tenant, or (ii) if Tenant shall fail to fulfill any covenants of this Lease, other than the covenants for the payment of Fixed Rent or Additional Rent, or if the Leased Premises are abandoned by Tenant, and such alleged failure continues for thirty (30) days after written notice from Landlord or if such cure cannot be effectuated within such 30 day period then such longer period as long as Tenant commences a cure within 30 days and thereafter prosecutes the same to completion, or (iii) if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Leased Premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant; or (iv) if Tenant acts or fails to act in any way with respect to this Lease as to create a default under the Master Lease.

B. Upon the occurrence of any Event of Default (regardless of the pendency of any proceeding which had or might have the effect of preventing Tenant from complying with the terms of this Lease), Landlord at any time thereafter may exercise any one or more of the following remedies:

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(i) Termination of Lease. Landlord may terminate this Lease, without any right by Tenant to reinstate Tenant's rights by payment of Rent due or other performance of the terms and conditions hereof. Upon such termination, Tenant shall immediately surrender possession of the Leased Premises to Landlord, and Landlord shall immediately become entitled to receive from Tenant damages equal to the difference between the aggregate Rent reserved for the balance of the then current term and the fair rental value of the Leased Premises for such period, determined as of the date of such termination.

(ii) Reletting. With or without terminating this Lease, as Landlord may elect, Landlord may re-enter and repossess the Leased Premises, or any part thereof, if necessary, and lease them to any other person or entity upon such terms as shall be deemed reasonable by Landlord, for a term within or beyond the then current term of this Lease; provided, that any such reletting prior to termination shall be for the account of Tenant and Tenant shall remain liable for (a) all Fixed Rent, Additional Rent and other sums which would be payable under this Lease by Tenant in the absence of such termination or repossession, less (b) the net proceeds, if any, of any reletting effected for the account of Tenant after deducting from such proceeds all of Landlord's expenses in connection with such reletting (including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees and expenses, employees' expenses, reasonable alteration costs, and expenses of preparation for such reletting).

If the Leased Premises are at the time of default occupied by any subtenant or assignee, Landlord may, as Tenant's agent, collect rents due from such occupant and apply such rents to the Rent and other amounts due hereunder without in any way affecting Tenant's obligations to Landlord hereunder.

C. No expiration or termination of this Lease pursuant to subparagraph (B)(i) above or by operation of law, and no repossession of the Leased Premises or any part thereof pursuant to paragraph (B) above or otherwise shall relieve Tenant of Tenant's liabilities and obligations hereunder, all of which shall survive such expiration, terminations or repossession, and Landlord may, at its option, sue for and collect Rent and other charges due hereunder at any time and from time to time as and when such charges accrue.

D. Landlord may remove all persons and property from the Leased Premises, and store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

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E. The parties hereto hereby waive trial by jury in any action, proceeding, or counterclaim brought by either of them against the other with respect to any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased Premises, and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of Rent, Tenant will not interpose any counterclaim, except a compulsory counterclaim, of any nature or description in any such proceedings. This shall not be construed, however, as a waiver of Tenant's right to assert any such claim in any separate action brought by Tenant.

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

G. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy herein or by law provided, but all such rights and remedies shall be cumulative and concurrent and each shall be in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute; and such rights and remedies may be pursued singly, cumulatively and successively, as Landlord may elect.

H. No waiver by Landlord of any breach by Tenant of any of Tenant's obligations, agreements or covenants hereunder shall be a waiver of any subsequent breach or of any other obligation, agreement or covenant, nor shall any forbearance by Landlord to seek a remedy for any breach by Tenant be a waiver by Landlord of its rights and remedies with respect to such or any subsequent breach.

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

J. Both Landlord and Tenant shall each use commercially reasonable efforts to mitigate any damages resulting from a default of the other party under this Lease. Landlord's obligation to mitigate damages after an Event of Default by Tenant under this Lease shall be satisfied in full if Landlord undertakes to lease the Leased Premises to another tenant (a "Substitute Tenant") in accordance with the following criteria: (i) Landlord shall have no obligation to solicit or entertain negotiations with any other prospective tenants for the Leased Premises until Landlord obtains full and complete possession of the Leased Premises including, without limitation, the final and unappealable legal right to relet the Leased Premises free of any claim of Tenant, any subtenant or current occupant; (ii) Landlord shall not be obligated to lease the Leased Premises to a Substitute Tenant for a rental less than the current fair market rental then prevailing for similar uses in comparable properties in the same market area as the Leased Premises, nor shall Landlord be obligated to enter into a new lease under other

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terms and conditions that are unacceptable to Landlord under Landlord's then current leasing policies for comparable space; (iii) Landlord shall not be obligated to enter into a lease with any proposed tenant whose use would adversely affect the reputation of the Leased Premises; (iv) Landlord shall not be obligated to enter into a lease with any proposed Substitute Tenant which does not have, in Landlord's reasonable opinion, sufficient financial resources; (v) Landlord shall not be obligated to lease the Leased Premises prior to leasing other available space in the Building then being offered; and (vi) Landlord shall not be required to expend any amount of money to alter, remodel or otherwise make the Leased Premises suitable for use by a proposed Substitute Tenant unless: (1) Tenant pays any such sum to Landlord in advance of Landlord's execution of a substitute lease with such tenant (which payment shall not be in lieu of any damages or other sums to which Landlord may be entitled as a result of Tenant's default under this Lease); or (2) Landlord, in Landlord's sole discretion, determines that any such expenditure is financially justified in connection with entering into any such substitute lease.

K. Tenant acknowledges that pursuant to the City Sublease, the City agrees that Landlord has the right to demand that the City pay, sue the City for, or otherwise collect and receive from the City all rents, revenues, payments and income due hereunder upon or at any time while an Event of Default by Tenant exists hereunder.

19.02 Default by Landlord. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within 30 days after written notice by Tenant to Landlord and to the Master Landlord and to the holder of any mortgage encumbering Landlord's interest in the Building whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are required for its cure, then Landlord shall not be in default if Landlord commences performance within such 30 day period and thereafter diligently pursues the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default, and Tenant's remedies shall be limited to damages and/or an injunction. Notwithstanding the foregoing, Tenant shall take such action as may be reasonably possible in order to minimize its damages in the event of a Landlord default.

