

UNITED STATES BANKRUPTCY COURT		PROOF OF CLAIM
Name of Debtor: <u>ALC Holdings LLC, et al.</u>		Case Number: <u>11-13853(MFW)</u>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <u>Heritage - Montgomery Center, L.P.</u>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: <u>Heritage - Montgomery Center, L.P.</u> <u>Attn: General Counsel</u> <u>865 Easton Road, Suite 250</u> <u>Warrington, PA 18976</u>		
Telephone number: <u>215-491-4800</u>		
Name and address where payment should be sent (if different from above): <div style="text-align: center;"><u>Same</u></div>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number: <div style="text-align: center;"><u>BMC GROUP</u></div>		
Name and address where payment should be sent (if different from above): <div style="text-align: center;"><u>DEC 20 2011</u></div>		
1. Amount of Claim as of Date Case Filed: <u>\$ 192,380.58 plus interest</u>		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507 (a)(). Amount entitled to priority: \$ _____ <small>*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small>
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		
2. Basis for Claim: <u>Debtor's breaking of Lease and Settlement Agreement</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: <u>0401</u>		
3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: <u>12-16-11</u>		
Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <u>Shawn A. Shayma</u> Manager of FW-MC, LLC General Partner of Creditor		

FOR COURT USE ONLY

ALC Holdings



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Proof of Claim Summary
ALC Holdings LLC, et al. (Debtor)
Heritage - Montgomery Center, L.P. (Creditor)
United States Bankruptcy Court Case Number 11-13853 (MFW)

December 16, 2011

Amount Owed per the Terms of the Settlement Agreement	\$ 227,654.00
Payments Received	<u>\$ 35,273.42</u>
Balance Due	\$ 192,380.58

Claim - \$192,380.58 plus accrued annualized interest at 8.00% (compounded) per the terms of the Confidential Settlement Agreement arising out of the Lease Agreement.

Office Lease Agreement
between
ALC of Pennsylvania, LLC
("Tenant")
and
Heritage-Montgomery Center, L.P.
("Landlord")
at
Heritage Executive Campus at Montgomeryville
("Complex")

TERM SHEET

1. Lease Date: July 14, 2008
2. Landlord: Heritage-Montgomery Center, L.P.
3. Tenant: ALC of Pennsylvania, LLC, a Delaware Limited Liability Company
4. Permitted Use: The Premises shall be used as an office for laser hair removal, skin rejuvenation (via laser or injection), microdermabrasion, and non-surgical cellulite reduction therapy, along with other cosmetic related enhancement services and for no other purpose without Landlord's prior written approval.
5. Complex & Location: Heritage Executive Campus at Montgomeryville, 595 Bethlehem Pike, Suite 401 and 402, Montgomeryville, PA, Montgomery Township, Montgomery County
6. Building: 400
7. Premises: Suites 401 and 402, totaling approximately 2,083 rentable square feet
8. Tenant Improvements: Landlord shall construct the Tenant Improvements as defined in **Section 2** of the Lease and **Exhibit A**.
9. Occupancy Date: The earlier of the date Tenant takes possession of the Premises from Landlord, or the date Landlord substantially completes the Tenant Improvements to the Premises as defined in **Section 2** and **Exhibit A**.
10. Term Commencement Date: The Occupancy Date
11. Term: Sixty two (62) months from the Occupancy Date, provided that if the Occupancy Date falls on a day other than the first day of the month, then the period between the Occupancy Date and the first day of the next month shall be added to the Term. The Term shall expire without notice at 11:59 p.m. (local time) on the last day of the last month of the Term, unless earlier terminated or extended in accordance with this Lease.
12. Rent Commencement Date: The Occupancy Date
13. Rent

