



November 30, 2011

Mr. Alan Lindy  
Lindy Property Management Co.  
207 Leedom Street  
Jenkintown, PA 19046

Dear Alan,

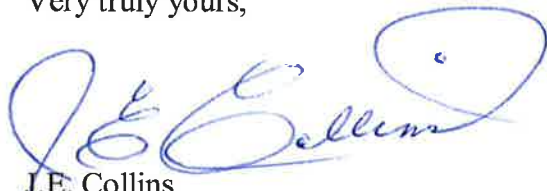
I have reattached the original front-page of the Lease Agreement; Paragraph 1B/Term of the Lease Agreement for ten (10) years.

A ten (10) year term is required for the following reasons:

1. Occupancy, with renovations and construction in the works, may take some time to establish occupancy above 90%.
2. Commissions and decorating allowance paid to the Landlord leaves **CALECO** less than 40% to offset the cost of Front Load Washers and the Debit Card System Components and to be able to provide **CALECO's** signature service.

If you have any concerns, please contact me.

Very truly yours,



J.E. Collins  
Vice President, Sales

JEC/dh

File: 3457

CC: Rick Winig

## LEASE AGREEMENT

**AGREEMENT**, dated **November 10, 2011**, by and between **COIN AUTOMATIC LAUNDRY EQUIPMENT COMPANY**, a Pennsylvania corporation, having its principal place of business at Airport Road & Wilson Drive, West Chester, Pennsylvania ("Operator-Tenant"), and **Lindy Property Management Co.**, a corporation/partnership/individual having its principal place of business at 207 Leedom Street, Jenkintown, PA 19046 ("Landlord").

**Landlord** is the present owner of **Haverford Court Apartments** located at **7400 Haverford Avenue, Philadelphia, PA 19151** ("Premises") with 158 apartment units ("Apartment Units").

**Operator-Tenant** is engaged in the business of installing and servicing washing and drying machines, which may be coin/card activated, and related equipment. Landlord desires to lease space at Premises to Operator-Tenant to install and maintain coin/card operated washing and drying machines and related equipment on Premises.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and intending to be legally bound hereby, the parties agree as follows:

- 1)
  - a. Landlord leases to Operator-Tenant, solely and exclusively, the area or areas, now or hereafter existing in the Premises, and such additional area or areas in the Premises agreed upon between them, which is/are sufficient and suitable for the operation and use of Equipment ("Leased Area").
  - b. The lease term commences this date and ends ten (10) years after November 15, 2011 or the date of installation of the last unit of Equipment, as hereinafter defined, to be installed pursuant hereto, whichever shall last occur ("Rent Commencement Date"). Notice from Operator-Tenant to Landlord of the date of installation of the last unit shall be conclusive upon Landlord.
  - c. Anything in this Lease to the contrary notwithstanding, this Lease shall automatically renew on the same terms and conditions for a period of ten (10) years from the date on which the majority of the Equipment in the Leased Area is replaced by new Equipment. Operator-Tenant shall give Landlord ten days written notice in advance of installing the new Equipment and the failure of the Landlord to notify Operator-Tenant in writing prior to such installation shall be deemed a mutual consent to such replacement and extension of the Lease Term. The effective date of the renewal Lease Term shall be the first day of the month in which the installation is completed. Operator-Tenant's records of installation of such new Equipment shall be conclusive upon Landlord.
- 2)
  - a. Operator-Tenant shall furnish and install on Premises such quantity of washing and drying machines (Nineteen Washers and Nineteen Dryers and two Add Value stations), and other related equipment, as Operator-Tenant shall solely determine, giving due regard to Operator-Tenant's experience, for the number and type of apartment units at the Premises, the number and type of potential users and the availability of utility and venting connections, openings and outlets. Such machines and other equipment, with all additions and replacements, shall herein be called the "Equipment".
  - b. Operator-Tenant shall have the option to remove from the Premises and not replace any item of Equipment whose average daily revenue in any week is less than four times the customer single use charge to operate one coin-metered washing machine at the Premises.
  - c. Vending prices whether by coin, card, electronic ticket or token or otherwise, shall be as solely determined, from time to time, by the Operator-Tenant.
- 3)
  - a. Operator-Tenant shall pay quarterly as rent to the Landlord 60 per cent (60 %) of the monies collected during such quarter after the Rent Commencement Date by Operator-Tenant from the money boxes of Equipment after first deducting therefrom all license fees and occupational, sales, use, rental or personal property taxes.
  - b. Each of the rental payments set forth in Paragraphs 3 (a), assumes the average monthly number of rented and occupied Apartment Units during the quarter is greater than 90% of the total Apartment Units. 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 submit to Operator-Tenant no later than the tenth day of each month true and correct occupancy reports, in form satisfactory to Operator-Tenant, setting forth the occupancy of the Premises for the previous month, which reports shall be subject to verification by Operator-Tenant. Operator-Tenant shall have no obligation to make rental payments until all such reports are properly filed and verified.
- 5) If any of the events described in paragraph 2(b) or paragraph 11 shall occur or Landlord shall breach this Lease and such event or breach shall have the effect of reducing the amount of monies which Operator-Tenant collects from the money boxes of Equipment, then, in addition to all other rights and remedies of Operator-Tenant, the percentage or the amount (whichever shall be applicable) to be paid by Operator-Tenant to Landlord in accordance with the paragraph 3(a), 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.
- 6) 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; (g) provide proper security for Operator-Tenant's equipment; (h) provide free and unobstructed access to the Equipment to all tenants of the Premises; (i) furnish Operator-Tenant with a landlord's and mortgagee's waiver in form satisfactory to Operator-Tenant and Landlord hereby waives all rights, liens, encumbrances and priorities which the Landlord has, now or in the future, in the Equipment; and (j) notify Operator-Tenant immediately of any seizure of, levy upon or loss of possession of the Equipment.
- 7) 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 token metered and/or non-metered washing and/or drying machines, equipment, facilities or other laundry services (including without limitation portable machines and exterior laundry lines) on (i) the Premises or (ii) any addition to the Premises, any new buildings constructed or purchased adjacent to the Premises or any buildings which share common recreational or other facilities with the Premises ("Adjunct Location"); (c) interfere with the normal operation or use of the Equipment and specifically without limitation shall not move, tamper with, disconnect or remove the Equipment; or (d) store or cause, permit or suffer to be placed in or near the Leased Area or the Equipment any personal property including but not limited to any flammable property or any property which would contravene Operator-Tenant's policies of insurance and/or health or safety standards. The foregoing prohibition extends to the installation of any type laundry equipment in individual dwelling units by tenants.
- 8) Landlord covenants that (a) for the period of this lease the Operator-Tenant shall have undisturbed and quiet possession of the Leased Area and free and unobstructed access thereto for all purposes, including but not limited to installation, inspection, maintenance, replacement, and removal of and collection of receipts from the Equipment; (b) on any transfer sale or assignment of all or part of the Premises, including, but not limited to any conversion of all or part of the Premises to a condominium or cooperative and any sales pursuant thereto, the Landlord will require the purchaser(s) or assignee(s) to assume the obligation of the Landlord hereunder in a writing satisfactory to Operator-Tenant, but any such sale, assignment or assumption will not relieve Landlord of its obligations hereunder. Landlord shall give Operator-Tenant no less than ten calendar day's prior notice of any such proposed sale.
- 9) Operator-Tenant or Operator-Tenant's designee shall have the sole and exclusive right to collect monies from the money boxes of Equipment, and Landlord shall not interfere with such right. Should Landlord come into possession of any such monies, Landlord shall hold such sums in trust for Operator-Tenant and pay over such sums to Operator-Tenant on demand, together with an accounting.
- 10) Operator-Tenant, in addition to all other rights and remedies, shall be relieved of its obligations under this Lease and may at its option suspend performance of or terminate all or any portion of this Lease (without liability) if (a) the average daily monies collected by Operator-Tenant from the money boxes of the Equipment in any week are less than four times the customer single use charge to operate one coin/card operated washing machine at the Premises; or (b) Operator-Tenant is limited in its performance of or unable to perform such obligations because of any fire, flood, labor dispute, civil commotion, theft, misuse, vandalism, failure of utility, Operator-Tenant's inability to obtain parts or equipment at reasonable prices in relation to Operator-Tenant's rent obligations hereunder, explosion, governmental action, or any other interruption of business, casualty, event or circumstance beyond the reasonable control of Operator-Tenant or force majeure, whether similar or dissimilar to any of the foregoing, whether relating to or affecting all or any part of the Premises, the Leased Area, Equipment or Operator-Tenant's business, or (c) the average monthly number of rented and occupied Apartment Units during any quarter is less than 90% of the total Apartment Units.