ARTICLE XX. NOTICES

20.01 Notices. Any notice, request or demand permitted or required to be given by the terms and provisions of this Lease (unless otherwise permitted or specified herein), or by any law or governmental regulation, either by Landlord to Tenant or by Tenant to Landlord, shall be given in writing. Unless otherwise required by such law or regulation, or unless otherwise permitted or specified herein, such notice, request or demand shall be given by Landlord to Tenant, by personal delivery against receipt or by certified or registered mail, return receipt requested, enclosed in a securely closed postpaid wrapper, in a United States Governmental general or branch post office, or by nationally recognized overnight courier, or by facsimile transmission (with a confirmation copy to follow by any of the other methods of delivery set forth above), addressed to Tenant at its

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address stated on the first page of this Lease, Attention: Austin McGreal, if sent by facsimile transmission to (215) 242-2911, with copies to the Commissioner of Public Property, City of Philadelphia, 1401 JFK Boulevard, Municipal Services Building – 10th Floor, Philadelphia, PA 19102-1677, if sent by facsimile transmission to (215) 686-4498, and the Divisional Deputy City Solicitor, Real Estate and Economic Development, City of Philadelphia Law Department, One Parkway, 1515 Arch Street, 17th Floor, Philadelphia, PA 19102, if sent by facsimile transmission to (215) 683-5069. Unless otherwise required by such law or regulation, or unless otherwise permitted or specified herein, such notice, request or demand shall be given by Tenant to Landlord, by personal delivery against receipt, by certified or registered mail, return receipt requested, enclosed in a securely closed post-paid wrapper in such a post office or by nationally recognized overnight courier, or by facsimile transmission (with a confirmation copy to follow by any of the other methods of delivery set forth above), addressed to Landlord at its address stated on the first page of this Lease, with copies to Mellon Bank, N.A., Two Mellon Center, Suite 975, Pittsburgh, Pennsylvania 15259-0001, Attention: Vice President, Corporate Operations and Real Estate, if sent by facsimile transmission to (412) 236-1762. Either party by notice as aforesaid may designate a different address or addresses for notices, requests or demands to it. All notices given pursuant to this Lease shall be deemed to have been served and given on the date of their receipt by the addressee (or the addressee's refusal to accept delivery or receipt of the same).

ARTICLE XXI. RULES AND REGULATIONS

21.01 Rules and Regulations. Tenant, its servants, employees, agents, visitors and licensees shall observe faithfully and comply strictly with the Rules and Regulations attached hereto as Exhibit 21.01. and incorporated herein. The Master Landlord has the right under the Master Lease and Landlord shall have the right hereunder from time to time during the term of this Lease to make changes in and additions to said Rules and Regulations with the same force and effect as if they were originally attached hereto and incorporated herein.

21.02 No Waiver. Any failure by Landlord and/or the Master Landlord to enforce any Rules and Regulations now or hereafter in effect, either against Tenant or any other tenant in the Building, shall not constitute a waiver of the enforceability of any such Rules and Regulations.

ARTICLE XXII. BROKER

22.01 Tenant and Landlord each represent and warrant to the other that it has not dealt with any broker, agent or intermediary in connection with this Lease other than Trammel Crow Company (Tenant's broker) and Jones Lang LaSalle Americas, Inc. (Landlord's broker) the Brokers named herein. Tenant agrees to indemnify, to defend and hold Landlord and Landlord's employees, agents, and officers and partners, if any, harmless from and against any claims made by any broker, agent or other intermediary with whom Tenant has dealt other than Tenant's Broker, with respect to any claim for broker's commission or fee or similar compensation brought by any person in connection with this Lease and Landlord agrees to indemnify, to defend and hold Tenant and

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Tenant's employees, agents and officers and partners, if any, harmless from and against any claim made by any lender, agent, or other intermediary with whom Landlord has dealt with respect to any claim for broker's commission or fee or similar compensation brought by any person in connection with this Lease other than the Brokers.

ARTICLE XXIII. MISCELLANEOUS

23.01 Tenant's Equipment. Tenant shall not move any safe or heavy or bulky equipment or other matter in or out of the Leased Premises or the Building without first notifying Landlord of the nature of said equipment and the time of such move. If the movement of such items requires special handling, Tenant agrees to employ only persons holding the appropriate qualifications and licenses) to do said work and all such work shall be done in full compliance with all applicable governmental or quasi-governmental requirements. All such movements shall be made during hours which will least interfere with the normal operations of the Building, and all damage caused by such movement of equipment or other items by Tenant or its agents in or out of the Leased Premises or the Building shall be promptly repaired by Tenant at Tenant's expense. Tenant shall not place a load upon any floor of the Leased Premises which exceeds the load per square foot which such floor was designed to carry.

23.02 Noise. Business machines and mechanical equipment belonging to Tenant which may cause noise, vibration or any other nuisance that may be transmitted to the structure or other portions of the Building or to the Leased Premises to such a degree as to raise a reasonable objection by Landlord or which interfere with the use or enjoyment by other tenants of their premises or the public portions of the Building, shall be placed and maintained by Tenant, at Tenant's cost and expense, in vibration eliminators sufficient to eliminate noise or vibration.

23.03 Excavation of Adjacent Property. In the event that an excavation or any construction should be made for building or other purposes upon land adjacent to the Building, or should be authorized to be made, Tenant shall, if necessary, afford to the person or persons causing or authorized to cause such excavation or construction or other purpose, license to enter upon the Leased Premises for the purpose of doing such work as shall reasonably be necessary to protect or preserve the wall or walls of the Building, or the Building, from injury or damage and to support them by proper foundations, pinning and/or underpinning, or otherwise.

23.04 Miscellaneous. The failure of either Landlord or Tenant to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules and Regulations attached hereto or hereafter adopted by Landlord or the Master Landlord, shall not prevent a subsequent violation from having all the force and effect of an original violation. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Leased Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agent shall not operate as a termination of this Lease or a surrender of the Leased Premises. In the event Tenant at any time desires to have Landlord sublet the Leased Premises, Landlord or Landlord's agents are authorized to receive said keys for

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such purpose without releasing Tenant from any of the obligations under this Lease. The receipt or acceptance by Landlord of Rent, or the payment of Rent by Tenant to Landlord, with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived by either Landlord or Tenant, unless such waiver be in writing signed by the party alleged to have waived such provision. No payment by Tenant or receipt by Landlord of a lesser amount than the Fixed Rent and Additional Rent required to be paid shall be deemed to be other than received on account of the earliest such Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be binding on Landlord or be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.

23.05 Entire Agreement. This Lease with its Exhibits contain the entire agreement between Landlord and Tenant and any executory agreement written or oral as to any related matter, heretofore or hereafter made by or between Landlord and Tenant shall be ineffective to change, modify, supplement, waive, release, discharge, terminate or effect an abandonment of this Lease, in whole or in part, unless such agreement of change, modification, supplementation, waiver, release, discharge, termination or effecting an abandonment, is signed subsequent to the date hereof by the party against whom enforcement is sought.

23.06 Headings and Table of Contents. The captions of Sections in this Lease and its Table of Contents are inserted only for convenient reference and in no way define, limit or describe the scope of this Lease or the intent of any provision hereof. References to Articles and Sections are to those in this Lease unless otherwise noted.

23.07 Governing Law. This Lease shall be governed by the laws of the Commonwealth of Pennsylvania. If any term, covenant, condition or provision of this Lease or the application thereof to any circumstance or to any person, firm or corporation shall be invalid or unenforceable to any extent, the remaining terms, covenants, conditions and provisions of this Lease or the application thereof to any circumstances or to any person, firm or corporation other than those as to which any term, covenant, condition or provision is held invalid or unenforceable, shall not be affected thereby and each remaining term, covenant, condition and provision of this Lease shall be valid and shall be enforceable to the fullest extent permitted by law.