Months	Rent Rate / SF	Monthly Rent Due
1 - 2	No rent due	--
3 - 14	\$21.50	\$3,732.04
15 - 26	\$22.00	\$3,818.83
27 - 38	\$22.50	\$3,905.63
39 - 50	\$23.00	\$3,992.42
51 - 62	\$23.50	\$4,079.21
Renewal Option		
63 - 74	\$24.00	\$4,166.00
75 - 86	\$24.50	\$4,252.79
87 - 98	\$25.00	\$4,339.58
99 - 110	\$25.50	\$4,426.38
111 - 122	\$26.00	\$4,513.17
14. Other Rental Costs: Tenant is responsible for those rental costs described in **Section 5**, **Section 6** and **Section 7**.
15. Security Deposit: \$8,158.42.
16. Monies Due and Owing to Landlord at Time of Lease Execution: At the time of execution of this Lease, Tenant shall pay to Landlord (1) Rent in advance for the first month of the Term in the amount of \$3,732.04, and (2) Security Deposit in the amount of \$8,158.42. Payment for the Rent and Security Deposit shall be made separately, each via a check payable to Heritage-Montgomery Center, L.P.
17. Base Year: 2008

18. Notice Address:

All notices shall be given according to the Notices section in this Lease to the addresses for parties listed below:

19.

For Landlord
Heritage-Montgomery Center, L.P.
2500 York Road
Jamison, PA 18929
Attn: Property Management

For Tenant
ALC of Pennsylvania, LLC
~~595 Bethlehem Pike, Suites 401 & 402~~
~~Montgomeryville, PA 18936~~
Attn: _____

This Term Sheet is an integral part of and is incorporated into the attached Lease.



24555 Hallwood CRT
Farmington Hills, MI 48335
ATTN: LORNE ROBERTSON

LEASE AGREEMENT

This Lease Agreement ("Lease") is effective upon Lease execution ("Lease Date") by and between Landlord and Tenant as defined in the Term Sheet. Notwithstanding anything contained herein, said Lease shall not be effective until the date Landlord provides written notice to Tenant, which shall be within sixty (60) days of the execution of this Lease, of the termination of a portion of the Lease between Heritage-Montgomery Center, L.P. and NVR, Inc. t/a Ryan Homes, a Virginia Corporation, dated June 28, 2004 with regards to the Premises. The attached Term Sheet is an integral part of and is incorporated into this Lease.

In consideration of the mutual covenants stated below, and intending to be legally bound, Landlord and Tenant covenant and agree as follows:

1. PREMISES

Landlord leases to Tenant, and Tenant leases from Landlord, the Premises as defined in Section Five through Seven of the Term Sheet. Tenant shall have the non-exclusive right, in common with the other tenants of the Complex, to use the common areas of the Complex which include the building entrances, lobbies, hallways, corridors, lavatories, ramps, stairways, sidewalks, driveways, parking lots, trash dumpsters, and any other common facilities. The common areas may be reduced, expanded or otherwise altered from time to time in the sole discretion of Landlord, including but not limited to Common Areas on land added at a future time to the Complex by Landlord.

2. CONSTRUCTION OF TENANT IMPROVEMENTS TO THE PREMISES

Landlord shall construct the Tenant Improvements to the Premises as generally shown on the plan and specifications in **Exhibit A**.

