

170

LEASE AGREEMENT

Building Name: Mount Airy Arms
Address: 8301 Michener Avenue, Philadelphia, PA 19150

Number of Units: 98 Apartment Units

LANDLORD: is the Present owner of Mount Airy Arms c/o Lindy Property Management Company, a corporation/partnership/individual having its principal place of business at 207 Leedom Street, Jenkintown, PA 19046.

OPERATOR- TENANT: Coin Automatic Laundry Equipment Company (CALECO) a Pennsylvania corporation, P.O. Box 1239, West Chester, PA 19380.

This Lease made the 17th day of July 2015, shall serve as the Agreement between the parties referenced above, herein known as 'Operator-Tenant' and 'Landlord' for the sole and exclusive leasing by Landlord to Operator/Tenant of certain defined space known as the laundry room(s) to install and maintain commercial washers and dryers and related equipment at the above referenced location ("Premises")

- 1) Landlord leases to Operator-Tenant or its assignees, what is commonly known as the "Laundry Room(s)" and/or "Laundry Area(s) being a specific room, rooms, or areas designated by Landlord and know to the parties, contiguous to plumbing and electrical fixtures, in the premises described above in "Building Name" for the purpose of installing, operating, servicing and repairing commercial washing machines and dryers. Landlord covenants to provide Operator-Tenant with the exclusive and quiet use and provide free and unobstructed access to the equipment to all of its tenants and possession of the Laundry room(s) during the term of the Lease and in connection therewith, hereby provides Operator-Tenant with the key to the Premises. Landlord must keep the laundry rooms open for use at, a minimum, during the hours of 7:00am to 10:00pm daily, seven (7) days a week. Landlord shall not install or permit any person to install Laundry Equipment in apartment units.
- 2) The lease term commences, for Ten (10) years, on the date of installation of the last unit of Equipment, as hereinafter defined, to be installed pursuant hereto, ("Rent Commencement Date"). Notice from Operator-Tenant to Landlord of the date of installation of the last unit shall be conclusive upon Landlord. Anything in this Lease to the contrary notwithstanding, this Lease shall automatically renew on the same terms and conditions for a period of one year after the expiration of the original term unless either party shall give notice of its intention not to renew, sent by certified mail, return receipt requested to the other party, at least ninety but no more than one hundred twenty days prior to the expiration of the original term or any successive term thereafter, giving notice indicating its desire to terminate this Lease.
 - a. Operator-Tenant shall furnish, install and maintain, at its own expense the following equipment Six (6) front-load washers, Six (6) Standard gas dryers, and any other related equipment (collectively "Equipment") to be installed in the laundry room(s) of the Premises. All of the equipment shall be the latest energy-efficient commercial models, white in color. Operator-Tenant shall, at its own expense, use its best efforts to maintain the Equipment on the Premises in good working order at all times. Any claim by Landlord of inadequate service must be made by certified or registered mail, address to Operator-Tenant, return receipt requested. Operator-Tenant shall then have a reasonable opportunity thereafter (no less than 72 hours from the receipt of such notice) to repair or replace any machines not in working order. The selection of laundry equipment and all charges for the use thereof shall be determined by Operator- Tenant. Initial vend prices shall be set at \$2.00 to wash and \$2.00 for 60 minute dry. Vending prices, whether by coin, card, electronic ticket or token or otherwise, shall be determined, from time to time, by the Operator-Tenant with ten (10) days written notice to Landlord prior to change.
- 3) Operator-Tenant shall pay monthly as rent to the Landlord Seventy (70) percent of the monies collected during such month.