23.08 Business Days. Wherever reference is made in this Lease to "Business Days", such term shall exclude from actual calendar days only holidays on which Landlord is closed for business, whether or not such days are national or union holidays.

23.09 Access; Quiet Enjoyment. Tenant's employees and agents shall have access to the Leased Premises at all times, subject to compliance with all security measures as shall from time to time be in effect for the Building. So long as Tenant pays the Rent reserved hereunder and observes and performs all of the covenants, conditions and provisions on Tenant's part to be observed and performed under this Lease, Tenant shall and may peaceably and quietly have, hold and enjoy the Leased Premises for the

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Term hereof, subject to all of the provisions of this Lease including, but not limited to, the mortgages and encumbrances referred to in Section 1.03.

23.10 Hazardous Substances.

A. Tenant shall not cause or allow the generation, treatment, storage, or disposal of Hazardous Substances on or near the Leased Premises or the Building. "Hazardous Substances" shall mean (i) any hazardous substance as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. 9601 et seq. as amended, (ii) any hazardous waste or hazardous substance as those terms are defined in any local state or federal law, regulation and ordinance applicable to the Leased Premises or the Building, or (iii) petroleum product including crude oil or any fraction thereof. In the event Tenant uses any Hazardous Substances, Tenant shall dispose of such substances in accordance with all applicable federal, state and local laws, regulations and ordinances.

B. Tenant agrees to indemnify, defend and hold harmless Landlord and Master Landlord and their respective employees, agents, successors, and assigns, from and against any and all damage, claim, liability or loss, including reasonable attorneys' and other fees, arising out of or in any way connected to the generation, treatment, storage or disposal of Hazardous Substances by Tenant, its employees, agents, contractors, or invitees, on or near the Leased Premises or the Building. Such duty of indemnification shall include, but not be limited to, damage, liability, or loss pursuant to all federal, state and local environmental laws, rules and ordinances, strict liability and common law.

C. Tenant agrees to notify Landlord immediately of any disposal of Hazardous Substances on or near the Leased Premises or the Building, of any discovery of Hazardous Substances on or near the Leased Premises or the Building, or of any notice by any Governmental Authority or private party alleging or suggesting that a disposal of Hazardous Substances on or near the Leased Premises or the Building may have occurred. Furthermore, Tenant agrees to provide Landlord with full and complete access to any documents or information in Tenant's possession or control relevant to the question of the generation, treatment, storage or disposal of Hazardous Substances on or near the Leased Premises or the Building.

D. The presence, use, and disposal of ammonia and toner and related photographic and micrographic chemicals for COM and electronic printing production services of Tenant shall not be considered a nuisance or a violation of the requirements imposed herein so long as such materials are properly used, stored and disposed of so as not to disturb the reasonable occupancy and use of other tenants or Landlord, and provided all use, storage and disposition are within any and all Environmental Protection Agency, federal, state or local rules and regulations, either currently enforced or enforceable in the future.

E. Tenant shall not be responsible for any existing condition requiring remediation under the Environmental Laws because of conditions existing as of the date

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of this Lease and not caused by Tenant, the City or their respective sublessees, employees, agents or contractors. Landlord further acknowledges and warrants that Tenant shall not be liable for, or required to remove, remediate and/or manage any Hazardous Substance located on or emanating from any portion of the Land or Building, or coming on the Land or Building from sources off the Land or Building unless caused by Tenant, the City or their respective sublessees, employees, agents or contractors. Notwithstanding anything to the contrary, any release related to or otherwise emanating from any Hazardous Substance at, on or under the Land or Building nor from sources off the Land or Building existing prior to the term of this Lease and not caused by Tenant, the City, a sublessee or their respective employees, agents or contractors, or related to or otherwise emanating from a condition subsequently caused by Landlord, its agents, employees or contractors shall be the Landlord's sole responsibility unless provided otherwise in the Master Lease. If a Hazardous Substance is discovered at the Building and pursuant to Applicable Law such Hazardous Substance must be remediated, Landlord shall be responsible for such remediation, unless the same is the responsibility of Master Landlord under the Master Lease, in which case Landlord will enforce its rights as tenant under the Master Lease in order to cause Master Landlord to perform such remediation. If due to such remediation activity Tenant is prevented from using, and does not use, all or a portion of the Leased Premises for 3 consecutive business days, then as of the 4th business day, Rent shall be abated or reduced, as the case may be, for such time that Tenant continues to be so prevented from using, and does not use, the Leased Premises or a portion thereof, in the proportion that the rentable area of the portion of the Leased Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. Such reduction or abatement shall continue until such time as the Leased Premises or portion thereof can again be used.

23.11 No Recording. Neither this Lease nor any memorandum hereof may be recorded without the express prior written consent of Landlord. Any violation of this Section shall, at the option of Landlord, be a default hereunder and in such event all remedies provided for herein including without limitation termination, may be exercised.

23.12 Additional Rent. If a time period for any payments due hereunder as "Additional Rent" is not otherwise designated, then such time period shall be 30 days after Tenant is billed therefor.

ARTICLE XXIV. RIGHT TO EXPAND

24.01 Expansion Option. If Council Approval is obtained, Tenant shall have the option to notify Landlord in writing, at any time between the first day of the 60th calendar month of the Initial Term and the last day of the 63rd month of the Initial Term, of Tenant's desire to lease additional space (the "Expansion Option") on the 5th floor of the Building (i.e., that part of the Building that is part of Landlord's Premises) ("Expansion Space"). If Tenant does not provide written notice of its desire to expand by the last day of the 63rd month, Tenant shall have waived its Expansion Option. If Tenant exercises the Expansion Option, any available Expansion Space will be identified by Landlord and made a part of the Leased Premises on date determined by Landlord which shall not be later than three months after Tenant's exercise notice; provided, that Landlord shall not

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be obligated to deliver the Expansion Space if the Expansion Space is then occupied by another tenant, until such time as the other tenant vacates the Expansion Space pursuant to the terms of its Lease. Landlord shall not be obligated to relocate an existing tenant or to institute legal proceedings if an existing tenant fails or refuses to surrender its space in order to provide Expansion Space to Tenant.

Tenant's rights under this Article 24 are personal to the Philadelphia Municipal Authority and may be exercised only if the Philadelphia Municipal Authority or the City continues to occupy the entire Leased Premises. Tenant's Expansion Option is subject to the prior rights of other tenants in the Building, including tenants of the Master Landlord which may have been given rights to any Expansion Space prior to the Commencement Date.

Following Tenant's exercise of its expansion option, Landlord and Tenant will enter into an amendment to this Lease evidencing the addition of the Expansion Space to the Leased Premises for the remainder of the term and at the Fixed Rent then in effect under this Lease.