- A. Landlord shall construct the Tenant Improvements in a good and workmanlike manner, and in compliance with all applicable government regulations.
- B. The Tenant Improvements shall be substantially complete by the Occupancy Date. Substantially complete means that the Tenant Improvements will be completed to the extent that the Premises may be occupied by Tenant for its Permitted Use, subject only to completion of minor finishing, adjustment of equipment, and other minor construction aspects; and Landlord has procured a temporary, conditional or permanent certificate of occupancy, if required.
- C. If a certificate of occupancy cannot be issued without the completion of any construction work or installation of furniture, trade fixtures or equipment by Tenant, then Tenant agrees to expeditiously complete whatever is necessary for Landlord to obtain the certificate of occupancy, and the Occupancy Date shall be the date Landlord substantially completes the Tenant Improvements.
- D. Unless otherwise indicated on **Exhibit A**, Tenant shall be solely responsible for the design, installation and cost of Tenant's telecommunications system(s), including phone, data and cable wiring, plus any additions or upgrades to the electrical system needed therefor. In addition, Tenant shall be solely responsible for the design, installation and cost of Tenant's security system, plus any additions or upgrades to the electrical system needed therefor.
- E. Landlord shall construct the Tenant Improvements at Tenant's cost up to \$30,000.00. Tenant's cost for the Tenant Improvements shall include without limitation all costs for architecture, engineering, permits, general contractors, subcontractors, supervision, materials and labor. In the event that the cost of the Tenant Improvements exceed \$30,000.00, then Landlord shall be responsible for the overage.
- F. Tenant shall accept the Premises in "as is" condition when substantially complete. Other than the work described in **Exhibit A**, Landlord gives no warranty and makes no representation, express or implied, with respect to the condition or use of the Premises, Building or Complex.
- G. If Tenant requests and Landlord agrees to perform any improvements in addition to the Tenant Improvements indicated on **Exhibit A**, then Tenant shall reimburse Landlord for the entire cost of those additional improvements as Additional Rent within thirty (30) days of Tenant's receipt of a bill from Landlord.

3. OCCUPANCY

Tenant shall occupy the Premises upon Landlord's notice that the Tenant Improvements are substantially complete, and throughout the Term. In the event the Premises is not ready for Tenant's occupancy at the time herein fixed for the commencement of the Term, neither this Lease nor the Term hereof shall be affected thereby, nor shall Tenant be entitled to make any claim for or receive any damages whatsoever from Landlord, and the Term hereof shall nevertheless end on the date herein originally fixed, but no Rent or other sums herein provided to be paid by Tenant shall become due until the Premises is substantially complete and deemed by the Landlord to be ready for Tenant's occupancy, and until that time the Rent and other sums shall be suspended and pro-rated. During the occupancy, Tenant shall make no constructions, alterations or improvements to the Premises without Landlord's prior written approval, and shall keep the Premises and Complex free from all liens.

4. TERM

The Term of this Lease shall be as stated in the Term Sheet. Landlord shall grant Tenant one (1) renewal term of five (5) years, provided that; (1) Landlord has not given Tenant notice of default more than two (2) times during the preceding twelve (12) months, (2) Tenant is not in default, (3) Tenant is the sole occupant of the Premises and (4) Tenant provides Landlord with at least two hundred seventy (270) days written notice of its decision to renew. The renewal term will begin immediately upon the expiration of the initial Term for the Rent described in the Term Sheet and under the same terms and conditions of this Lease. If Tenant elects not to renew pursuant to this Paragraph, Tenant agrees that during the final one hundred eighty (180) days of its Term, and with twenty-four (24) hours notice from Landlord, Landlord may enter the Premises and show it to prospective tenants.

5. RENT, ADDITIONAL RENT AND PAYMENT OF RENT

- A. Tenant's payment of Rent shall begin on the Occupancy Date ("Rent Commencement Date"). In the event that the Occupancy Date is not the first day of the month, then the first Rent payment shall be pro rated and due on the Occupancy Date. Rent shall be paid without notice, deduction or setoff on the first day of each month in equal monthly installments according to the schedule of Rent in the Term Sheet. Rent and all other payments due and owing pursuant to this Lease shall be paid in the form of cash, corporate check, certified check, money order or credit card. Rent checks shall be made payable to "Heritage-Montgomery Center, L.P." and mailed to Landlord at:

Heritage-Montgomery Center, L.P.
2500 York Road
Jamison, PA 18929

If Tenant makes Rent and other Lease payment(s) to landlord via credit card, Tenant is responsible for paying any and all fees assessed to the Landlord with regard to the transaction, including, but not limited to, fees from Tenant's credit card company, Landlord's financial institution or any third party service provider ("Credit Card Fees").

