

**LEASE AGREEMENT**  
between  
**EXETER TOWNSHIP**  
as **Landlord**  
and  
**READING HOSPITALITY LLC, D/B/A DOUBLETREE BY HILTON, READING AND**  
**D/B/A CATERING BY DOUBLETREE**  
as **Tenant**

THIS LEASE AGREEMENT (“**Agreement**”), dated as of the \_\_\_ day of \_\_\_\_\_, 2022 (the “**Effective Date**”), is entered into by the Exeter Township, a political subdivision having an address at 4975 DeMoss Road, Reading, PA 19606 (“**Landlord**”), and Reading Hospitality, LLC, d/b/a DoubleTree by Hilton, Reading and d/b/a Catering by DoubleTree, a private company located at 701 Penn Street, Reading, PA 19601 (“**Tenant**”). Landlord and Tenant are sometimes collectively referred to hereinafter as the “**Parties**,” and each individually, as a “**Party**.”

**BACKGROUND**

Landlord owns or controls that certain plot, parcel or tract of land, together with all rights and privileges arising in connection therewith, known as the Reading Country Club (“**Building**”) located at 533 Perkiomen Avenue, Reading, PA 19606 (“**Property**”). Tenant intends to use a portion of the Building for office space in connection with supporting catering and event operations occurring on the Property. Tenant desires to lease from Landlord, and Landlord desires to grant to Tenant, the right to use certain portions of the Building in accordance with this Agreement.

The Parties, intending to be legally bound, agree as follows:

**1. LEASE OF PREMISES.**

(a) Landlord leases to Tenant certain portions of the Building as depicted in the attached in the marked areas in **Exhibit A** (“**Premises**”).

(b) Tenant shall also be permitted to use Common Areas as part of this Lease. As used in this Lease, “Common Area(s)” means all improved and unimproved areas within the Property that are made available from time to time for the general use, convenience, and benefit of Landlord, tenants, and other persons entitled to occupy any portion of the Property and/or their customers, patrons, employees, and invitees. Tenant and all persons having business with Tenant shall have the right, without charge, to use, in common with all other occupants of the Property and all persons having business with such other occupants, and no other persons, all Common Areas of the Property, for parking and access in connection with business in the Property, and for no other purpose.

(c) Landlord reserves the right at any time and from time to time to make or permit changes to the Property, including increasing, reducing, or changing the number, type, side, location, elevation, nature, and use of any of the buildings or Common Areas, walkways, parking areas, driveways, or access ways. If the Property shall be changed as aforesaid, Landlord shall not be subject to any liability to Tenant and Tenant shall not be entitled to any compensation, or

diminution or abatement of rent, nor shall such change, alteration, or diminution be deemed to be a constructive eviction or actual eviction.

**2. PERMITTED USE.**

(a) Tenant may use the Premises for the sole purpose of supporting catering and event operations occurring on the Property (“**Permitted Use**”).

(b) Tenant agrees to comply with all applicable federal, state and local laws, rules, statutes and regulations, relating to its activities on the Property.

(c) Landlord is providing Tenant with the Premises, along with the use of any furniture, fixtures, utilities and Common Areas existing within the office space.

**3. TERM.**

(a) The initial lease term (“**Initial Term**”) will be a one (1) year period that commences on the Commencement Date and expires on the Expiration Date.

(b) The “**Commencement Date**” shall be the date on which Landlord notifies Tenant that the Premises are in Deliverable Condition. “**Deliverable Condition**” means that the Premises are in a broom-clean condition, free and clear of all prior leases, tenants, and/or occupants and free and clear of all fixtures and other property, including exterior signs, of all prior tenants and/or occupants.

(c) The “**Rent Commencement Date**” shall be the date that is thirty (30) days after the Commencement Date.

(d) As used in this Lease “**Lease Year**” shall mean: (a) for the initial Lease Year, the period that commences on the Commencement Date and that ends on the first anniversary of the Rent Commencement Date; and (b) thereafter, each Lease Year shall be a period of twelve calendar months that commences on the anniversary of the Rent Commencement Date and that ends on the day immediately preceding the next anniversary of the Rent Commencement Date.

(e) The “**Expiration Date**” shall be the one (1) year anniversary of the Rent Commencement Date.

(f) This Agreement will automatically renew for up to two (2) additional one (1) year terms (each, an “**Extension Term**”), upon the same covenants, terms and conditions, unless Tenant notifies Landlord in writing of Tenant’s intention not to renew this Agreement at least ninety (90) days prior to the expiration of each Extension Term.

(g) The Initial Term and all of the Extension Terms are collectively referred to as the Term (“**Term**”).

**4. RENT.**

(a) Landlord shall lease the Premises to Tenant during the Initial Term for \$1,500.00 per month. Monthly rent shall be paid on the Rent Commencement Date and by the first of each month thereafter.

