LEASE AGREEMENT

This Lease Agreement ("**Lease**") is made this ___ day of ____, 2009, by and between THE CITY OF PHILADELPHIA, acting through the DEPARTMENT OF PUBLIC PROPERTY ("**City**") and the BOYS & GIRLS CLUBS OF PHILADELPHIA ("**BGCP**"), a Pennsylvania nonprofit corporation, with an address and principal place of business located at 1518 Walnut Street, Suite 712 , Philadelphia, PA 19102.

Background

1. The City is the owner of certain property and Improvements (defined below) located at 328 W. Coulter Street, Philadelphia, Pennsylvania ("**Premises**"). The Premises is more particularly described in **Exhibit A**, which is attached to and made part of this Lease.

2. BCGP is an organization that provides a wide range of services to the children in Philadelphia. BGCP's programs and services promote and enhance the development of boys and girls by instilling a sense of competence, usefulness, belonging and influence. BGCP provides programming to the community from the Premises as more fully set forth in **Exhibit B**, which is attached to and made part of this Lease ("**BGCP Services**").

3. BGCP has occupied the Premises under that certain lease with the City dated October 24, 1980 and now desires a new long term lease for the Premises so it may continue to perform BGCP Services at the Premises.

4. The City is willing to lease the Premises to BGCP for the purposes of performing the BGCP Services and BGCP is willing to lease the Premises from the City, subject to the terms and conditions set forth below.

NOW THEREFORE, in consideration of the mutual covenants of City and BGCP, and for other good and valuable consideration, the receipt of which is acknowledged, City and BGCP, intending to be legally bound, agree as follows:

ARTICLE 1
PREMISES

1.01 Beginning on the Commencement Date (defined below), City leases to BGCP, and BGCP leases from City, the Premises, subject to the terms and conditions of this Lease.

1.02 At all times during the Term of this Lease, the Premises shall be and remain owned by and titled in the City of Philadelphia. No legal title or easement shall be deemed to be created or vested in BGCP or subtenant by anything contained in this Lease.

1.03 (a) BGCP accepts the Premises, including all improvements on the Premises, in their "AS IS" condition, including without limitation:

i. the zoning applicable to the Premises, and

ii. the present uses and non-uses of the Premises.

(b) BGCP agrees that it shall have no recourse to City as to the title to the Premises, encumbrances, restrictions and conditions in, on, or about the Premises, the nature or usability of the Premises, or the use or uses to which the Premises or any part of the Premises may be put.

(c) Without in any way limiting this Section 1.03, City makes no representation or warranty regarding compliance by the Premises with any Applicable Law (as defined in Article 20 below), including but not limited to compliance with laws regulating hazardous substances and that law commonly known as the Americans With Disabilities Act of 1990, P.L. Sections 101-336, codified generally at 42 U.S.C. §§ 12101 et. seq., and all rules, regulations and guidelines promulgated pursuant to that law ("**ADA**"), as any or all of the foregoing may be amended from time to time.

1.04 City shall not in any event be liable for any injury or damage to any property or to any person occurring in, on, or about the Premises and its appurtenances, nor to any property, whether belonging to BGCP or any other person, caused by any fire, breakage, leakage, defect or condition in any part of the Premises, or from water, rain or snow that may leak into, issue or flow from any part of the Premises, from the drains, pipes, or plumbing work of the same, or from any place or quarter, or due to the use, misuse or abuse of all or any of the hatches, openings, installations, stairways or hallways of any kind whatsoever which may now or hereafter be erected or constructed in or on the Premises, or from any kind of injury which may arise from any other condition whatsoever on the Premises.

1.05 Despite any other provision of this Lease, this Lease does not obligate the City to appropriate or spend money at any time.

ARTICLE 2
USE OF PREMISES

2.01 BGCP shall occupy and use the Premises, and/or shall cause the Premises to be occupied and used by BGCP, on a year-round basis for the following purposes only:

(a) to perform the BGCP Services, as may be amended from time to time during the Term of this Lease, on the Premises; and

(b) to operate, manage, and perform maintenance and capital repairs of the Premises in strict accordance with this Lease.

2.02 BGCP shall not sell, distribute or permit the presence in, on, or about the Premises of any liquor or malt or brewed beverages as defined in the Pennsylvania Liquor Code, currently codified at 47 P.S. §§ 1-101 et. seq. except as approved in advance by the City in writing.

2.03 BGCP shall not use or permit the use of the Premises in violation of any Applicable Law or in violation of this Lease. BGCP shall not suffer any act to be done or any condition to exist in, on, or about the Premises or any part of the Premises or any article to be brought onto the Premises which may be dangerous or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect to the Premises or any part of the Premises.

2.04 BGCP shall not permit the Premises or any part of the Premises to be used in any manner as might tend to impair the City's title to any or all of the Premises, or in such manner as might make possible a claim or claims of adverse usage or adverse possession by the public or of implied dedication of any or all of the Premises.

2.05 Except as otherwise permitted under this Lease, BGCP shall not permit any commercial activities on the Premises. City shall have the exclusive right to authorize any commercial enterprise on the Premises.

2.06 BGCP shall manage, operate and maintain the Premises and other improvements on the Premises in strict accordance with Applicable Laws.

2.07 Except as provided for in the terms of this Lease, BGCP shall provide or contract for all services and equipment necessary and desirable to safely occupy, use, and operate the Premises and fulfill its obligations under this Lease.

2.08 BGCP shall not impose or charge any fees to persons licensing use of some or all of the Premises from BGCP except as explicitly approved in advance by the City in writing. This provision shall not in any way limit or restrict BGCP from imposing or charging normal and customary fees associated with BGCP Services or fees associated with membership in BGCP.

2.09 It is understood and agreed that BGCP shall not sublease the Premises without the written consent of the City pursuant to the terms and conditions set forth in this Lease. BGCP shall cause the terms and conditions of any sublease to be acceptable to the City in its sole discretion.