- B. In addition to Rent, any sum of money required to be paid by Tenant to Landlord under this Lease shall be considered as additional rent ("Additional Rent").
- C. Tenant agrees that if any Rent or Additional Rent shall remain unpaid for a period of five (5) days from the due date, Tenant shall pay Landlord an administrative fee of five percent (5%) of the amount so due to defer Landlord's cost in connection with such late payment. In addition, Landlord shall be entitled to charge Tenant interest on all payments of Rent or Additional Rent which remain outstanding beyond their due date a rate equal to eighteen percent (18%) per annum, pro rated for all periods such amounts remain outstanding. Such administrative fee and interest charges shall be deemed Additional Rent under this Lease.
- D. No payment by Tenant or receipt by Landlord of a lesser amount of Rent or Additional Rent due shall be deemed to be other than on account of the earliest stipulated Rent or Additional Rent due and payable. No endorsement or statement on any check or payment, or on any letter accompanying any check or payment, shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or Additional Rent as provided for in this Lease.
- E. Upon Landlord's request, Tenant shall execute a Confirmation of Terms confirming the details of this Lease including the Premises, Rent Commencement Date and the Term expiration date.

6. COMMON COSTS

Tenant is responsible for paying Tenant's pro rata share of the increase (if any) in Common Costs ("Common Costs") above the costs incurred by Landlord in the Base Year. The Base Year is listed in the Term Sheet. Tenant's pro rata share shall be calculated by multiplying the difference between the then-current year's Common Costs and the Base Year's Common Costs (but not less than zero) by a fraction whose numerator is the Premises square footage and the denominator is the square footage of all space constructed in the Complex. Common Costs are costs incurred by Landlord in maintaining, operating and repairing the Complex, including but not limited to costs related to real estate taxes and assessments, insurance, security, advertising, lighting, heating, air conditioning, water, sewer, storm sewer and detention, cleaning, sanitation, capital improvements and capital repairs and replacements (to all Common Areas as well as all buildings, roofs and/or improvements to the Complex) amortized over their useful life, repairs, replacements, landscaping, snow removal and a management fee not to exceed five percent (5%) of the total Rent.

Tenant shall pay its pro rata share of the Common Costs throughout the Term as Additional Rent in equal monthly installments as reasonably estimated by Landlord. After the end of each calendar year, Landlord will send Tenant an accounting of the year's actual Common Costs, along with a calculation of any amount owed to Landlord or Tenant, as the case may be. In the event Tenant owes Landlord additional monies for the Common Costs, then that amount shall be payable within thirty (30) days. In the event Landlord owes Tenant additional monies for the Common Costs, then that amount shall be credited against Tenant's future payments of Rent.

7. PREMISES COSTS

Tenant is directly responsible for contracting and paying for any utility or service separately metered or provided to the Premises. For those utilities or services separately metered or provided, Tenant is responsible for contacting the utility or service providers and setting up Tenant's accounts so that Tenant assumes all billing responsibility upon taking delivery of the Premises from Landlord, and Landlord shall not be responsible for any interruption of termination of service. Otherwise, Tenant shall reimburse Landlord for Tenant's pro rata share of all utility costs and services, which shall be calculated on a ratio where the numerator is the Premises square footage and the denominator is the square footage of all space constructed in the Complex using those utilities or services, as the case may be. Landlord shall not be liable for any interruption of any utility or service provided to the Premises. In addition, Tenant shall be responsible for providing Janitorial services for the Premises.

8. USE OF PREMISES

Tenant shall use the Premises only for the Permitted Use identified in the Term Sheet.