If at the time of Tenant's exercise of its Expansion Option Landlord is unable to identify any available Expansion Space on the 5th floor Landlord shall use reasonable efforts to identify Expansion Space that may be available on other floors of the Building that are part of Landlord's Premises under the Master Lease, subject to pre-existing rights of other tenants in the Building (including tenants of the Master Landlord) and subject to the terms of this Article XXIV.

Tenant shall be entitled to a tenant improvement allowance which may be used by Tenant only to defer costs incurred by Tenant in connection with T/I Work in the Expansion Space. Such allowance shall be equal to the product of \$35.00 per square foot of Expansion Space multiplied by a fraction, the numerator of which shall be the number of months remaining in the Initial Term and the denominator of which shall be 132.

ARTICLE XXV. SERVICES AND EQUIPMENT

25.01 Services. So long as no Event of Default has occurred and is continuing, Landlord shall, subject to the provisions of Article 17 hereof, provide heating, ventilating and air-conditioning throughout the Leased Premises during Normal Business Hours and during normal heating and cooling seasons, provided the Building standard occupancy conditions are not exceeded in any partitioned area or subdivision of the Leased Premises.

25.02 Supplementary Equipment. Tenant and Landlord acknowledge that as part of the initial T/I Work, supplemental HVAC equipment was installed to serve exclusively the Leased Premises. Tenant agrees to pay all charges associated with the usage of the supplemental equipment. In addition, Tenant understands that after the Commencement Date, any occupancy of the Leased Premises above the Building standard occupancy conditions, or any rearrangement of partitioning which interferes with normal operation of the HVAC system may require changes or alterations in said systems, or in the ducts

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through which the same operates, and Tenant accordingly agrees that any changes or alterations so occasioned shall be made only with the prior written consent of Landlord and shall be done by Landlord, at Tenant's expense, and in accordance with the plans and specifications of Tenant to be submitted to and approved in writing by Landlord. Any such determination that changes to systems or ducts are necessary under this Section 25.02 shall be made by Landlord's engineer, in its reasonable and professional judgment, and Tenant shall have the opportunity to review the findings of such engineer.

Whenever heat-generating machines or equipment installed by Tenant affect the air-conditioning systems or the population or electrical load exceeds the Building standard occupancy conditions, Landlord's responsibility for providing heating, ventilating and air-conditioning shall be reduced accordingly. Landlord reserves the right to install at Tenant's expense supplementary air-conditioning equipment and equipment auxiliary to such supplementary air-conditioning equipment in the Leased Premises, and the charge for such installation or operation shall be paid by Tenant to Landlord as Additional Rent.

25.03 Additional Service Needs. Should Tenant require heating, ventilating, or air-conditioning service on days or hours other than Normal Business Hours, Landlord shall, upon reasonable advance notice by Tenant, furnish such additional service and Tenant agrees to pay Landlord for such service as Additional Rent, at the hourly after-hours rate then applicable to the Building. As of the date of this Lease, such after-hours rate is \$55.00 per hour per zone.

25.04 Elevator. Landlord shall provide passenger elevator service (which may be automatic, at Landlord's option) in common with others during Normal Business Hours and have an elevator servicing the Leased Premises subject to call at other times.

Landlord shall provide freight elevator service in common with others during Normal Business Hours. If Tenant shall require freight elevator service and/or use of the Building loading dock outside of Normal Business Hours, Tenant shall pay Landlord for the services of Building personnel attributable to the services required as Additional Rent.

25.05 Water. Landlord shall provide hot and unheated water for drinking, lavatory, toilet and ordinary cleaning purposes drawn through facilities installed by Landlord. If Tenant requires, uses or consumes water for any other purpose, Tenant agrees to the installation of a meter or meters to measure Tenant's domestic water consumption and Tenant further agrees to pay Landlord, as Additional Rent, for the meter or meters and the installation thereof, for the maintenance of said meter equipment and for the water consumed. The charge for all excess water consumed as measured by said meter or meters and any sewerage charges specifically applicable to such water consumption shall be paid as Additional Rent.

25.06 Cleaning. Landlord shall provide standard cleaning and janitorial services in and about the Building and the Leased Premises (Saturdays, Sundays and Holidays

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excepted) substantially in accordance with Exhibit 25.06 attached hereto, as may be amended from time to time.

To the extent that Tenant shall require special or more frequent cleaning and janitorial service, Landlord shall, upon reasonable advance notice by Tenant, furnish such special cleaning services for which Tenant agrees to pay as Additional Rent.

Without limiting the generality of the foregoing, the following shall be considered to be "special cleaning services".

- (i) The cleaning and maintenance of Tenant's eating facilities, including any trash removal in excess of the Building standard janitorial service outlined in Schedule 25.06.
- (ii) The cleaning and maintenance of Tenant's computer centers, including periphery areas and removal of waste paper therefrom.
- (iii) The cleaning and maintenance of special equipment areas, private toilets and locker and storage rooms, medical centers and large scale reproduction rooms.
- (iv) The cleaning and maintenance in areas of special security such as storage vaults.
- (v) Consumable supplies for private toilet rooms.
- (vi) All cleaning services performed at times other than normal cleaning hours.
- (vii) Any extra cleaning of the Leased Premises required because of the carelessness or indifference of Tenant.

25.07 Landlord Policies. Notwithstanding anything to the contrary in this Article 25 or contained in this Lease, Landlord may institute such reasonable policies, programs and measures as may be necessary, required or expedient for the conservation and/or preservation of energy or energy services, or as may be reasonably necessary to comply with applicable laws, codes, rules or regulations.

ARTICLE XXVI. ELECTRICITY

26.01 Electric Service. Electric current shall be supplied by Landlord to Tenant as herein provided. The Rent includes a charge for consumption of electricity for the Building standard lighting fixtures installed in the Leased Premises and for normal small office machines and fixtures connected to the Building standard 100-volt, single phase outlets, during Normal Business Hours. Tenant shall pay monthly to Landlord, as Rent, for the consumption of electricity used in the Leased Premises for a total connected load in excess of a total of 4.5 watts per square foot of rentable area occupied by Tenant at a

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rate computed on Landlord's average cost per kilowatt hour. Such average cost shall be determined by dividing the total kilowatt hours used in the Building into the total cost of the utility company's electricity invoices for the Building. The amount of electrical consumption in the Leased Premises for a total connected load in excess of 4.5 watts shall be determined by Landlord's reasonable estimate, or if requested by Tenant, by an engineering analysis and/or study by a consultant retained by Landlord, such study to be at the Tenant's sole cost. For computer floors and other special installations, additional electrical usage shall be determined by measurement by electric meters to be installed as required by Landlord at Tenant's sole cost.

Should Tenant require electrical current beyond Normal Business Hours, Tenant agrees to pay Landlord (based on the above method of calculating costs) for any consumption. At the request of Landlord, Tenant shall, at Tenant's sole cost and expense, have submeters installed in the Leased Premises to meter Tenant's electrical consumption for areas requiring continuous HVAC service and power consumption.