 - a. The rental payments set forth in Paragraphs 4, assumes the average monthly number of rented and occupied Apartment Units during the month is greater than 90% of the total Apartment Units. If such average is less than 90% occupancy landlord shall submit monthly to Operator-Tenant no later than the tenth day of each month true and correct occupancy reports. If such average is less, the rent to be paid by the Operator-Tenant to Landlord shall be reduced accordingly to account for such reduction. The determination by Operator-Tenant of the amount of such reduction shall be binding and conclusive upon Landlord.
- 4) Landlord shall, at its own expense: (a) immediately notify Operator-Tenant if the Equipment is not in good working order; (b) maintain the Leased Area in good repair and in clean condition (including but not limited to prompt removal of trash and rubbish) and supply adequate heat and light to the Leased Area and passageways leading thereto and therefrom; (c) keep the Equipment clean; (d) provide in the Leased Area sufficient facilities to permit proper installation, operation and use of the Equipment including but not limited to sufficient utility and venting outlets (gas, electric, water and drainage) and sufficient quantity and quality of water at appropriate temperatures; (e) be responsible for any damage occurring if there is improper or insufficient drainage, venting, gas, electric or other utilities or services; (f) pay the cost of all utilities (water, electric and gas) consumed in connection with the operation and use of the Equipment; all license fees and occupational, sales, use, rental or personal property taxes, refunds, and card sales if applicable; (g) provide proper security for Operator-Tenant's equipment.
- 5) Landlord shall not (a) permit any repairs or other maintenance of Equipment by anyone except Operator-Tenant or its authorized designee; (b) install, operate or use or permit the installation, operation or use of any other coin/card operated or non-metered washing and/or drying machines, equipment, facilities or other laundry services.
- 6) It is the intent of the parties that this Agreement is a lease of real property in the above described premises. This Agreement is assignable and shall be binding and shall inure to the benefit of the Lessor and the Lessee their respective successors and assigns, including any future owners, beneficiaries, grantees, parties in interest or Lessee of the building, it being the intention of the parties that the interest granted to Lessee herein, shall run with the land and Building. Lessor represents that upon transfer of the Building, Lessor shall notify transferee of this Lease. Failure of Lessor to notify Lessor's successor in title or interest shall not serve to relieve any subsequent successor of Lessor of its obligations hereunder.
- 7) Landlord shall defend, indemnify and hold harmless Operator-Tenant from all liability, cost and expense (including but not limited to reasonable accounting and counsel fees) arising out of or relating to (a) any vandalism or other intentional misuse, damage to or theft of the Equipment; (b) any action or inaction in whole or in part of Landlord (including but not limited to any agent or employee or Landlord) or any independent contractor of Landlord; (c) any seizure of or levy upon the Equipment by or loss of possession of the Equipment to any creditor of Landlord; (d) any breach by Landlord of this Lease; and (e) any threat, claim and/or challenge by any person as to the legality and enforceability of this Lease or any provision thereof. Any such sum (including but not limited to reasonable accounting and counsel fees) may be deducted from or set off against any rent owed to Landlord hereunder.
- 8) At the expiration, cancellation or termination of this Lease or renewal thereof, Operator- Tenant shall have a Right of First Refusal to continue to lease space to provide laundry services on the same terms and conditions as any bona-fide bid received by Landlord. Operator-Tenant shall be provided a copy of any bona-fide lease and/or bid to coin/card or other form of laundry equipment sales and/or service to the Premises.