- A. Tenant at its own expense shall keep and maintain the Premises in a clean, sanitary and safe condition, and in good order and repair in a condition equal to when Tenant initially opened the Premises for business, normal wear and tear excepted. This standard shall apply to every part of the Premises including, without limitation, all walls, floors, ceilings, doors, hardware, windows, plate glass, plumbing and sewage facilities (including free flow up to the main service line), fixtures, ventilation, heating, air conditioning, electrical systems, and all other improvements to the Premises. Tenant shall promptly make repairs and notify Landlord of any problems with these items. If the Tenant refuses or neglects to make such repairs and notify Landlord, or fails to diligently prosecute the same to completion after written notice to do so from Landlord, Landlord may make such repairs at the expense of Tenant consistent with this Lease which shall be paid as Additional Rent along with a ten percent (10%) service charge within thirty (30) days of billing.
- B. Tenant at its own expense shall comply with all federal, state, county and municipal laws, ordinances, rules, regulations and requirements now or hereinafter in effect. Tenant's obligations shall include compliance with (i) any health officer, fire marshal, building inspector, or other proper government official; (ii) any board of fire underwriters or other similar body in connection with the condition, use or occupancy of the Premises; and (iii) the Occupational Safety and Health Act, the Americans with Disabilities Act and all environmental laws. Upon demand Tenant shall pay to Landlord as Additional Rent any cost incurred by Landlord in curing any default or meeting any obligation of Tenant under this section.
- C. Tenant shall fully comply with the Rules and Regulations attached hereto as **Exhibit B**.

9. QUIET ENJOYMENT

Landlord warrants that so long as Tenant is not in default under this Lease, Tenant shall peaceably and quietly have, hold and enjoy the Premises for the Term or any extension thereof without hindrance from Landlord, subject to the terms and conditions of this Lease. Landlord shall not be liable for any interference or disturbance by other Tenants or third persons, nor shall Tenant be released from any obligations of this Lease because of such interference or disturbance.

10. RIGHT OF LANDLORD TO PERFORM

All covenants and obligations to be performed by the Tenant under this Lease shall be performed at Tenant's sole cost and expense and without any abatement in Rent. If Tenant shall fail to pay any sum of money or incur any expense, other than Rent, required to be paid by Tenant hereunder, whether or not such failure constitutes a breach of this Lease, and such failure shall continue for ten (10) days after notice thereof by Landlord, Landlord may, but shall not be obligated to do so, and without waiving or releasing the Tenant from any obligations of Tenant, make any such payment or incur any such expense or perform such act on the Tenant's part to be made or performed as in this Lease required to be adopted by Tenant. All sums so paid or incurred by Landlord as necessary and incidental costs together with interest thereon from the date of such payment by Landlord, shall be payable as Additional Rent to the Landlord, along with a ten percent (10%) service charge.

11. ACCESS TO PREMISES

Landlord may enter the Premises at any time for emergency. Landlord may enter the premises upon forty-eight (48) hours notice for inspection, repair, enforcement of this Lease or any other reasonable purpose. Landlord's entry shall not constitute a violation of any other section of this Lease. Further, Tenant shall provide Landlord with all current and future security access codes, passkeys and/or any other necessary means of access to the Premises ("Security Access") and shall promptly notify Landlord of any changes or modifications thereto. Tenant acknowledges that it shall be solely liable for any damages (including but not limited to damages to the Premises, Building, Complex and personal property thereon) and/or injury as a result of Tenant's failure, regardless of the duration of such failure, to provide Landlord with unfettered Security Access. Accordingly, Tenant hereby agrees to indemnify and hold Landlord and all its partners, officers, shareholder, directors, employees, representatives and agents, harmless from any and all loss(es), liability, costs and expenses, including attorney's fees, arising out of any claim, damage or injury to the Premises, Building, Complex or any of Tenant's property, as a result of Tenant's failure to provide Security Access and/or Landlord's delay in gaining access to the Premises.

12. CONDITION OF THE PROPERTY

Except for Tenant's maintenance obligations and for damages caused by the acts or omissions of Tenant, its agents, servants, contractors, employees or invitees, Landlord shall maintain the Building and Complex in good condition, order and repair. Tenant's occupancy shall confirm that the Building and Complex are in good condition. Except for Tenant's obligations to maintain the Premises as described elsewhere in this Lease, Landlord shall operate and maintain the Building and Complex. The manner of operation and maintenance, and the expenditures therefor, shall be at the sole discretion of Landlord and the use of the Building and Complex shall be subject to such reasonable regulations as Landlord shall make from time to time.