Charges for excess or overtime electrical consumption shall be billed and paid as Additional Rent.

26.02 Replacement Items. Tenant shall pay Landlord as Additional Rent, for all replacement lamps, bulbs, starters and ballasts used in the Leased Premises, including the charge for installation thereof, such payments to be deemed to be and be paid as Additional Rent.

26.03 Unavailability. Landlord shall not be liable to Tenant for any loss, damage or expense which Tenant may sustain or incur if either the quantity or character of electric service is changed or is no longer available or suitable for Tenant's requirements as a result of governmental regulation, deregulation or action, or any other cause beyond Landlord's reasonable control. Further, Landlord shall not be liable for any electrical supply failure (whether full or partial) arising from causes beyond Landlord's control.

26.04 Capacity. Tenant covenants and agrees that at all times its use of electric current shall not exceed Tenant's proportionate share of the capacity of existing feeders to the Building or the risers or wiring installation. Any riser or risers or wiring to meet Tenant's excess electrical requirements, upon written request of Tenant, will be installed by Landlord, at the sole cost and expense of Tenant if, in Landlord's sole judgment, the same are necessary and will not cause permanent damage or injury to the Building or the Landlord's Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants or occupants.

26.05 Alterations. Tenant shall make no alterations or additions to the electric equipment or installation without the prior written consent of Landlord in each instance and all work shall be done by Landlord at Tenant's expense in accordance with plans and specifications of Tenant to be submitted and approved by Landlord.

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26.06 Illegality. If, at any time when Landlord is furnishing electric current to the Leased Premises pursuant to this Article, it becomes illegal for Landlord to continue to do so, Landlord may, upon not less than thirty (30) days' prior written notice to Tenant, discontinue the furnishing of such electric current. If Landlord gives any such notice of discontinuance, Landlord shall make all the necessary arrangements with a public utility to furnish such electric current to the Leased Premises, but Tenant will contract directly with such public utility for the supplying of such electric current to the Leased Premises and Operating Expenses shall be appropriately adjusted.

ARTICLE XXVII. SIGNAGE

27.01 Signs. Landlord shall, at Tenant's expense, identify Tenant or a City Agency on the Building directory; provided that Tenant shall be entitled to no more than one listing at any one time. Further, subject to Landlord's approval, directional signage for City Agencies occupying the Leased Premises will be permitted at the 5th floor elevator lobby and main entrance to the Leased Premises, at Tenant's expense.

27.02 Conditions for Signage.

A. The installation of all signage (including the directory board) and the maintenance and removal thereof shall be at the sole cost and liability of Tenant and installation of Tenant's signage, except for the directory board, shall be the responsibility of Tenant unless otherwise determined by Landlord.

B. Signage shall be of the same size, color and texture as similar signs of other tenants in the Building, at locations approved by Landlord, and shall be subject to applicable Rules and Regulations promulgated from time to time by Landlord and/or the Master Landlord. Any consent or approval required by the Landlord under this Article 27 shall not be unreasonably withheld, provided it complies with this Section 27.02.

ARTICLE XXVIII. SECURITY DEPOSIT

28.01 Security Deposit. Landlord waives the requirement that Tenant pay a security deposit to secure Tenant's obligations under this Lease. Provided, that the foregoing waiver of security deposit is personal to the Philadelphia Municipal Authority, and the City of Philadelphia and if at any time this Lease should be assigned (subject to the terms and conditions of Article VIII) then Landlord shall have the right to require a security deposit from the assignee. Any deposit so collected hereunder shall be held by Landlord as security for the full and faithful performance of the terms, covenants and conditions of this Lease. If default shall be made in the payment of Fixed Rent or Additional Rent required to be paid by Tenant, or default shall be made by Tenant in the performance of any of the other covenants, agreements or conditions by it to be kept and performed hereunder, Tenant hereby authorizes Landlord, at its election, without notice and without terminating this Lease, to apply the funds so deposited in payment of Fixed Rent or Additional Rent due hereunder or in remedying any other default hereunder, or Landlord may terminate this Lease by reason of any such default and retain said funds as

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liquidated damages for any such default and not by way of penalty. Any action taken by Landlord under this Section shall not be construed to be a waiver of any of its other rights available under this Lease by law, or in case of subsequent default, of any of its rights to enforce any remedy available to Landlord by law or under the provisions of this Lease, including the remedies set forth in this Section. If said security or any part thereof is used, applied or retained in curing any default, Tenant, upon demand, shall immediately deposit with Landlord an amount in cash equal to the amount so used, applied or retained and if Tenant shall fail to do so, such failure shall constitute a default under this Lease, affording Landlord the same remedies as a default in payment of Rent. Within sixty (60) days after the expiration of the tenancy hereby related, whether by lapse of time or otherwise, provided Tenant shall not then be in default hereunder and shall have complied with all of the terms, covenants and conditions of this Lease, including the yielding up of the immediate possession of the Leased Premises to Landlord, Landlord, upon being furnished with affidavits and other satisfactory evidence by Tenant that Tenant has paid all bills incurred by it in connection with its performance of the terms, covenants and conditions of the Lease, shall return to Tenant, without interest, said deposit or such portion thereof then remaining on deposit with Landlord hereunder.

ARTICLE XXIX. NONDISCRIMINATION POLICY

29.01 Nondiscrimination. This Lease is entered into under the terms of the Philadelphia Home Rule Charter and in the performance of this Lease, Landlord shall not discriminate nor permit discrimination against any person because of race, color, religion, or national origin. Any such discrimination constitutes a breach of this Lease entitling Tenant to exercise any or all of its rights and remedies at law, in equity, or under this Lease.

29.02 Membership Fees and Other Expenses. In accordance with Chapter 17-400 of The Philadelphia Code, Landlord 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 any other provision of this Lease, after notice to Landlord and an opportunity to cure pursuant to Section 19.02, an Event of Default by Landlord entitling the Tenant to all rights and remedies provided in this Lease or otherwise available in law or equity. Landlord agrees to include appropriate nondiscrimination language in all subcontracts which are required to be entered into under this Lease. Landlord further agrees to cooperate with the Commission on Human Relations of the City in any manner which the said Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of The Philadelphia Code; provided, however, that such cooperation will not require Landlord to expend any funds. Without limiting the generality of any other provision of this Lease, failure to so cooperate constitutes, after notice to Landlord and an opportunity to cure pursuant to Section 19.02 an Event of Default by Landlord entitling the Tenant to all rights and remedies provided in this Lease or otherwise available in law or equity.

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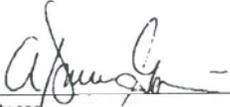
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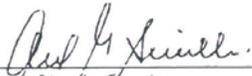
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F.UJ

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed and sealed this Lease as of the date first above written.

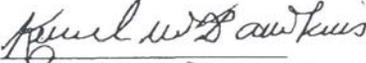
LANDLORD: MELLON BANK, N.A.