ARTICLE 3
TERM; RENEWAL

3.01 The initial term ("**Initial Term**") of this Lease shall be for a ten (10) year period commencing on July 1, 2009 ("**Commencement Date**") and terminating on June 30, 2019.

3.02 This Lease may be renewed at the sole option of the City for two (2) additional five (5) year periods (each such five-year period shall be called a "**Renewal Term**") for a maximum of two Renewal Terms, or until June 30, 2029. Such Renewal Terms shall be exercisable by the City upon on thirty (30) days written notice from City to BGCP at the end of the Initial Term and the first Renewal Term.

3.03 If this Lease renews for the Renewal Term, then any reference in this Lease to the "**Term**" shall include the Renewal Term, and all of BGCP's obligations under this Lease shall continue through the date of expiration or earlier termination of the Term.

ARTICLE 4
RENT

4.01 The rent for the Premises shall be One Dollar ($1.00) for the Term ("**Rent**").

4.02 BGCP agrees to promptly pay, or cause to be promptly paid, as additional rent ("**Additional Rent**"), without demand and without set-off:

i. any and all sums which become due by reason of any default of BGCP or failure on BGCP's part to comply with the terms of this Lease;
ii. and any and all damages, costs, and expenses which City may suffer or incur by reason of any default of BGCP or failure on BGCP's part to comply with the terms of this Lease;
iii. any and all damages to the Premises caused by any act, omission, or negligence of BGCP, its officers, employees, agents, contractors, subcontractors, licensees, or other occupants or users of the Premises; and
iv. any and all sums which BGCP may be required to pay to City or any utility provider or any other third party under any other provision(s) of this Lease.

ARTICLE 5
IMPROVEMENTS AND ALTERATIONS

5.01 In this Lease, all existing and future improvements in, on, and about the Premises, shall be called the "**Improvements**." In addition, unless otherwise specified, all references to the Premises shall include the Improvements. Separate references to the Premises and Improvements shall not be deemed to exclude the Improvements from the Premises wherever Premises is used by itself.

5.02 Except as explicitly provided in this Lease, BGCP shall not make, permit or construct any capital improvements, renovations, replacements, additions and/or alterations ("**Alterations**") upon or the Premises or any of the Improvements in any way without the prior review and written consent of the City. The City's approval of any Alterations may be conditioned upon a requirement that BGCP provide the City with a performance and payment bond satisfactory to the City in all respects and other requirements deemed necessary or prudent to protect the interests of the City. The City shall endeavor to review BGCP's request for approval of its proposed Alterations within thirty (30) days of receipt of BGCP's request.

5.03 Any Alterations approved by the City shall be made by BGCP at BGCP's sole cost and expense, in a workman-like manner, and in compliance with all Applicable Laws (as defined in Article 20 below).

5.04 Upon approval by City, any and all plans and specifications for Alterations shall become part of this Lease as though fully set forth herein, and BGCP shall diligently cause work to be completed in strict accordance with such documents.

5.05 Except as expressly provided otherwise by City in any consent or approval required under this Article 5, all Alterations performed on the Premises or any of the Improvements shall, upon completion, become part of the Premises and the property of the City. Notwithstanding, BGCP may remove its trade fixtures from the Premises at the expiration or earlier termination of this Lease in accordance with Section 7.07.

5.06 Review, approval, and/or consent pursuant to this Lease by the City or any representative of the City of any plans, work or other materials submitted or performed by BGCP in connection with this Lease shall not constitute any representation, warranty, or guaranty by City as to the quality, substance, or compliance with Applicable Laws of the matter reviewed or approved. At all times BGCP shall use its own independent judgment as to the accuracy and quality of all such matters. Review, approval, and/or consent under this Lease by City or any representative of City shall not constitute or be construed to constitute approval otherwise required under Applicable Laws by any and all departments, boards and commissions of the City of Philadelphia in connection with the BGCP's obligations under this Lease.

ARTICLE 6
UTILITIES

6.01 BGCP agrees to pay all charges and fees for public utilities, sewer rents, water meter and water charges as required by the City when and as they become due.

ARTICLE 7
MAINTENANCE AND REPAIR OF PREMISES; FIXTURES; SECURITY

7.00 In this Lease, the terms "**Repairs**" and "**Repair**" shall include all necessary and prudent repairs, replacements, renewals, and Alterations, whether ordinary or extraordinary, foreseen or unforeseen, and whether capital in nature or otherwise.

(a) BGCP shall, at its sole cost and expense, maintain the Premises, including the fire suppression systems, in good condition and repair and in compliance with all Applicable Laws (as defined in Article 20).

(b) BGCP shall, at its sole cost and expense, maintain and Repair all structural and nonstructural parts of Improvements and Alterations including water supply systems, sewage disposal systems, and heating, ventilation, air conditioning and electrical systems in good condition and repair and in compliance with Applicable Laws (as defined in Article 20).

(c) Prior to making any and all Repairs to the Premises where the estimated cost of the Repair is Five Thousand Dollars ($5,000.00) or more, BGCP shall notify the City in writing of the need for such Repair and obtain written approval from City for such Repairs. In the event of an emergency posing an immediate, bona fide threat of danger to the health or safety of any persons, animals, or property, however, BGCP may perform all necessary Repairs to the Premises, even where the estimated cost of the Repair is Five Thousand Dollars ($5,000.00) or more, but shall, at its very first opportunity, inform City about such Repairs and obtain the City's prior approval for any such additional future Repairs which may be prudent or desirable.

7.02 BGCP shall maintain all portions of the Premises, including but not limited to, all areas adjoining the Premises, in a clean and orderly condition. BGCP shall remove graffiti from, or cover graffiti on, the Premises within five days of its application, or such lesser time as may be required by law.

7.03 BGCP shall not cause or suffer any waste, damage, disfigurement or injury to the Premises, including but not limited to any Improvements. BGCP shall promptly Repair (or cause the Repair of) any injury or damage caused by BGCP, its officers, employees, agents, representatives, contractors, subcontractors, licensees, or caused by any other person, including but not limited to injury or damage caused by vandalism or malicious mischief.