- 9) Operator-Tenant shall have the right to terminate this Lease, upon written notice to Landlord, if (a) vandalism, theft or attempted theft at the premises becomes excessive so as to seriously affect Operator-Tenant's ability to perform under the Lease, (b) usage of the equipment in any three (3) consecutive months does not exceed an average of two (2) cycles per machine per day. Landlord is responsible for all aspects of security for the residents in the laundry room and shall be financially responsible for vandalized card systems if applicable and laundry equipment and agrees that Operator-Tenant may deduct all lost revenue and replacement costs from future commission payments.
- a. Upon the occurrence of any breach by Landlord, in addition to all other rights and remedies, Operator-Tenant may, (1) terminate its obligations under this Lease; and/or (2) receive from Landlord as liquidated damages a sum equal to the number of months remaining on the unexpired term of this Lease multiplied by the net income of monthly collections, realized by Operator-Tenant from the operation of Equipment in the Leased Area up to the date of such breach. (3) Receive from Landlord a sum equal to all of Operator-Tenant's costs and expenses incurred in connection herewith including without limitation reasonable accounting, counsel fees and unamortized cost of equipment.
- 10) Landlord consents to the exclusive jurisdiction of the Courts of Common Pleas of the Commonwealth of Pennsylvania and/or the United States District Court for the Eastern District of Pennsylvania in any and all actions and proceedings between the parties (whether at law or equity) and irrevocably agrees to service of process by certified mail, return receipt requested, postage prepaid, at Landlord's address appearing at the beginning of this Lease or to such other address of which Landlord may have notified Operator-Tenant in the above manner. Landlord waives the right to jury trial.
- 11) All notices, requests, demands and other communications hereunder shall be in writing and shall be mailed certified or registered mail, return receipt requested with postage prepaid to the address appearing at the beginning of this Lease or to such other address of which either party may have advised the other party in writing in the above manner.
- 12) Operator/Tenant agrees to assume responsibility for its Equipment and agrees to carry all necessary insurance for claims of personal injury, fire damage, or other damages arising out of the use of said Equipment, provided that Landlord's negligence or the negligence of anyone acting on the behalf of Landlord is not the cause of claims or damages.
- 13) Operator/Tenant will assume responsibility for yearly vent cleanings to keep vent lines clear of debris. Operator/Tenant will clear debris from machine to central vent in high rise buildings as long as they are not concealed within the walls; and from machine to outside in garden style apartments.
- 14) This is the entire understanding and agreement of the parties, superseding and canceling all prior contracts or understanding between the parties. No alteration, amendment or future understanding claimed by the Landlord shall be binding unless reduced to a writing signed by Operator-Tenant. This Lease shall not bind Operator-Tenant until executed by a properly authorized officer of Operator-Tenant at West Chester, Pennsylvania.
- 15) Should Landlord either remove or threaten to remove Tenant's equipment from the demised Premises, Landlord agrees that Tenant will suffer irreparable harm and agrees that injunctive relief is appropriate. Landlord will not assert that Tenant has an adequate legal remedy.
- 16) Operator-Tenant shall be in breach of this Lease only if Operator-Tenant shall fail to comply with any term or condition of this Lease and if within forty-five days after receipt by Operator-Tenant of written notice from Landlord setting forth in detail the nature of the failure of compliance and requesting a cure Operator-Tenant neither (a) cures such failure of compliance nor (b) takes action to cure such failure of compliance (and thereafter continues such action to cure in good faith). Operator-Tenant shall not be liable for any consequential damages.
- 17) Landlord represents and warrants to the Operator-Tenant (a) that there are no restrictions, agreements or understandings whatsoever to which Landlord is a party or by which it is otherwise bound which would inhibit, limit, prevent or make unlawful its execution or performance of this Lease Agreement, (b) that its execution and/or performance of this Lease Agreement does not constitute a breach of any contract, agreement or understanding, oral or written, to which the Landlord is a party or by which it is bound, (c) that no person or entity has a right of first refusal with respect to leasing the Premises and/or installing and/or maintaining coin/card operated or other metered automatic washing and drying machines and related equipment on the Premises and (d) that it is free and able to execute this Lease Agreement and to enter into this lease. A breach of the prior representation and warranty by the Landlord shall be a breach of this Lease Agreement.

Accepted by Operator-Tenant in Pennsylvania
COIN AUTOMATIC LAUNDRY EQUIPMENT COMPANY

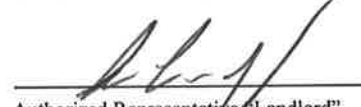


Authorized Representative "Operator-Tenant"

8/19/15

Date

The person executing this lease on behalf of landlord has read the terms of this lease and warrants that it is authorized to enter into this lease on behalf of landlord and warrants that this lease is binding on landlord.



Authorized Representative "Landlord"

9/8/15

Date