Witness

By: 
Name: Alex G. Scoville
Title: Senior Vice President

TENANT: PHILADELPHIA
MUNICIPAL AUTHORITY


Witness

By: 
Name: KEMEL W. DAWKINS
Title: CHAIRMAN

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EXHIBIT A

Land

ALL THAT CERTAIN tract or piece of ground with the buildings and improvements thereon erected, described according to a Survey of the Property prepared by Barton & Martin Engineers in the City of Philadelphia, Pennsylvania dated 12/12/1996, as follows, to wit:

BEGINNING at the point of intersection of the North line of Market Street with the West line of 7th Street in the 5th Ward of the City of Philadelphia; thence extending Westwardly on and along the North line of Market Street 396 feet to its point of intersection with the East line of 8th Street; thence extending Northwardly on and along the said East line of 8th Street 352 feet 9 1/4 inches to its point of intersection with the South line of Filbert Street; thence extending Eastwardly on and along the said line of Filbert Street 397 feet and 1/8 inches to the West line of said 7th Street and thence Southwardly on and along the said West line of 7th Street 351 feet 11 5/8 inches to the point and place of beginning.

BEING No. 701-739 Market Street.

TOGETHER with perpetual easements set forth in Paragraph 2 of that certain Agreement Concerning Pedestrian Bridge and Parking Garage and Mutual Release and Surrender of Utility Easements dated September 3, 1985, and recorded September 6, 1985 in Deed Book FHS 0245 Page 166 of the Department of Records of the City of Philadelphia.

ALSO TOGETHER with any interest in the bed of former Filbert Street.

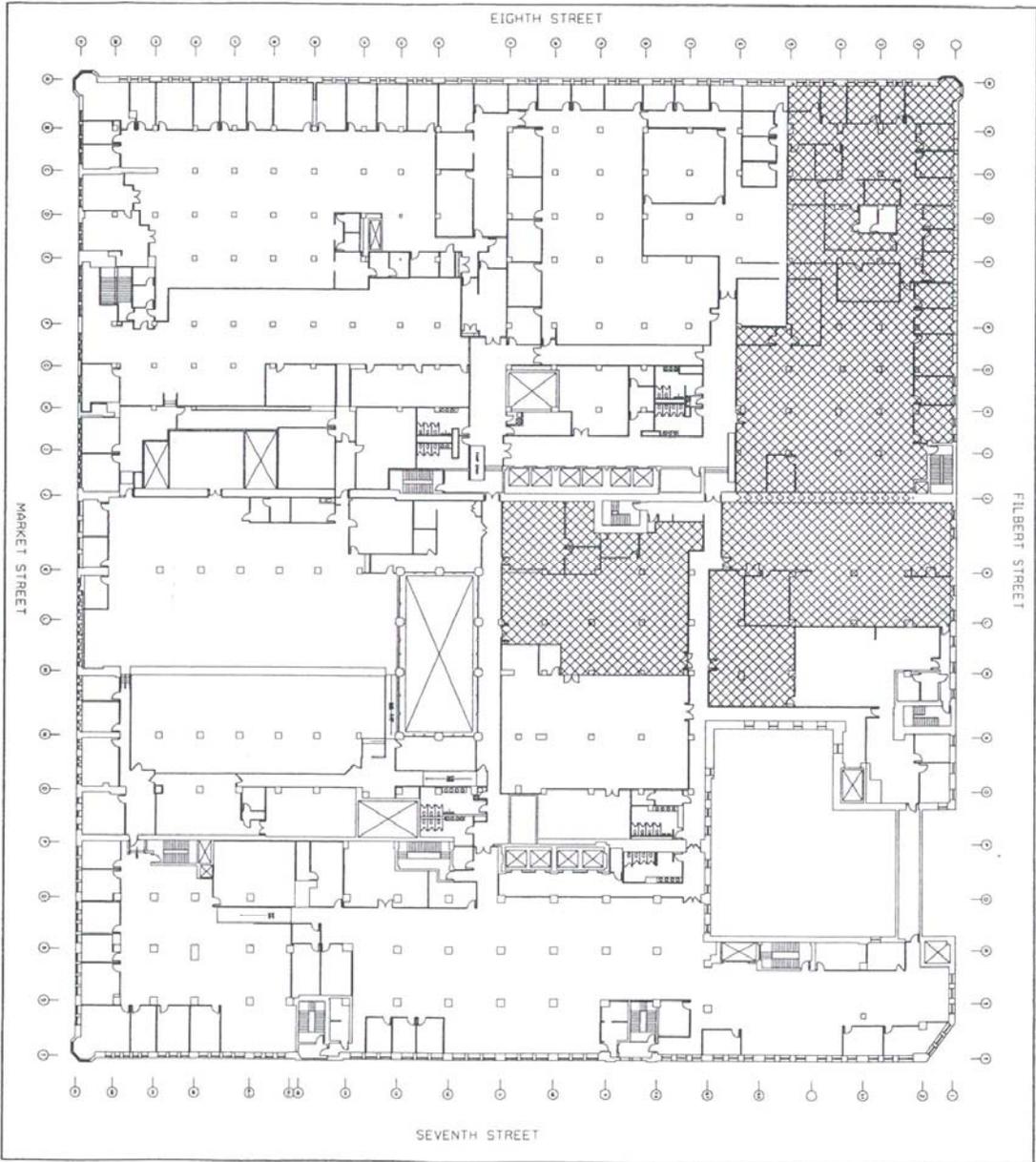
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Exhibit 1.01



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SCHEDULE 3.03

Construction Schedule

- | | | |
|--|-----------|--------------------------|
| • Design Development and Construction Documents by John Partridge Architects | 2.5 weeks | April 26 to May 11, 2004 |
| • Demolition (walls, carpet, etc.) | 2 weeks | May 6 to May 21, 2004 |
| • Contract Negotiations and Award | 1 week | May 12 to May 18, 2004 |
| • Construction Phase | 5 weeks | May 19 to June 22, 2004 |
| • Final Completion/Move-in | 1 week | June 23 to June 30, 2004 |

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EXHIBIT 5.02

Prohibited Uses

1. The rendition of medical, psychological or therapeutic service except to Tenant's own employees or the employees of Tenant's permitted assigns or subtenants.
2. The conduct of any auction.
3. The conduct of any school.
4. The conduct of any gambling activity.
5. The conduct of any employment agency (excluding an Executive Search).
6. Commercial Banking including a retail bank and/or Operation Center.
7. Sale of obscene or pornographic material. Pornographic defined as matter with lewd or prurient sex activity.
8. Obscene, nude, or semi-nude live performances including, but not limited to, nude modeling, sex club, rap sessions, rubber goods shop or massage parlor.

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Exhibit 8.01

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") is made as of _____, 2004, between PHILADELPHIA MUNICIPAL AUTHORITY, a municipal authority organized under the Pennsylvania Municipal Authorities Act of 1945 (the "Authority") and THE CITY OF PHILADELPHIA, a body politic and corporate organized under the laws of the Commonwealth of Pennsylvania (the "City").