7.04 BGCP agrees that any contract for Alterations or Repairs where the estimated cost of the Alteration is Five Thousand Dollars ($5,000.00) or more shall be approved in advance in writing by the City. Each such contract for $5,000.00 or more shall obligate the contractor to submit to City, prior to the date on which such contractor commences work under a contract, a waiver of mechanics' lien. BGCP waives its right to have filed against the Premises any mechanic's or materialman's lien.

7.05 Except as expressly provided in this Lease, nothing contained in this Lease shall be construed in any way as constituting the consent or request of the City, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific Alteration, addition, improvement, Repair or other work to the Premises or any part thereof, nor as giving BGCP any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the interest of City in the Premises or any part thereof.

7.06 BGCP shall not install any fixtures in or on the Premises or any of the Improvements without the prior written approval of the City. Upon the expiration or earlier termination of this Lease, BGCP shall promptly remove any and all trade fixtures and restore any damage to the Premises or any of the Improvements caused by the installation or removal of any and all trade fixtures and shall return the Premises to City in clean and in good condition.

7.07 City shall not have any obligation to provide security for the Premises. BGCP shall promptly pay any tax or levy imposed by any governing authority in connection with the maintenance of security and fire alarm and suppression systems on the Premises.

7.08 Without limiting any other provision of this Lease, BGCP shall not place, erect, hang, or paint any sign in, on, or about the Premises without the prior written approval of the City.

7.09 City may, at its sole option, perform any or all Repairs that may be necessary by reason of BGCP's failure to make any such Repairs, or perform any work on the Premises as City desires. Except as expressly provided herein, nothing in this Lease shall create or imply any duty on the part of City to make any such Repairs or do any such work, but the performance of any Repairs by City shall not constitute a waiver of any default of BGCP in failing to perform the same. City shall not in any event be liable to BGCP for inconvenience, annoyance, disturbance, or other damage by reason of making such Repairs or on account of bringing materials, supplies and equipment onto the Premises during the course of any Repairs or other work on the Premises.

ARTICLE 8
ENTRY ON PREMISES BY CITY

8.01 City shall have the right to enter and traverse the Premises as a member of the public and to enter the Premises at any time as may be necessary or prudent for City to perform its governmental functions. In addition, BGCP shall permit City, any of City's authorized representatives, and any persons authorized by City, to enter all areas of the Premises, including but not limited to the Improvements, at all times between 9:00 a.m. and 8:00 p.m., for the purposes of, but not limited to:

(a) inspecting the Premises in order to determine whether BGCP has complied or is complying with the terms and conditions of this Lease;

(b) carrying out any purpose necessary, incidental or connected to the performance of City's obligations or exercise of City's rights under this Lease;

(c) making any Repairs or performing any work on the Premises as provided in Article 7 above.

ARTICLE 9
APPROVALS BY CITY; SUBMISSIONS TO CITY

9.01 Without limiting section 5.06, unless otherwise stated explicitly in this Lease, any review, approval, permission, or consent that BGCP is required to obtain from the City under this Lease shall not be valid or effective unless obtained or confirmed in writing from the Commissioner of Public Property or the Commissioner's designee. Unless otherwise specified, all reports, notices, plans, specifications, certificates, requests for approval, and submissions required of BGCP by this Lease shall be submitted to the Commissioner of Public Property or the Commissioner's designee.

ARTICLE 10
INDEMNIFICATION OF CITY

10.00 In this Lease, the term "City" shall include the City of Philadelphia, its officials, officers, agents, boards, commissions, employees, successors and assigns; the term "BGCP" shall include BGCP and members of its board of directors, officers, employees, agents, members, successors, assigns, subtenants, contractors, subcontractors and licensees.

10.01 BGCP shall indemnify, defend and hold harmless the City, from and against any and all losses, claims, suits, actions, damages, expenses (including but not limited to attorneys' fees and litigation costs), and liabilities, including but not limited to those in connection with loss of life, bodily and personal injury, or damage to property (real or personal, and regardless of ownership), which occur, in whole or in part, as a result of: (a) any act or omission of BGCP; (b) the use, operation, occupancy or maintenance of the Premises (or any part(s) thereof) by BGCP; (c) the exercise of any right and/or performance of any obligation under or pursuant to this Lease; (e) the condition of the Premises or any part(s) thereof, and/or; (f) any act or omission by or on behalf of the City.

10.02 In case any action or proceeding is brought against the City relating to any matter for which BGCP has indemnified City, BGCP, upon written notice from City, shall at BGCP's sole cost and expense (including without limitation counsel fees and court costs), resist or defend such action or proceeding by counsel approved by the City Solicitor of the City in writing; provided that no approval of counsel shall be required in each and every instance where the claim is resisted or defended by counsel of an insurance carrier obligated to so resist or defend such claim, and provided also that the City may engage at its expense its own counsel to participate in the defense of any such claim. Without limiting the generality of Article 25, the provisions of this Article 10 shall survive the expiration or termination of this Lease.

ARTICLE 11
INSURANCE

11.01 Throughout the Term of this Lease, BCGP shall maintain insurance covering the Premises and BGCP's activities in connection with this Lease in such amounts and types that meet or exceed the minimum amounts and types of insurance set forth below. BGCP shall maintain such insurance with insurance companies with a Best's rating of A or better and admitted to do business on a direct basis in the Commonwealth of Pennsylvania, or which is otherwise acceptable to City.

(i) Workers Compensation and Employers Liability

(a) Workers Compensation - Statutory limits
(b) Employers liability
$500,000 Each Accident - Bodily Injury by Accident
$500,000 Each Employee - Bodily Injury by Disease

$500,000 Policy Limit - Bodily Injury by Disease

(c) Other States Coverage and Pennsylvania Endorsement

(ii) General Liability Insurance

Limit of Liability: $1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability; $1,000,000 personal and advertising injury; $2,000,000 general aggregate and $2,000,000 aggregate for products and completed operations.