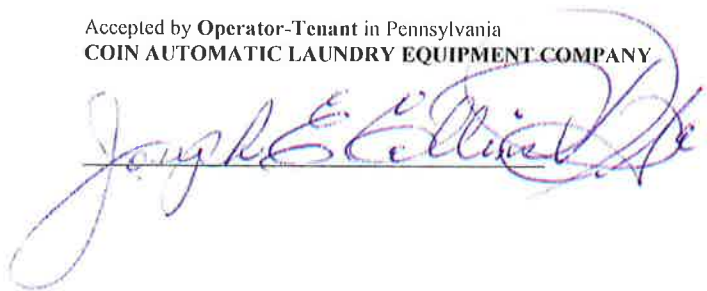
- 11) Landlord shall defend, indemnify and hold harmless Operator-Tenant from all liability, cost and expense (including but not limited to reasonable accounting and counsel fees) arising out of or relating to (a) any vandalism or other intentional misuse, damage to or theft of the Equipment; (b) any 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.
- 12) The parties hereto intend that the Equipment is and shall remain the personal property of Operator-Tenant (whether or not affixed to the realty) and Landlord shall acquire no right or interest therein. Operator-Tenant shall have a right of first refusal to continue to lease space to provide laundry services on the same terms as any bona fide bid received by Landlord, if this Lease is not renewed or if Landlord receives a bona fide bid for any Adjunct Location.
- 13) 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. Operator-Tenant shall always be entitled as a minimum, the cash equivalent of one cycle per machine per day.
- 14)
  - a. The occurrence of any of the following, at the option of Operator-Tenant and without notice or demand on Landlord, shall constitute a breach by Landlord of this lease: (1) failure of Landlord to comply with any term or condition of this Lease or any other lease agreement between Operator-Tenant and Landlord; (2) any warranty or statement of Landlord contained herein or made in connection herewith, including but not limited to any statement concerning income from or tenant usage of the laundry facility, shall be false, incomplete or misleading; (3) Landlord is insolvent in the bankruptcy or equity sense; (4) Landlord ceases business operations; (5) other tenants of the Premises, or other persons who gain access to the Premises, damage, steal from, misuse or vandalize any of the Equipment; or (6) failure of any purchaser or assignee of the Premises to comply with any term or condition of this Lease
  - b. Upon the occurrence of any breach by Landlord, in addition to all other rights and remedies, Operator-Tenant, at Operator-Tenant's option, may, without notice to Landlord (1) enter on the Premises or any place where any of the Equipment is located taking such action as Operator-Tenant deems advisable (including but not limited to removal or changing locks, disconnecting machines and equipment not properly on the Premises and reconnecting the Equipment, moving other pieces of property and/or posting guards) and take immediate possession of and/or remove any of the Equipment and/or render any of the equipment unusable or inoperable, without liability for any damage, trespass or conversion occasioned thereby; and/or (2) terminate its obligations under this Lease; and/or (3) receive from Landlord as liquidated damages a sum equal to the number of weeks remaining on the unexpired term of this Lease multiplied by the average weekly collections, realized by Operator-Tenant from the operation of Equipment in the Leased Area up to the date of such breach, less allocable rental payments (the determination by Operator-Tenant of the amount of such damages shall be binding and conclusive upon Landlord) and/or (4) receive from Landlord a sum equal to all of Operator-Tenant's costs and expenses incurred in connection herewith including without limitation reasonable accounting and counsel fees. Upon taking possession of the Equipment, Operator-Tenant may take possession of any property attached to or used in connection with the Equipment. If Landlord does not within one month after Operator-Tenant takes possession of such property notify Operator-Tenant of the specific items Landlord contends belong to Landlord, Landlord shall have abandoned such property and be barred from making claim thereto.
- 15) 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 (1) cures such failure of compliance nor (2) 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.
- 16) During the term hereof and, if Landlord terminates this Lease and Operator-Tenant contests such termination, during the term of such contest Landlord shall not disconnect or otherwise interfere with the normal operation of the Equipment. Should Landlord fail to comply with this prohibition, Landlord shall have committed a conversion of the Equipment and be liable for all actual and punitive damages relating thereto.
- 17) Equipment may remain in the Leased Area (a) for a period of forty-five days after the Lease term ends or (b) if Landlord terminates this Lease and Operator-Tenant contests such termination, during the term of such contest, and Operator-Tenant shall not be liable for any, and Landlord waives all warehouse, storage, rental and other charges. Operator-Tenant's sole obligation at the expiration of the Lease Term or any extension thereof is to remove the Equipment and to deliver the Leased Area in broom-clean condition.
- 18) This Lease shall be in full force and effect for the term described in Paragraph 1 and shall automatically be renewed at the expiration thereof for ten (10)-year term, and so on for like terms upon the same terms and conditions as herein contained, unless either party shall, at least ninety but no more than one hundred twenty days prior to the expiration of the then current term, give notice indicating its desire to terminate this Lease.
- 19) This Lease shall survive any sale, assignment or other transfer of the Premises or any part thereof, including but not limited to, any conversion of all or part of the Premises to a condominium or cooperative and any sale pursuant thereto, and shall be construed in all respects as a lease and not a license and shall run with the land.
- 20) All obligations and responsibilities of Landlord required to be performed by Landlord pursuant to this Lease shall be performed at Landlord's own expense. If Landlord fails to perform any such obligation or responsibility, in addition to all other rights and remedies of Operator-Tenant, Operator-Tenant may perform such obligation or responsibility, charge the cost thereof to Landlord, and deduct the amount from the rent owed to Landlord hereunder. Tenant may perform such obligation or responsibility, charge the cost thereof to Landlord, and deduct the amount from the rent owed to Landlord hereunder.
- 21) 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.
- 22) 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.
- 23) This Lease shall be binding upon and inure to the benefit of, the heirs, legal representatives, successors, assigns and assignees of each of the parties hereto, but Landlord may assign this Lease only in connection with a sale or assignment of the Premises as contemplated by Paragraph 8(b).
- 24) All words shall be construed to be of such number and gender as the circumstances require; and if any part of this Lease is adjudged invalid, void or modified, the remainder shall be unaffected thereby.
- 25) All of Operator-Tenant's rights and remedies herein are cumulative and not alternative and are in addition to all other rights and remedies set forth herein, at law, in equity and otherwise.
- 26) 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 be deemed executed in the Commonwealth of Pennsylvania and shall be governed by the laws of the Commonwealth of Pennsylvania applicable to contracts made and to be performed in Pennsylvania. This Lease shall not bind Operator-Tenant until executed by a properly authorized officer of Operator-Tenant at West Chester, Pennsylvania.
- 27) No waiver of any breach of any term hereof shall be deemed a waiver of that or any similar terms in the future nor shall a waiver of any breach be deemed a waiver of any subsequent breach of the same or other nature.
- 28) 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.
- 29) As an advanced decorating commission, Operator-Tenant shall pay to Landlord \$10,000.00 upon installation of the equipment. If this Agreement is terminated by either party, for any reason, in addition to any other damages, the Operator-Tenant shall be reimbursed \$83.33 for each month of operation remaining at the time of termination for the balance of the Agreement.
- 30) 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.