BACKGROUND

A. The Authority this day has entered into a Lease Agreement for a portion of the fifth floor in the building known as the Mellon Independence Center, 701 Market Street, Philadelphia, as of the same date hereof, a copy of which is attached hereto as Exhibit "A" (the "Lease") with **MELLON BANK, N.A.**, ("Landlord") a national banking association organized and existing under the laws of the United States of America with an office at Mellon Independence Center, Seventh and Market Streets, P.O. Box 7899, Philadelphia, Pennsylvania, 19101-7899 for premises described in the Lease (the "Leased Premises").

B. The Lease contemplates the sublease of the entire Leased Premises to the City.

C. The Authority and the City wish to set forth their agreements in writing as to the Leased Premises.

NOW THEREFORE, subject to the covenants, terms, provisions and conditions of this Sublease and the Lease, the Authority hereby subleases to the City, and the City hereby accepts the Leased Premises for the term and on the conditions set forth herein.

1. Term. The term of this Sublease shall be concurrent with the term of the Lease, minus one (1) day, unless sooner terminated, as provided herein.

2. Possession. Subject to the terms and provisions of this Sublease, the City shall have possession of the Leased Premises during all periods during which the Authority is entitled to possession under the Lease, minus one (1) day.

3. Rent and Other Payments.

(a) The City shall pay to the Authority at 100 South Broad Street, Land Title Building, Suite 1525, Philadelphia, PA 19110, or at such other place as the Authority may from time to time designate in writing, in coin or currency which, at the time of payment, is legal tender for private or public debts in the United States of America, all amounts required to be paid under the terms of the Lease, whether designated minimum rent, additional rent or otherwise

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designated, which amounts shall be paid at times which will permit the Authority to make payments when due under the Lease.

(b) The City acknowledges and agrees that under the Lease, the Authority has irrevocably granted Landlord the right to demand that the City pay, sue the City for or otherwise collect and receive from the City all rents, revenues, payments and income due thereunder upon or at any time while an Event of Default by the Authority exists under the Lease. The City agrees that for so long as this Sublease is in effect Landlord shall have the right to demand and collect from the City unpaid rent and other amounts due under the Lease after an Event of Default by the Authority and City agrees to pay the same over to Landlord upon such demand. The City hereby authorizes Landlord to bring suit against the City if rent and other amounts due remain unpaid and such non-payment constitutes an Event of Default by the Authority under the Lease.

4. Use of the Premises. The City shall use the Leased Premises in accordance with the provisions of the Lease. The City specifically acknowledges and consents to, and agrees to be bound by, Article V and Article VIII of the Lease.

5. Lease Requirements.

(a) This Sublease is subject and subordinate to the Lease, and the parties intend that the terms and conditions of this Sublease shall be identical to the terms and conditions of the Lease, except as to specific matters and payments referred to herein, and the obligations of the Authority, as tenant under the Lease, are incorporated herein as the obligations of the City, and the City agrees that it shall have and perform all obligations of the Authority as tenant under the Lease, and the Authority shall have all rights and remedies hereunder that the Landlord has as landlord under the Lease. The City agrees, however, that it shall not be relieved of any obligations set forth herein, explicitly or by reference, by reason of any default or failure of the Authority hereunder.

(b) Any notice, determination, or decision to be made by the Authority as tenant under the Lease shall be made in consultation with the City, provided that any notice, determination, or decision made by the Authority as tenant under the Lease shall be binding upon the Authority and the City, and may be relied upon by the Landlord under the Lease.

(c) The Authority agrees that it will enforce, for the benefit of the City, all of its rights as Tenant under the Lease and will apply for all benefits owed to the Tenant under the Lease, including, but not limited to, any rent credits or payments due from the Landlord.

6. Notices. All notices to be given under this Sublease shall be in writing and shall be deemed sufficiently given or delivered if delivered personally or deposited in the United States mail, certified or registered mail, with return receipt requested, postage prepaid, addressed as follows:

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(a) if to the Authority:

100 South Broad Street
Land Title Building
Suite 1525
Philadelphia, PA 19110

or to such other person or such other address designated by notice sent by the Authority to the City.

(b) if to the City:

Commissioner, Department of Public Property
1030 Municipal Services Building
1401 John F. Kennedy Blvd.
Philadelphia, Pennsylvania 19102-1677

with copy to:

Divisional Deputy City Solicitor, Real Estate & Economic Development
The City of Philadelphia Law Department
17th Floor, One Parkway
1515 Arch Street
Philadelphia, Pennsylvania 19102-1595,

or to such other person or such other address designated by notice sent by the City to the Authority.

7. Non-discrimination and Disadvantaged Business Enterprises.

(a) This Sublease is entered into under the terms of the Philadelphia Home Rule Charter and in the performance of this Sublease, the Authority shall not discriminate nor permit discrimination against any person because of race, color, religion, or national origin. Any such discrimination constitutes a breach of this Sublease entitling the City to exercise any or all of its rights and remedies at law, in equity, or under this Sublease.

(b) In accordance with Chapter 17-400 of The Philadelphia Code, the Authority 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

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ancestry, constitutes, without limiting the generality of any other provision of this Sublease, a substantial breach of this Sublease entitling the City to all rights and remedies provided in this Sublease or otherwise available at law or in equity. The Authority agrees to include appropriate nondiscrimination language in all subcontracts which are entered into under this Lease. The Authority further agrees to cooperate with the Commission on Human Relations of the City in any manner which the said Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of The Philadelphia Code; provided, however, that such cooperation will not require the Authority to expend any funds. Without limiting the generality of any other provision of this Sublease, failure to so cooperate shall constitute a substantial breach of this Sublease entitling the City to all rights and remedies provided herein or otherwise available at law or in equity.

(c) In accordance with Executive Order 1-03, the City is committed to the policy of fostering an environment of inclusion in which all businesses are free to participate in business opportunities and to flourish without the impediments of discrimination. The Authority supports this policy and has voluntarily agreed to use its best efforts to provide that Minority-, Women-, and Disabled-Disadvantaged Business Enterprises have the maximum practicable opportunity to compete for work under this Sublease pursuant to new contracts entered into by Authority after the commencement date under the Lease that pertain to the Leased Premises.

8. Certification of Non-indebtedness. The Authority hereby certifies and represents that the Authority and the Authority's parent company(ies) and subsidiary(ies) are not currently indebted to the City, and will not at any time during the term of this Sublease (including any extensions or renewals thereof) be indebted to the City, 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), liens, judgments, fees or other debts for which no written agreement or payment plan satisfactory to the City has been established. In addition to any other rights or remedies available to the City at law or in equity, the Authority acknowledges that any breach or failure to conform to this certification may, at the option of the city, result in the termination of this Sublease for default.