(a) Coverage:
1) Products Liability (Food Services)
2) Premises operations
3) Blanket contractual liability
4)Personal injury liability (employee exclusion deleted)
5) Products and completed operations
6) Independent Contractors
7) Employees as additional insureds
8) Cross liability waiver of subrogation
9) Broad form property damage

(iii) Automobile Liability

(a) Limit of Liability:
$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage liability

(b) Coverage:
Owned, non-owned and hired vehicles

(iv) Property Coverage (all risk)

(a) All risk blanket policy for full replacement value of the Premises (including but not limited to the Improvements), including fire, storm, natural disaster, flood and earthquake, with an endorsement naming City as "loss payee."

(b) All insurance proceeds on account of damage or destruction to the Premises shall be applied as directed by the City.

(v) Builders Risk Insurance

BGCP (or BGCP's general contractor) shall maintain "all risk" builder's risk insurance in an amount equal to the anticipated completion value of any Alterations. The coverage will be

required to remain in full force and effect during the construction of the Alterations.

In addition to the types and amounts of insurance set forth above, BGCP shall maintain such other types and/or amounts of insurance as City in its judgment deems advisable from time to time for protection against claims, liabilities and losses arising out of or connected with the Premises and BGCP's use of, and operations in, on, or about the Premises.

11.02 In addition to the insurance listed in Section 11.01 (except as may otherwise be permitted in writing by City), BGCP shall cause BGCP's architects, engineers and/or persons providing architectural, engineering, design, planning or similar professional services to maintain a minimum of the insurance set forth below. BGCP's architects, engineers, or other persons providing architectural, engineering, design, planning or similar professional services shall maintain such insurance with insurance companies with a Best Rating of A or better and licensed to do business on a direct basis in the Commonwealth of Pennsylvania or otherwise satisfactory to City:

(a) Professional Liability Insurance (for all architectural and engineering services)

(i) Limit of Liability: $1,000,000 with a deductible not to exceed $1,000.

(ii) Coverage: Errors and omissions including liability assumed under contract.

(iii) Coverage for occurrences happening during the performance of the services required under this Lease shall be maintained in full force and effect under the policy or "tail" coverage for a period of at least two (2) years after completion of services.

11.03 With respect to the insurance listed in this Article 11 (except Workers Compensation and Employers liability), the City, including its officials, officers, agents, boards, commissions, employees, successors and assigns shall be named as additional insureds. The insurance shall include an endorsement stating that the coverage afforded the City and its officials, officers, agents, boards, commissions, employees, successors and assigns as additional insureds will be primary to any coverage available to them. All of the policies required herein, except professional liability insurance in Section 11.02, shall be provided on an "occurrence" basis, and not a "claims-made" basis.

11.04 **(a)** BGCP shall deliver to City and to the Department of Risk Management (1515 Arch Street, 14th Floor, Philadelphia, PA. 19102) certificates of insurance with respect to all insurance policies required under this Article 11 at least ten (10) days prior to the date on which the insurance must be in place, but in no event later than the execution of this Lease, which certificates shall provide that the coverage may not be canceled or materially changed without at least thirty (30) days' prior written notice to City.

(b) BGCP's certificates of insurance shall not include or shall have deleted, as the case may be, language requiring that the insurer only endeavor to give notice to the City and releasing the insurer from any liability or obligation for failure to give such notice; provided, however, that if the thirty (30) days notice period is not generally obtainable in the insurance marketplace, the notice period may be shortened to a period of not less than twenty (20) days.

(c) City reserves the right to require BGCP at any time and from time to time to furnish certified copies of the original policies of all insurance required under this Lease upon ten (10) days prior written notice to BGCP.

(d) If BGCP fails to obtain or maintain the required insurance, the City shall have the right to treat such failure as a material breach of the Lease and to exercise all available rights and remedies.

(e) Not less than thirty (30) days prior to the expiration of the insurance policies maintained by BGCP under this Section 11.04, BGCP shall deliver to City evidence that such policies are being renewed or replaced in accordance with all of the provisions of this Article. At least ten (10) days prior to the date the premium or any periodic payment of the premium on any policy shall become due and payable, BGCP shall furnish City with satisfactory evidence of its payment.

11.05 BGCP shall not do, or suffer to be done, any act, matter or thing which causes or gives rise to, directly or indirectly, the voiding or suspension of any policy or policies of insurance required under this Article, or which increase the risk or hazard of fire in or on the Premises.

11.06 BGCP shall not permit separate insurance to be carried which relates to the Premises and is concurrent in form or contributing, in the event of loss, with that required to be maintained under this Lease, or increase or permit to be increased the amounts of any then-existing insurance relating to the Premises by securing an additional policy or additional policies, without including the City and its officials, officers, agents, boards, commissions, employees, successors and assigns as additional insured parties. BGCP shall immediately notify such parties whenever such separate insurance is obtained and deliver to such parties certified copies or duplicate originals of such policies (as required in this Article and in accordance with the procedures set forth in this Article) and certificates evidencing the same.

11.07 The insurance requirements set forth in this Article shall in no way be intended to modify, limit or reduce the indemnification obligations of BGCP in this Lease or to limit BGCP's liability under this Lease to the proceeds of or premiums due upon the policies of insurance required to be maintained by BGCP under this Lease.

11.08 In the event BGCP executes a Sublease as contemplated in Article 13 below, then BGCP may, at its option and in lieu of maintaining such insurance itself, cause Subtenant to

maintain all or some of the types and amounts of insurance required by this Section 11.02 above and subject to all the requirements regarding such insurance set forth in this Article 11 generally. The insurance maintained by Subtenant shall name BGCP and the City and its officials, officers, agents, boards, commissions, employees, successors and assigns additional insureds.