- A. Landlord shall construct, maintain and operate the Building and Complex in compliance with all federal, state, county and municipal laws, ordinances, rules, regulations and requirements now or hereinafter in effect.
- B. Landlord may, but shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees or contractors. Landlord shall not be called upon to make any other improvements or repairs to the Premises except as may be specifically required under this Lease, and nothing contained herein shall limit Landlord's right to reimbursement from Tenant as Additional Rent for the maintenance and replacement costs conferred elsewhere in this Lease. Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition or repair.
- C. Except as provided in this Lease, Landlord shall not be liable nor shall there be any abatement of Rent on account of any injury to or interference with Tenant's business arising from the construction, operation, maintenance or making of any repairs, alterations, additions or improvements to the Premises, Building or Complex.

13. SIGNAGE

Landlord shall provide signage at the entrance to the Premises at Tenant's cost. If a Building or Complex directory sign is installed by Landlord, Landlord shall provide Tenant with signage on said directory at Tenant's cost. All Complex signage, including signage for the Premises, shall be as determined by Landlord. Tenant shall not install or maintain any sign.

14. ASSIGNMENT AND SUBLETTING

Tenant shall not, without the prior written consent of Landlord, assign this Lease or any interest herein or sublet any part of the Premises which consent shall not be unreasonably withheld. Any of the foregoing acts without such consent shall be void. Landlord's consent may be granted, granted with conditions or denied in Landlord's sole judgment. Regardless of Landlord's consent, no subletting or assignment shall release Tenant from Tenant's primary liability to pay Rent and perform all other obligations of this Lease. Landlord shall be entitled to a \$500.00 fee for consenting to any sublet or assignment.

15. REMOVAL AND REPAIR

So long as Tenant is not in default, Tenant shall have the right to remove any of Tenant's furniture, trade fixtures, equipment and decorations purchased and installed by Tenant, provided Tenant repairs any and all damage caused to the Premises by said removal.

16. SURRENDER OF PREMISES AND HOLDING OVER

- A. At the end of the Term or any renewal thereof or other sooner termination of this Lease, Tenant shall peaceably deliver to Landlord possession of the Premises, together with all improvements or additions, by whomsoever made, in the same condition as received or first installed, ordinary wear and tear, damage by fire, earthquake or acts of God excepted. So long as Tenant is not in default, Tenant may, upon termination of this Lease, immediately remove all movable furniture, trade fixtures and equipment belonging to Tenant, at Tenant's sole cost, repairing any damage caused by such removal. Property not so removed shall be deemed abandoned by Tenant, and title to the same shall pass to Landlord, at Landlord's election.
- B. If Tenant retains possession of the Premises or any part thereof after the termination of this Lease by expiration of the Term or otherwise, then Tenant's continued possession or occupancy shall be considered a hold over and Landlord, at its option, may consider said possession or occupancy as (i) creating a month-to-month tenancy, upon the terms and conditions set forth in this Lease; or (ii) creating a tenancy at will, in any case upon the terms and conditions set forth in this Lease, however, that the Rent shall, in addition to all other sums which are to be paid by Tenant hereunder, whether or not as Additional Rent, be equal to two hundred percent (200%) of the rental being paid monthly to Landlord under this Lease immediately prior to such termination. If no notice of a month-to-month tenancy is given by Landlord to Tenant, then a tenancy at will shall be deemed to be created. Tenant shall also pay to Landlord as Additional Rent all other damages, costs and expenses sustained by Landlord by reason of Tenant's retention of possession, including the loss of any proposed subsequent tenant for any portion of the Premises. In such events, Tenant shall vacate the Premises and deliver full possession to Landlord upon the giving

to Tenant by Landlord of ten (10) days written notice and demand. The provisions of this Section shall not constitute a waiver by Landlord of any right of re-entry as herein set forth; nor shall receipt of Rent or any other act in apparent affirmance of the tenancy operate as a waiver of the right to terminate this Lease for a breach of any terms, covenants or obligations to be performed by Tenant, or of any other right of Landlord.

