

This Commercial Lease Agreement ("Lease") is made and effective _____
[Date], by and between Warren County School District ("Landlord/Seller") and StarShine Child Development Center/ Lucille Hall ("Tenant/Buyer").

Landlord/Seller is the owner of land and improvements commonly known as South Street Early Learning Center Warren Pa 16365 and legally described as follows (the "Building"):

Landlord/Seller makes available for lease the Building designated as South Street Early Learning Center Warren Pa 16365 (the "Leased Premises").

Landlord/Seller desires to lease the Leased Premises to Tenant/Buyer, and Tenant/Buyer desires to lease the Leased Premises from Landlord/Tenant for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. Term.

A. Landlord/Seller hereby leases the Leased Premises to Tenant/Buyer, and Tenant/Buyer hereby leases the same from Landlord/Seller, for an "Initial Term" beginning 5/1/14 and ending 12/17/15.

Landlord/Seller shall use its best efforts to give Tenant/Buyer possession as nearly as possible at the beginning of the Lease term. If Landlord/Seller is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant/Buyer shall make no other claim against Landlord/Seller for any such delay.

B. Tenant may renew the Lease for one extended term of (6) six months. Tenant/Buyer shall exercise such renewal option, if at all, by giving written notice to Landlord/Seller not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

2. Rental.

Tenant/Buyer shall pay to Landlord/Seller during the Initial Term rental of \$45000.00 for the eighteen month lease, payable in installments of \$2500.00 per month, as well as \$2500.00 deposit. Each installment payment shall be due in advance or before the tenth day of each calendar month during the lease term to Landlord/Seller at such place designated by written notice from Landlord/Seller. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. Tenant/Buyer shall also pay to Landlord/Seller a total of \$400000.00 at the end of the term for purchase of the building. Landlord/Seller will receive a total of \$447500.00 for said building.

3. Use

Notwithstanding the forgoing, Tenant/Buyer shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

4. Sublease and Assignment.

Tenant/Buyer will not have the right to sublet building without written notice from Landlord/Seller.

5. Repairs.

During the Lease term, Tenant/Buyer shall make, at Tenant/Buyer's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, as well as all major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

6. Alterations and Improvements.

Tenant/Buyer, at Tenant/Buyer's expense, shall have the right following Landlord/Seller's consent to redecorate, and make improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant/Buyer may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant/Buyer shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises.

7. Property Taxes.

Tenant/Buyer shall pay all general real estate taxes, personal property taxes beginning April 2014.

8. Insurance.

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant/Buyer or any of Tenant/Buyer's employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant/Buyer shall be responsible for the costs of repair not covered by insurance.

B. Landlord/Seller shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Landlord/Seller shall deem appropriate. Tenant/Buyer shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

C. Tenant/Buyer and Landlord/Seller shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Landlord, such insurance to afford minimum protection of not less than \$100000.00 combined single limit coverage of bodily injury, property damage or combination thereof. Landlord shall be listed as an additional insured on Tenant/Buyer's policy or policies of comprehensive general liability insurance, and Tenant/Buyer shall provide Landlord/Seller with current Certificates of Insurance evidencing Tenant/Buyer's compliance with this Paragraph. Tenant/Buyer shall obtain the agreement of Tenant/Buyer's insurers to notify Landlord/Seller that a policy is due to expire at least (10) days prior to such expiration. Landlord/Seller shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

9. **Utilities.**

Tenant/Buyer shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Tenant/Buyer on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing by Landlord/Seller.

10. **Signs.**

Following Landlord/Seller's consent, Tenant/Buyer shall have the right to place on the Leased Premises, at locations selected by Tenant/Buyer, any signs which are permitted by applicable zoning ordinances and private restrictions. .

11. **Entry.**

Landlord/Seller shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord/Seller shall not thereby unreasonably interfere with Tenant/Buyer's business on the Leased Premises.

12. **Parking.**

During the term of this Lease, Tenant/Buyer shall have the non-exclusive use in common with Landlord/Seller, their employees and clients, of the non-reserved common automobile parking areas, driveways, and footways.

13. **Default.**

If default shall at any time be made by Tenant/Buyer in the payment of rent when due to Landlord/Seller as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant/Buyer by Landlord/Seller, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant/Buyer, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant/Buyer by Landlord/Seller without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord/Seller may declare the term of this Lease ended and terminated by giving Tenant/Buyer written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord/Seller may reenter said premises. Landlord/Seller shall have, in addition to the remedy above provided, any other right or remedy available to Landlord/Seller on account of any Tenant/Buyer default, either in law or equity. Landlord/Seller shall use reasonable efforts to mitigate its damages.

14. **Quiet Possession.**

Landlord/Seller covenants and warrants that upon performance by Tenant/Buyer of its obligations hereunder, Landlord/Seller will keep and maintain Tenant/Buyer in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

15. **Security Deposit.**

The Security Deposit and first month's rent shall be paid by May 1, 2014. The security deposit as well as all monthly lease payments do not get applied to the purchase amount of \$400000.00 (\$400000.00 plus \$45000.00 and security deposit of \$2500.00 would equal the \$447500.00 at the end of the term).

16. Brokers.

Tenant/Buyer represents that Tenant/Buyer was not shown the Premises by a real estate broker or agent.

17. Memorandum of Lease.

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord/Seller and Tenant/Buyer shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

18. Successors.

The provisions of this Lease shall extend to and be binding upon Landlord/Seller and Tenant/Buyer and their respective legal representatives, successors and assigns.

19. Consent.

Landlord/Seller shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord/Seller's consent is required or desirable under this Lease.

20. Compliance with Law.

Tenant/Buyer shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant/Buyers use of the Leased Premises. Landlord/Seller shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

21. Final Agreement.

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

22. Governing Law.

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

[Landlord/Seller] Signature Block

[Landlord/Seller] Signature Block

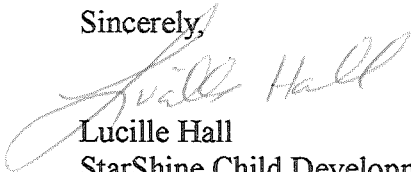
[Tenant/Buyer] Signature Block

March 20 2014

To Whom It May Concern,

Hello, we are sending this proposal for your property South Street Early Learning Center in Warren Pa. We are interested in making an offer to purchase the property in the amount of \$447500.00. We are looking to turn the building into a daycare center which will operate on all three shifts and bring in over 19 new full time jobs here in Warren. Please review our proposal and contact us should you have any questions.

Sincerely,



Lucille Hall
StarShine Child Development Center
814-706-2403

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Active sheet 2 day