ARTICLE 12
RELEASE

12.01 In consideration for the rights granted to BGCP under this Lease, BGCP does hereby remise, quitclaim, release and forever discharge, and by these presents does for BGCP's successors and assigns, agents, employees, contractors, subcontractors, officers, directors, students, licensees, Subtenants, and any person claiming under or through them, hereby remise, quitclaim, release and forever discharge, the City, its officials, officers, agents, boards, commissions, employees, successors and assigns (acting officially or otherwise), from any and all, and all manner of, actions and causes of action, suits, claims and demands whatsoever in law or in equity which BGCP or any of them may have against the City, its officials, officers, agents, boards, commissions, employees, successors and assigns, relating in any way whatsoever, directly or indirectly, to (a) this Lease and/or the Premises; and/or (b) the existence, condition, operation, use or occupancy of any part(s) of the Premises by BGCP, its successors and assigns, agents, employees, contractors, subcontractors, officers, directors, students, licensees, Subtenants and any person claiming under or through them. BGCP hereby voluntarily and knowingly assumes all risk of loss, damage and injury, including death, that may be sustained by BGCP, its successors and assigns, agents, employees, contractors, subcontractors, officers, directors, students, licensees, Subtenants and any person claiming under or through them, and the public in general, in connection with the Premises.

ARTICLE 13
SUBLETTING & ASSIGNMENT

13.01 BGCP may not transfer or assign this Lease, either in whole or in part, or mortgage, pledge or otherwise encumber this Lease, or the Leasehold estate demised hereunder without on each occasion first obtaining the prior written consent of City, which may be withheld in City's sole discretion. BGCP agrees that in the event of any approved transfer, assignment, Sublease, or other encumbrance of this Lease, BGCP will, nevertheless, remain liable for the performance of its agreements and obligations under this Lease, and will require any transferee, assignee, or Subtenant, as the case may be, to execute and deliver to City an assumption of liability agreement, in form satisfactory to the City, including, without limitation, the transferee's or assignee's ratification of, and agreement to be bound by, all of the provisions of this Lease. The failure or refusal of a transferee, assignee, or Subtenant to execute and deliver an assumption of liability agreement shall not release such transferee, assignee, or Subtenant from its liability to City as set forth in this Lease.

13.02 Any consent by City to a transfer or assignment of this Lease by BGCP shall not constitute a waiver of strict future compliance by BGCP of the provisions of this Article 13 or a release of BGCP from the full performance by BGCP of any of the provisions of this Lease.

ARTICLE 14
SURRENDER OF PREMISES; HOLD OVER TENANCY

14.01 BGCP shall and will on the last day of the Term, or upon any earlier termination of this Lease, as the case may be, surrender and deliver up the Premises into the possession and use of City without objection or delay, in good order, condition and repair, free and clear of all lettings and occupancies, and free and clear of all liens and encumbrances other than any created by City.

14.02 **(a)** Upon the expiration or earlier termination of this Lease, City shall designate in writing to BGCP those Improvements which BGCP must remove from the Premises ("**Designated Improvements**").

(b) If BGCP fails to remove any of its personal property or any of the Designated Improvements within the ninety (90) day removal period, City may deem the personal property and Designated Improvements to have been abandoned by BGCP and City may either retain the personal property and Designated Improvements as its property or dispose of it or them, without accountability to BGCP, in such manner as City may see fit, including but not limited to selling such property and retaining the proceeds or demolishing and removing such property. If City elects to remove the BGCP's or any other person's personal property or the Designated Improvements from the Premises, BGCP shall promptly reimburse City for all costs of removal and restoration of the Premises upon demand from City.

14.03 If, without the execution of a new lease or a written extension of this Lease, BGCP shall, with or without the consent of City, hold over after the expiration of the Term, BGCP shall be deemed to be occupying the Premises as a BGCP from month-to-month, and such tenancy may be terminated by City upon 30-days written notice. BGCP shall occupy the Premises during any month-to-month tenancy pursuant to all the other terms, covenants and conditions set forth in this Lease.

14.04 Without limiting the generality of Article 25, the provisions of this Article shall survive the expiration or termination of this Lease.

ARTICLE 15
DEFAULT OF BGCP; TERMINATION PROVISIONS; REMEDIES

15.01 BGCP will be in default of this Lease upon the occurrence of one or more of the following:

(a) BGCP's failure to pay Additional Rent due hereunder within ten (10) days after written notice of any such failure has been given by City to BGCP;

(b) BGCP's failure to strictly comply with the limitations on use the Premises set forth in Section 2.01;

(c) BGCP's failure in keeping, observing or performing any of the terms, covenants or conditions contained in this Lease on BGCP's part to be kept, observed or performed, including but not limited to the following:

(i) failure to provide or cause to be provided the BGCP Services after 15 days written notice of failure to perform;
(ii) failure to obtain and/or maintain insurance in accordance with Article 11;
(iii) failure to prevent a lien from attaching to or being filed against the Premises arising out of any act or omission by BGCP or any subtenant; and
(iv) failure to comply with any material covenants of this Lease.

(d) BGCP files or shall have filed against it a petition of bankruptcy or for arrangement, reorganization or other relief concerning its indebtedness under any federal or state statute, or makes an assignment for the benefit of creditors, or is adjudicated bankrupt or declared insolvent by the decree of a court of competent jurisdiction, or initiates any proceedings for, or consents to, the appointment of a receiver or similar official of its assets, or if any such proceeding is initiated against it, and any such proceeding or receivership shall continue unstayed and in effect for a period of sixty (60) days, or admits in writing its inability to pay its debts generally as they become due, or if BGCP takes any action in contemplation of any of the foregoing.

(e) BGCP or any Subtenant at any time fails to strictly comply with Applicable Law in any respect.

15.02 Upon a default by BGCP, City shall be entitled to do one or more of the following:

(a) bring legal action to recover all Additional Rent, if any;

(b) declare the Lease immediately terminated and upon such termination BGCP shall immediately vacate the Premises and remove BGCP's property and the Improvements from the Premises in accordance with Section 14.02 above;

(c) bring legal action to repossess the Premises;

(d) declare all items of Additional Rent for the entire balance of the Term, immediately due and payable, together with all other charges, payments, costs, and expenses payable by BGCP as though such amounts were payable in advance on the date the event of default occurred;

(e) bring legal action against BGCP to recover damages suffered by City arising out of BGCP's default;

(f) seek all rights and remedies available at law or in equity.