(b) At the beginning of each Lease Year following the Initial Term, the Rent payable by Tenant shall be increased in an amount equal to the product of the Rent times a number equal to the percentage increase in the Consumer Price Index for All Urban Consumers (“**CPI-U**”) over a 12 month period, calculated by using the most recently published CPI-U, and the CPI-U published 12 months earlier.

**5. TERMINATION.**

(a) This Agreement may be terminated, without penalty or further liability by either Party, upon ninety (90) days prior written notice, for any or no reason. In the event that this Agreement is terminated by Tenant, Landlord shall be entitled to retain all rent due for the remainder of the then-existing Lease Year.

(b) This Agreement shall automatically terminate upon the expiration or termination of the Food Beverage License and Concessionaire Agreement for Reading Country Club entered into between Landlord and Tenant. In the event that the Food Beverage License and Concessionaire Agreement is terminated or expires, Tenant shall have thirty (30) days to remove its property from the Property.

**6. INSURANCE.** During the Term, Tenant, at its sole cost and expense, shall obtain and maintain the following insurance: (i) commercial general liability insurance with a minimum limit of liability of One Million Dollars (\$1,000,000.00) combined single limit for bodily injury or death/property damage arising out of any single occurrence; and (ii) Workers' Compensation Insurance as required by law. The coverage afforded by Tenant's commercial general liability insurance shall apply to Landlord as an additional insured, but only with respect to Landlord's liability arising out of its interest in the Property. Landlord shall insure the Building against fire and other casualty for at least the full replacement value thereof. Notwithstanding anything to the contrary set forth in this Agreement, the Parties hereby confirm that the provisions of this Section 6 shall survive the expiration or earlier termination of this Agreement.

**7. INDEMNIFICATION.**

(a) Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage or liability (or any claims with respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising from the use of the Premises and Common Areas in connection with this Agreement, except to the extent any such injury, loss, damage, or liability is attributable to the negligent or intentional act or omission of Landlord, its employees, agents, or independent contractors.

(b) Landlord hereby agrees to indemnify, defend, and hold Tenant harmless from and against any and all injury, loss, damage or liability (or any claims with respect of the foregoing), costs or expenses (including reasonable attorneys' fees and court costs) arising directly from the actions or failure to act of Landlord or its employees, agents, or independent contractors or Landlord's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Tenant, its employees, agents or independent contractors.

(c) Notwithstanding anything to the contrary set forth in this Agreement, Tenant and Landlord each hereby waives any claims that it may have against the other with respect to consequential, incidental or special damages.

(d) This Section 7 shall survive the expiration or earlier termination of this Agreement.

**8. WARRANTIES.**

(a) Tenant and Landlord each hereby acknowledge and represent that it is duly organized, validly existing, and in good standing in the Commonwealth of Pennsylvania, and that

each has the right, power, and authority to enter into this Agreement and to bind itself hereto by the execution of this Agreement by the individual(s) set forth as signatory for the Party below.

(b) Landlord hereby represents and warrants that: (i) Landlord owns the Property in fee simple; (ii) the Property is not encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which could adversely affect Tenant's Permitted Use and enjoyment of the Premises pursuant to this Agreement; (iii) as long as Tenant is not in default hereunder, then Landlord hereby grants to Tenant sole, actual, quiet and peaceful use, enjoyment, and possession of the Premises; and (iv) Landlord's execution and performance of this Agreement will not violate any laws, ordinances, or covenants, or the provisions of any mortgage, lease, or other agreement, or any court order, binding on Landlord or affecting the Premises.

## **9. ENVIRONMENTAL.**

(a) Landlord hereby represents and warrants that as of the date of this Agreement, the Property is free from hazardous substances and, to the best of Landlord's knowledge, the Property has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation. Landlord and Tenant each hereby agree that it will be responsible for compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities now or at any time in effect, regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or similar matters that are now or were at any time previously related to any activities conducted by it in or on the Property.

(b) Landlord and Tenant each hereby agree to indemnify, defend, and hold harmless the other from and against, and to assume all duties, responsibilities, and liabilities of the other at the sole cost and expense of the indemnifying Party for, payment of penalties, sanctions, forfeitures, losses, costs, or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation, or proceeding which is related to (i) the indemnifying Party's failure to comply with any environmental or industrial hygiene law including, without limitation, any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or matters now or hereafter in effect, or (ii) any environmental or industrial hygiene conditions that arise out of or are in any way related to the condition of the Property and activities conducted by the Party thereon, unless the environmental conditions are caused by the other Party.

(c) The indemnities provided for in this Section 9 specifically include, without limitation, reasonable costs, expenses and fees incurred in connection with any investigation of the Property or of any conditions or any clean-up, remediation, removal, or restoration work required by any governmental authority. The provisions of this Section 9 will survive the expiration or earlier termination of this Agreement.