17. DEFAULT AND REMEDIES

- A. The following shall be events of default by Tenant under this Lease:
- i. Tenant shall fail to occupy the Premises during the entire Term for the Permitted Use; or
 - ii. Tenant shall fail to pay when due any Rent or Additional Rent, and such failure shall continue for a period of five (5) days from the date payment was due; or
 - iii. Tenant shall fail to comply with any other term of this Lease, and shall not cure such failure within twenty (20) days (except immediately, if the default involves a hazardous condition) after written notice by Landlord to Tenant; or
 - iv. Tenant shall fail to surrender the Premises immediately upon termination of this Lease or upon termination of Tenant's right to possession only; or
 - v. If the interest of Tenant shall be levied upon under execution or be attached by process of law, or Tenant shall fail to contest diligently the validity of any lien or claimed lien upon the Premises and give sufficient security to Landlord to insure payment thereof, and such default shall continue for twenty (20) days after written notice to Tenant; or
 - vi. A receiver is appointed to take possession of all or substantially all of the assets of Tenant, or there is an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy or reorganization act.
- B. Upon the occurrence of any such event of default described in Subsection (A) above, Landlord shall have the option, at its election, to terminate this Lease or to terminate Tenant's right to possession only, without termination of this Lease, and to pursue any one or more of the following remedies without any further notice or demand whatsoever, provided that, upon any termination of this Lease, or upon any termination of Tenant's right to possession without termination of this Lease, Tenant shall in either event surrender possession and vacate the Premises within five (5) days of Landlord's notice to vacate. Tenant hereby grants to Landlord full and free license to enter the Premises in such event with or without process of law and to repossess the Premises and to remove Tenant and any others who may be within the Premises and to remove all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom. Tenant hereby waives any right to claim damage for such re-entry and expulsion. Without relinquishing any rights given to Landlord hereunder or by operation of law, Landlord's remedies include:
- i. Upon termination of Tenant's right to possession only without termination of this Lease, enter the Premises and remove any evidence of tenancy, and take and hold possession thereof as provided in Section 17(B). Landlord may then sublet the Premises or any part thereof, on such occasions and terms as may be determined in Landlord's sole discretion. In such event, if the consideration collected by Landlord upon any such reletting plus any sums previously collected from Tenant are not sufficient to pay the full amount of all Rent and Additional Rent for the entire balance of the Term, including Landlord's expenses for the collection of Rent and Additional Rent accruing therefrom (including attorneys' fees), together with Landlord's costs of repairs and improvements for the reletting of the Premises (including broker's commissions), then Tenant shall pay to Landlord the amount of such deficiency upon demand and Tenant agrees that Landlord may file suit to recover any sums falling due under this subsection from time to time.
 - ii. In either of the events set forth in Subsection (B.i.) above, Landlord may, but need not, relet or sublet the Premises or any part thereof, for such rent and upon such terms as Landlord in its sole discretion shall determine (including the right to relet the Premises for a greater or lesser term than that remaining under this Lease, the right to relet the Premises as part of a larger area, and the right to change the character and use made of the Premises). Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. In any such case, Landlord may make repairs, alterations and additions in or to the Premises, and redecorate the same to the extent Landlord deems necessary or desirable, and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses for reletting including, without limitation, any broker's commission incurred by Landlord.

TENANT ACKNOWLEDGES THAT THE FOLLOWING PARAGRAPHS CONTAIN LANGUAGE REGARDING THE CONFESSION OF JUDGMENT FOR MONEY DAMAGES AND THE CONFESSION OF JUDGMENT FOR EJECTMENT.