9. The parties hereto agree that no amendment to this Sublease shall be effective without the prior written consent of Landlord; provided, however, that Landlord's consent shall not be required for amendments to this Sublease that have no effect or impact whatsoever on Landlord or the Lease or Landlord's rights hereunder or under the Lease, it being understood, however, that any amendment that may have such effect or impact shall not be effective without Landlord's consent. By way of example, and not limitation, any amendment to this Sublease that changes the term of this Sublease or changes the monetary or other obligations of the City shall be subject to Landlord's prior written consent.

10. The parties hereto agree that no termination of this Sublease shall be effective without the prior written consent of Landlord.

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IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first above written.

**PHILADELPHIA MUNICIPAL
AUTHORITY**

Attest:

By: _____
Title: _____

By: _____
Title: _____

Approved as to form:
Pedro A. Ramos, City Solicitor

**CITY OF PHILADELPHIA, acting
through the Department of Public
Property**

Per: _____
Daniel S. Shah
Deputy City Solicitor

By: _____
Joan Schlotterbeck
Commissioner of Public Property

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EXHIBIT 21.01

Rules and Regulations

1. Fire exits and stairways are for emergency use only, and they shall not be used for any other purpose by the tenants, their employees, licensees or invitees. No tenant shall encumber or obstruct, or permit the encumbrance or obstruction of or store or place any materials on any of the sidewalks, plazas, entrances, corridors, elevators, fire exits or stairways of the Building. The Landlord reserves the right to control and operate the public portions of the Building and the public facilities, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally.
2. The cost of repairing any damage to the public portions of the Building or the public facilities or to any facilities used in common with other tenants, caused by a tenant or the employees, licensees or invitees of such tenant, shall be paid by such tenant.
3. Any person whose presence in the Building at any time shall, in the judgment of the Landlord, be prejudicial to the safety, character, reputation and interests of the Building or its tenants may be denied access to the Building or may be ejected therefrom. In case of invasion, riot, public excitement or other commotion the Landlord may prevent all access to the Building during the continuance of the same, by closing the doors or otherwise, for the safety of the tenants and protection of property in the Building. The Landlord shall in no way be liable to any tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from the tenant's premises or the Building under the provisions of this rule.
4. No awnings or other projections over or around the windows shall be installed by any tenant and only such window blinds as are permitted by the Landlord shall be used in a tenant's premises.
5. Hand trucks shall not be used in any space, or in the public halls of the Building, either by the Tenant or by others, in the delivery or receipt of merchandise, except those equipped with rubber tires and side guards.
6. All entrance doors in each tenant's premises shall be kept locked when the tenant's premises are not in use. Entrance doors shall not be left open at any time. All windows in each tenant's premises shall be kept closed at all times and all blinds therein above the ground floor shall be lowered when and as reasonably required because of the position of the sun, during the operation of the air conditioning system to cool or ventilate the tenant's premises.

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7. No noise which, in the judgment of the Landlord, might disturb other tenants in the Building shall be made or permitted by any tenant, and no cooking shall be done in the Tenant's premises, except in areas expressly approved by the Landlord. No tenant shall permit any cooking or food odors emanating from the premises demised to it to seep into other portions of the Building. Nothing shall be done or permitted in any tenant's premises, which would impair or interfere with any of the Building services or the proper and economic servicing of the Building or the premises, or the use or enjoyment by any other tenant any ventilating, air conditioning, electrical or other equipment of any kind which, in the judgment of the Landlord, might cause any such impairment or interference. No dangerous, inflammable, combustible or explosive object or material shall be brought into the Building by any tenant or with the permission of any tenant.

Whenever any tenant shall submit to Landlord any plan, agreement or other document for Landlord's consent or approval, such tenant agrees to pay Landlord as additional rent, on demand, a processing fee in a sum equal to the reasonable fee of any architect, engineer or attorney employed by Landlord to review said plan, agreement or document.

8. No acids, vapors or other materials shall be discharged or permitted to be discharged into the waste lines, vents or flues of the Building which may damage them. The water and wash closets and other plumbing fixtures in or serving any tenant's premises shall not be used for any purpose other than the purpose for which they were designed or constructed, and no sweepings, rubbish, rags, acids or other foreign substances shall be deposited therein. All damage resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.
9. No signs, advertisements, notice or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside or inside the premises or the Building without the prior written consent of Landlord. The tenant shall cause the exterior of any permitted sign to be kept clean, properly maintained and in good order and repair throughout the term of its lease. In the event of the violation of the foregoing by any tenant, Landlord may remove the same without any liability, and may charge the expense incurred by such removal to the tenant or tenants violating this rule. Landlord shall have the right to prohibit any advertising by any tenant which impairs the reputation of the Building, and upon written notice from Landlord, such tenant shall refrain from or discontinue such advertising.
10. Each tenant shall at its expense, provide artificial light in the premises demised to such tenant for Landlord's agents, contractors and employees while performing services and making repairs or alterations in said premises.
11. The tenant's employees shall not loiter around the hallways, stairways, elevators, front, roof or any other part of the Building used in common by the occupants thereof.

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12. If the premises demised to any tenant become infested with vermin, such tenant, at its sole cost and expense, shall cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved by Landlord.
13. All movers used by any tenant or occupant of the Building shall be appropriately licensed and shall maintain adequate insurance coverage (proof of such coverage shall be delivered to Landlord prior to movers providing service in and throughout the Building). Each tenant shall protect the premises demised to it from damage or soiling by such tenant's movers and contractors and shall pay for extra cleaning or replacement or repairs by reason of such tenant's failure to do so.
14. If the premises demised to any tenant shall be situated on the ground floor of the Building, the tenant shall cause all exterior windows facing on any street or avenue to be thoroughly cleaned inside and out at least once per calendar month.
15. No premises shall be used for lodging or sleeping or for any immoral or illegal purpose.
16. Canvassing, soliciting and peddling in the Building are prohibited and each tenant shall cooperate to prevent the same.

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EXHIBIT 25.06

Building Cleaning Specifications

Nightly

Empty all waste receptacles (including those in employee breakroom areas)
Remove all collected trash
Vacuum trash areas
Dust mop all hard surface floors
Wipe down countertops in kitchen areas
Spot clean kitchen floor
Public Restrooms - disinfect urinals, commodes, vanities and floors, restock paper and soap supplies, spot clean mirrors

Weekly

Low dusting
Dust wipe and sanitize telephones
Vacuum floors not covered in nightly cleaning
Edge clean along baseboards
Brush or vacuum fabric chairs
Wet mop all hard surface floors
Spot clean carpet

Monthly

High Dusting
Spray buff all hard surface floors
Clean baseboards
Public Restrooms - disinfect partitions and walls

Every 4 months

Machine scrub hard surfaces floors and apply one coat of polish

There is an additional cost to maintain above building standard finishes, i.e. private restrooms, conference centers, computer rooms, walls, floors, lights and door finishes, etc.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on April 14, 2005. The Bill was Signed by the Mayor on April 27, 2005.



Patricia Rafferty
Chief Clerk of the City Council