(d) In the event Tenant becomes aware of any hazardous materials on the Property, or any environmental or industrial hygiene condition or matter relating to the Property that, in Tenant's sole determination, renders the condition of the Premises or Property unsuitable for Tenant's use, or if Tenant believes that its lease or continued lease of the Premises could expose Tenant to undue risks of government action, intervention or third-party liability, Tenant shall have the right, in addition to any other rights it may have hereunder, at law or in equity, to terminate this Agreement upon notice to Landlord.

10. **ACCESS.** At all times throughout the Term, and at no additional charge to Tenant, Tenant and its employees, agents, and subcontractors, shall have full, free, and uninterrupted access to the Premises twenty-four (24) hours per day, seven (7) days per week, for any Permitted Use. Landlord hereby agrees to provide to Tenant such codes, keys, and other information and materials necessary for such access at no additional cost to Tenant.

11. **RESTORATION.** Within thirty (30) days of the termination of this Agreement, Tenant shall remove all of Tenant's personal property from the Premises, and Tenant shall restore the Premises to its condition at the commencement of this Agreement, reasonable wear and tear and loss by casualty or other causes beyond Tenant's control excepted.

12. **MAINTENANCE/UTILITIES.**

(a) Tenant shall keep and maintain the Premises in good condition, reasonable wear and tear and damage from the elements or casualty excepted. Landlord shall maintain and repair the Property (including, without limitation, the Building and all common areas) and access thereto, in good and tenantable condition, subject to reasonable wear and tear and damage from the elements.

(b) Tenant shall be responsible for the payment of telephone service, at its sole cost and expense.

(c) Landlord shall furnish the Premises with electricity, water, Internet connection and all other utilities at no additional cost to Tenant.

13. **ASSIGNMENT/SUBLEASE.** Tenant shall not assign or sublease this Agreement.

14. **NOTICES.** All notices, requests, demands and communications hereunder shall be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices shall be addressed to the Parties as follows:

If to Tenant:                 Reading Hospitality, LLC  
                                      701 Penn Street  
                                      Reading, PA 19601

If to Landlord:               Exeter Township  
                                      Attn: Manager  
                                      4975 DeMoss Road  
                                      Reading, PA 19601

With a copy to:               Exeter Township  
                                      Attn: Solicitor  
                                      4975 DeMoss Road  
                                      Reading, PA 19601

Either Party hereto may change the place for the giving of notice to it by thirty (30) days prior written notice to the other Party as provided for herein.

15. **CASUALTY.** The Parties shall provide notice to each other of any casualty affecting the Property of which a Party becomes aware, within forty-eight (48) hours of the casualty. If any part of the Property is damaged by fire or other casualty so as to render the Premises unsuitable, in Tenant's sole determination, then Tenant may terminate this Agreement by providing written notice to Landlord, which termination will be effective as of the date of such damage or destruction.

16. **MISCELLANEOUS.**

(a) **Amendment/Waiver.** This Agreement cannot be amended, modified, or revised unless done in writing and signed by an authorized agent of Landlord and an authorized agent of Tenant. No provision of this Agreement may be waived except in a writing signed by both Parties.

(b) **Bind and Benefit.** The terms and conditions contained in this Agreement will run with the Property and will bind and inure to the benefit of the Parties, their respective heirs, executors, administrators, successors, trustees, and assigns.

(c) **Entire Agreement.** This Agreement and the exhibit attached hereto, all being expressly made a part hereof, constitute the entire agreement of the Parties hereto and supersede all prior offers, negotiations, and agreements with respect to the subject matter of this Agreement.

(d) **Governing Law.** This Agreement will be governed by the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law.

(e) **Dispute Resolution.** If a dispute arises between the Parties concerning the interpretation or execution of this Agreement, either Party may bring an action in the Court of Common Pleas for Berks County seeking declaratory relief, injunctive relief and/or any other relief as may be appropriate.

(f) **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original for all purposes, and all such counterparts shall together constitute but one and the same instrument. A signed copy of this Agreement delivered by email shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Notwithstanding the foregoing, each party hereto shall deliver original counterpart signatures to the other parties by no later than fifteen (15) days after the date hereof.

(g) **Severability.** If any term or condition of this Agreement is found to be unenforceable, the remaining terms and conditions will remain binding upon the Parties as though said unenforceable provisions were not contained herein. However, if the invalid, illegal or unenforceable provisions materially affect this Agreement, then this Agreement may be terminated by either Party on ten (10) business days prior written notice to the other Party hereto.

(h) **Survival.** All indemnity provisions contained herein will survive the expiration or earlier termination of this Agreement.

[SIGNATURES APPEAR ON THE NEXT PAGE]

**IN WITNESS WHEREOF**, the Parties have caused this Lease Agreement to be duly executed and effective as of the date first written above.

**“LANDLORD”**

EXETER TOWNSHIP

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**“TENANT”**

READING HOSPITALITY, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[ACKNOWLEDGMENTS APPEAR ON THE NEXT PAGE]**





**EXHIBIT A**

**DESCRIPTION OF PREMISES**