15.03 Except as expressly provided in this Lease, BGCP hereby expressly waives, so far as permitted by law, the service of any notice of intention to enter or re-enter provided for in any statute now existing or enacted in the future, or of the institution of legal proceedings to that end, and BGCP, for and on behalf of itself and all persons claiming through or under BGCP also waives any and all right of redemption or re-entry or re-possession or to restore the operation of this Lease in case BGCP shall be dispossessed by a judgment or by warrant of any court or judge or in case of entry, re-entry or re-possession by City. BGCP, so far as permitted by law, hereby waives trial by jury in any claim, action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of City and BGCP, BGCP's use or occupancy of the Premises or any claim of injury or damage.

15.04 **(a)** When this Lease shall be terminated following a default by BGCP, during the Term or then current Renewal Term, and also when and as soon as the Term shall be expired, it shall be lawful for any attorney for City to file an agreement for entering in any competent court an action and judgment in ejectment against BGCP and all persons claiming under BGCP for the recovery by City of possession of the Premises, for which this Lease shall be its sufficient warrant, whereupon, without any prior proceedings whatsoever, an appropriate writ shall issue forthwith, in accordance with the laws of the Commonwealth of Pennsylvania, and provided that if for any reason after such action shall have been commenced the same shall be determined and possession of the Premises remains in or is restored to BGCP, City shall have the right upon any subsequent default or defaults, or upon the termination of this Lease as hereinbefore set forth, to bring one or more action or actions as hereinbefore set forth to recover possession of the Premises.

(b) In any action of ejectment, City shall first cause to be filed in such action an affidavit made by it or someone acting for it setting forth the facts necessary to authorize the entry of judgment, of which facts such affidavit shall be conclusive evidence, and if a true copy of this Lease (and of the truth of the copy such affidavit shall be sufficient evidence) be filed in such action, it shall not be necessary to file the original as a warrant of attorney, any rule of court, custom or practice to the contrary notwithstanding.

15.05 No failure by City to insist upon the strict performance of any provision of this Lease or to exercise any right or remedy consequent upon a default thereof, and no acceptance by City of Rent or Additional Rent during the continuance of any such default, shall constitute a waiver of any such provision. No provision of this Lease to be kept, observed or performed by BGCP, and no default thereof, shall be waived, altered or modified except by a written instrument executed by City. No waiver of any default shall affect or alter this Lease, but each and every provision of this Lease shall continue in full force and effect with respect to any other then existing or subsequent default thereof.

15.06 BGCP shall be liable for and shall promptly pay upon demand all of City's costs, charges and expenses, including the fees of counsel, agents and others retained by City (or, if

City uses its own employees for such services, the amount that City would have BGCP had it engaged the services of outside counsel or others) incurred by City (a) in any litigation in which BGCP causes City to become involved, and (b) in connection with any action brought by City to enforce any right or remedy against BGCP upon a default by BGCP under this Lease.

15.07 BGCP expressly waives the benefits of all present and future laws exempting any goods on the Premises, or elsewhere, from distraint, levy, or sale in any legal proceedings taken by the City to enforce any rights under this Lease.

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

ARTICLE 16
COMPLETE AGREEMENT

16.01 This Lease sets forth all the promises, agreements, conditions, and understandings between City and BGCP relative to the Premises and improvements now existing or in the future constructed on the Premises, and there are no promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

ARTICLE 17
CITY'S RIGHT TO ENFORCE STRICTLY

17.01 Any law, usage or custom to the contrary notwithstanding, City shall have the right at all times to enforce all provisions of this Lease in strict accordance with their terms, notwithstanding any conduct or custom on the part of City in refraining from so doing at any time or times, or from enforcing its rights hereunder strictly in accordance with the same. Any such conduct or custom shall not be construed as having created a custom in any way or manner contrary to any specific provision of this Lease, or as having in any way or manner modified the same.

ARTICLE 18
MEMBERSHIP; NONDISCRIMINATION

18.01 In accordance with Chapter 17-400 of The Philadelphia Code, BGCP agrees that its payment or reimbursement of membership fees or other expenses associated with participation by its employees in an exclusionary private organization, insofar as such participation confers an employment advantage or constitutes or results in discrimination with regard to hiring, tenure of employment, promotions, terms, privileges or conditions of employment, on the basis of race, color, sex, sexual orientation, religion, national origin or ancestry, constitutes, without limiting the generality of Article 15, a substantial breach of this Lease entitling City to all rights and remedies provided in this Lease or otherwise available in law or equity.

18.02 BGCP agrees to include the immediately preceding paragraph, with appropriate adjustments for the identity of the parties, in all Leases, contracts and subcontracts which are entered into for work to be performed pursuant to this Lease.

18.03 BGCP further agrees to cooperate with the Commission on Human Relations of the City in any manner that the Commission deems reasonable and necessary for the Commission to carry out its responsibilities under Chapter 17-400 of The Philadelphia Code. Failure to so cooperate shall constitute, without limiting the generality of Article 15, a substantial breach of this Lease entitling City to all rights and remedies provided in this Lease or otherwise available in law or equity.

18.04 This Lease is entered into under the terms of the City of Philadelphia Home Rule Charter. In BGCP's use of the Premises and exercise of its rights under this Lease, BGCP shall not discriminate or permit discrimination against any person because of race, color, religion, national origin, sex, sexual orientation, or gender identity. In the event of such discrimination, and without limiting the City's remedies under this Lease for an Event of Default under this Lease by BGCP, the City may terminate this Lease immediately.

ARTICLE 19
LEASE BINDING

19.01 This Lease shall be binding upon City and BGCP, their successors and assigns, subject to the provisions of Article 13 above.