- 21) 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.
- 22) 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.
- 23) This Lease shall be binding upon and inure to the benefit of, the heirs, legal representatives, successors, assigns and assignees of each of the parties hereto, but Landlord may assign this Lease only in connection with a sale or assignment of the Premises as contemplated by Paragraph 8(b).
- 24) All words shall be construed to be of such number and gender as the circumstances require; and if any part of this Lease is adjudged invalid, void or modified, the remainder shall be unaffected thereby.
- 25) All of Operator-Tenant's rights and remedies herein are cumulative and not alternative and are in addition to all other rights and remedies set forth herein, at law, in equity and otherwise.
- 26) 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 be deemed executed in the Commonwealth of Pennsylvania and shall be governed by the laws of the Commonwealth of Pennsylvania applicable to contracts made and to be performed in Pennsylvania. This Lease shall not bind Operator-Tenant until executed by a properly authorized officer of Operator-Tenant at West Chester, Pennsylvania.
- 27) No waiver of any breach of any term hereof shall be deemed a waiver of that or any similar terms in the future nor shall a waiver of any breach be deemed a waiver of any subsequent breach of the same or other nature.
- 28) 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.
- 29) As an advanced decorating commission, Operator-Tenant shall pay to Landlord \$10,000.00 upon installation of the equipment. If this Agreement is terminated by either party, for any reason, in addition to any other damages, the Operator-Tenant shall be reimbursed \$83.33 for each month of operation remaining at the time of termination for the balance of the Agreement.
- 30) 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.

Signatures NEXT page

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.

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



LANDLORD Haverford Court Apts  
11/30/11  
STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

Federal ID # 80-0762142