ARTICLE 20
COMPLIANCE WITH LAWS, ORDINANCES AND REGULATIONS

20.00 **(a)** In this Lease, the term "**Applicable Law(s)**" shall mean all present and future federal, state, and municipal laws, ordinances, codes, notices, orders, rules regulations and requirements relating to BGCP, any Subtenant or subcontractors, the condition, use or manner of use of the Premises, and the property of which the Premises is a part, including but not limited to the following: (a) that certain Federal legislation commonly known as the "Americans With Disabilities Act of 1990," PL Sections 101-336, codified generally at 42 U.S.C. Sections 12101 et. seq., (b) all laws governing or regulating the use, presence and/or disposal of Hazardous Substances (as defined below), (c) the "Fair Practices Ordinance" (codified in The Philadelphia Code, at Chapter 9-1100), (d) The Philadelphia Code, and (d) all laws and regulations related to fire suppression mechanisms and plans.

(b) In this Lease, the term "**Hazardous Substances**" shall mean: (i) asbestos, flammables, volatile hydrocarbons, petroleum products, natural gas, and synthetic gas and shall include, but not be limited to, substances defined as "hazardous substances", "hazardous wastes", "toxic substances," "pollutants," or "contaminants" as those terms are used in any Applicable Laws; (ii) any and all other materials or substances that any governmental agency or unit having appropriate jurisdiction shall determine from time to time are harmful, toxic or dangerous or are otherwise required to be removed, cleaned up or remediated.

(c) In this Lease, the term "**Contamination**" shall mean the uncontained presence of Hazardous Substances in, on, or about the Premises, or arising at any time from the Premises, which may require remediation or removal under any of the Applicable Laws.

20.01 BGCP at its sole cost and expense shall comply with all Applicable Laws. BGCP acknowledges that the condition of the Premises may not presently comply with all Applicable Laws and agrees that it shall be BGCP's responsibility to make Alterations and Repairs to the Premises in accordance with the terms of this Lease to make the Premises comply with all Applicable Laws.

ARTICLE 21
NOTICES

21.01 All notices, requests, and other communications required under this Lease shall be in writing and shall be sent by (a) United States registered or certified mail, return receipt requested, postage pre-paid, (b) hand delivery with receipt obtained, or (c) by a nationally recognized overnight courier service providing receipted proof of delivery, addressed as follows:

If to City:
Department of Public Property
City Hall, Room 790
Philadelphia, PA 19107
Attention: Commissioner

with a copy to:
Divisional Deputy City Solicitor, Real Estate
City of Philadelphia Law Department
1515 Arch Street
17th Floor
Philadelphia, PA 19102

If to BGCP:
Boys & Girls Clubs of Philadelphia, Inc.
1518 Walnut Street, Suite 712
Philadelphia, PA 19102
Attention: _____

or to such other individual and/or address as the party to receive notice may from time to time designate by written notice to the other party in the manner above described.

ARTICLE 22
CAPTIONS AND SECTION NUMBERS

22.01 The captions, article numbers and paragraph numbers appearing in this Lease are inserted only as a matter of convenience and in no way shall be construed as defining or limiting the scope or intent of the provisions of this Lease nor in any way affecting this Lease.

ARTICLE 23
PARTIAL INVALIDITY

23.01 If any provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be adjudged invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease, or the application of such provision to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 24
AMENDMENT AND MODIFICATION

24.01 This Lease shall not be amended, modified or supplemented unless by agreement in writing signed by both City and BGCP. No oral representations, whenever made, by any official, commissioner, or employee of City shall be effective to amend the terms of this Lease.

ARTICLE 25
SURVIVAL

25.01 Any and all provisions set forth in this Lease which, by its or their nature, would reasonably be expected to be performed after the expiration or earlier termination of this Lease shall survive and be enforceable after the expiration or earlier termination of this Lease. Any and all liabilities, actual or contingent, which shall have arisen in connection with this Lease, shall survive any expiration or termination of this Lease.

ARTICLE 26
FIRE OR CASUALTY DAMAGE

26.01 (a) Material Destruction. If in the City's judgment the Premises shall be substantially or totally destroyed by fire, explosion, windstorm, tornado or other casualty, or if the Premises should be damaged so that, in the City's sole discretion, BGCP's ability to use the Premises for the purposes set forth in this Lease will be impaired for a period greater than sixty (60) calendar days after written notice by BGCP to City of the destruction ("**Material Destruction**"), City shall have the option of terminating this Lease as of the date of the subject Material Destruction by delivering to BGCP written notice of termination, whereupon this Lease shall absolutely cease and terminate and the parties shall be relieved of all future liabilities; provided that the insurance proceeds as set forth in Article 11 shall be applied to cover losses sustained.

(b) Partial Destruction. If the damage by fire, explosion, windstorm, tornado or other casualty can, in the sole discretion of the City, be reasonably rebuilt or repaired within 90 calendar days from the date of the written notification by BGCP to City of the destruction ("**Partial Destruction**"), City may elect, at its sole discretion, whether to terminate this Lease or

continue this Lease for the permitted use by giving written notice thereof to the BGCP. Should City elect to continue the Lease, BGCP shall promptly repair the Partial Destruction at the sole cost and expense of BGCP. BGCP shall be obligated to continue this Lease if City so chooses

ARTICLE 27
CONDEMNATION

27.01 If the Premises or any part thereof shall be taken under condemnation proceedings or by eminent domain, City may, at City's sole option, terminate this Lease as of the date when the taking becomes final and unappealable. All damages awarded for such taking shall belong to and become the property of City. BGCP shall have no claim against City by reason of such taking or termination and, except as explicitly set forth in this section 27.01, shall not have any claim or right to any portion of the amount that may be awarded to City as a result of any such taking.

27.02 The entire compensation awarded in or by reason of such condemnation proceedings shall belong to City without any deduction therefrom for any present or future estate or interest of BGCP, and BGCP hereby assigns to City all of BGCP's right, title and interest in and to any and all such compensation together with any and all rights, estate and interest of BGCP now existing or hereafter arising in and to the same or any part thereof.

27.03 Notwithstanding the foregoing, BGCP shall have a right to make a claim against the condemnor for moving and related expenses (if applicable) which are payable to BGCP under Section 1-601A of the Pennsylvania Eminent Domain Code of 1964, as amended, or any substantially similar provision of any successor statute.

ARTICLE 28
GOVERNING LAW; WAIVER OF JURY TRIAL; VENUE

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

28.02 BGCP expressly waives trial by jury in any action, proceeding, or counterclaim arising out of or in any way connected to this Lease.

28.03 All suits or other actions arising from this Lease shall be brought in the Court of Common Pleas for Philadelphia County.

ARTICLE 29
THIRD PARTY BENEFICIARY

29.01 Nothing in this Lease is intended nor shall it be deemed or construed to confer any benefit or right upon any party other than City.

ARTICLE 30
BGCP'S RECORDS; ANNUAL REPORTS

30.01 BGCP shall keep complete and accurate books of accounts and other records relating to its use and occupancy of the Premises within the City of Philadelphia and maintained in accordance with generally accepted accounting principles.

30.02 City, or its duly authorized representatives, shall have the right to inspect and audit all of BGCP's books of account and other records required by this Lease at all reasonable times and at such place as the City may reasonably prescribe.

30.03 BGCP shall submit to City within sixty (60) days following each anniversary of the Commencement Date a report which includes a description of the activities undertaken by BGCP on or with respect to the Premises, including the number of citizens served by each activity.

30.04 BGCP shall submit to City within one hundred twenty (120) days of its fiscal year end its audited financial statement for the most recent fiscal year. BGCP shall also submit at the same time, an annual income and expense summary for the food and vending services operated on the premises. BGCP shall also promptly submit any supplemental reports, documents, records, and other information at the City may require.

30.05 During the term of this Agreement, the City Controller shall have the right to audit the affairs of BGCP to the extent required under Section 6-400 of the Home Rule Charter. In order to facilitate such an audit, upon prior reasonable notice, BGCP must provide the Controller with reasonable access to BGCP's books and financial records.

ARTICLE 31
CERTIFICATION OF NON-INDEBTEDNESS

31.01 BGCP's hereby certifies and represents that BGCP and BGCP's parent company(ies), subsidiary(ies), and affiliate(s), if any, and BGCP's Directors and Officers are not currently indebted to the City, and will not at any time during the Term 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 under this Lease and/or at law or in equity, BGCP acknowledges that any breach or failure to conform to this certification may, if such breach or failure is not resolved to the City's satisfaction within a reasonable time frame specified by the City in writing, result in the termination of this Lease for default (in which case BGCP shall be liable for all excess costs and other damages, including but not limited to those set forth in Article 15 of the Lease, resulting from the termination). Nothing set forth in this Article shall limit the generality of Article 15.

31.02 BGCP shall require contractors performing work in connection with this Lease to be bound by the following provision and BGCP shall cooperate fully with the City in exercising the rights and remedies described below or otherwise available at law or in equity:

Subcontractor (the "Subcontractor") hereby certifies and represents that Subcontractor and Subcontractor's parent company(ies) and subsidiary(ies) are not currently indebted to the City of Philadelphia ("City"), and will not at any time during the term of BGCP's Lease with the City ("Lease"), 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 at law or in equity, Subcontractor acknowledges that any breach of or failure to conform to this certification may, at the option and direction of the City, result in the termination of the Lease (in which case Subcontractor will be liable for all excess costs and other damages resulting from the termination).

ARTICLE 32
NO PROHIBITED GIFTS TO CITY OFFICIALS.

32.01 Pursuant to Executive Order 002-04, no official or employee in the Executive and Administrative Branch of the City shall solicit or accept, directly or indirectly, anything of value, including any gift, gratuity, favor, entertainment or loan from any of the following sources:

(1) A person seeking to obtain business from, or who has financial relations with, the City;
(2) A person whose operations or activities are regulated or inspected by any City agency;
(3) A person engaged, either as principal or attorney, in proceedings before any City agency or in court proceedings in which the City is an adverse party;
(4) A person seeking legislative or administrative action by the City; or
(5) A person whose interests may be substantially affected by the performance or nonperformance of the official's or employee's official duties.

32.02 BGCP understands and agrees offering anything of value to a City official or employee under circumstances where the receipt of such item would violate the provisions of this Executive Order shall be a default of this Sublease.

ARTICLE 33
QUIET ENJOYMENT

32.01 So long as BGCP shall (i) pay the Rent, Additional Rent, and other charges herein provided within the respective times provided therefore, and (ii) strictly observe and perform all covenants, terms and conditions on BGCP's part to be observed and performed, BGCP shall peaceably and quietly hold and enjoy the Premises for the Term without hinderance or interruption by City or anyone lawfully claiming through City, subject, however, to the terms and conditions of this Lease.

[*Signature page attached.*]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have caused this Lease to be executed the day and year first above written.

LANDLORD:

Approved as to Form
Shelley R. Smith, City Solicitor

By:_____
Deputy City Solicitor

CITY OF PHILADELPHIA through the
Department of Public Property

By:_____
Commissioner

TENANT:

CORPORATE SEAL:

BOYS & GIRLS CLUBS OF PHILADELPHIA

By: _____

Attest: _____

EXHIBIT A

Description of Premises

ALL THAT CERTAIN lot or piece of ground, situate in the Twelfth Ward of the City of Philadelphia and described as follows:

SITUATE on the northeasterly side of Morris Street (fifty feet wide); with the southeasterly side of Coulter Street (fifty feet wide); thence north forty-two degrees, fifteen minutes thirty-five seconds east, along the southeasterly side of Coulter Street the distance of one hundred forty feet five and one fourth inches to the point of intersection of the southeasterly side of Coulter Street with the southwesterly side of Priscilla Street (thirty feet wide); south forty-seven degrees twenty minutes fifty-five seconds east, along the southwesterly side of Priscilla Street, the distance of one hundred forty feet zero inches to a point; thence south forty-two degrees fifteen minutes thirty-five seconds west the distance of one hundred forty feet five and one fourth inches to a point on the northeasterly side of Morris street; thence north forty-seven degrees twenty minutes fifty five seconds west, along the northeasterly side of Morris Street the distance of one hundred forty feet zero inches to a point, the first mentioned point and place of beginning.

EXHIBIT B

Description of BGCP Services

[To be inserted.]