TENANT'S INITIALS: 

iii. TENANT COVENANTS AND AGREES THAT IF THERE IS AN EVENT OF DEFAULT, THEN LANDLORD MAY, WITHOUT LIMITATION, CAUSE JUDGMENTS FOR MONEY TO BE ENTERED AGAINST TENANT AND, FOR THOSE PURPOSES, TENANT HEREBY GRANTS THE FOLLOWING WARRANT OF ATTORNEY: (I) TENANT HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, ATTORNEY OF ANY COURT OF RECORD AND/OR LANDLORD (AS WELL AS SOMEONE ACTING FOR LANDLORD) IN ANY AND ALL ACTIONS COMMENCED AGAINST TENANT FOR RECOVERY OF THE RENT AND/OR OTHER CHARGES, PAYMENTS, COST AND EXPENSES IN THIS LEASE AGREED TO BE PAID BY TENANT OR TO LANDLORD TO APPEAR FOR TENANT, AND ASSESS DAMAGES AND CONFESS OR OTHERWISE ENTER JUDGMENT AGAINST TENANT, FOR ALL OR ANY PART OF THE RENT AND/OR OTHER CHARGES, PAYMENTS, COSTS AND EXPENSES IN THIS LEASE AGREED TO BE PAID BY TENANT OR TO LANDLORD INCLUDING WITHOUT LIMITATION, AMOUNTS OF ACCELERATED RENT UNDER SECTION 17.B., TOGETHER WITH INTEREST AND COSTS AS WELL AS AN ATTORNEYS' COMMISSION OF FIVE PERCENT (5%) OF THE FULL AMOUNT OF SUCH RENT, CHARGES, PAYMENTS, COSTS, EXPENSES AND AMOUNTS, AND THEREUPON WRITS OF EXECUTION AS WELL AS ATTACHMENT MAY FORTHWITH ISSUE AND BE SERVED, WITHOUT ANY PRIOR NOTICE, WRIT OR PROCEEDING WHATSOEVER; (II) THE WARRANT OF ATTORNEY HEREIN GRANTED SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF BUT SUCCESSIVE ACTIONS MAY BE COMMENCED AND SUCCESSIVE JUDGMENTS MAY BE CONFESSED OR OTHERWISE ENTERED AGAINST TENANT FROM TIME TO TIME AS OFTEN AS ANY OF THE RENT INCLUDING, WITHOUT LIMITATION, ACCELERATED RENT, CHARGES, PAYMENTS, COSTS, EXPENSES AND AMOUNTS SHALL FALL DUE, OR BE OR BECOME DUE, OR BE IN ARREARS, AND THIS WARRANT OF ATTORNEY MAY BE EXERCISED DURING AS WELL AS AFTER THE TERMINATION OR EXPIRATION OF THE TERM AND/OR DURING OR AFTER THE RENEWAL OPTION TERM AND ANY OTHER EXTENSIONS OF THE TERM OR RENEWALS TO THIS LEASE; AND (III) THE PROVISIONS OF SECTION 17.B.v HEREOF ARE INCORPORATED HEREIN BY THIS REFERENCE THERETO.

iv. TENANT COVENANTS AND AGREES THAT IF THERE IS AN EVENT OF DEFAULT OR THIS LEASE IS TERMINATED OR THE TERM, INCLUDING, WITHOUT LIMITATION, THE RENEWAL OPTION TERM OR ANY OTHER EXTENSIONS OR RENEWALS THEREOF IS TERMINATED OR EXPIRES, THEN, AND IN ADDITION TO THE RIGHTS AND REMEDIES SET FORTH IN SECTION 17.B.iii., LANDLORD MAY, WITHOUT LIMITATION, CAUSE JUDGMENT IN EJECTMENT FOR POSSESSION OF THE LEASED PREMISES TO BE ENTERED AGAINST TENANT AND, FOR THOSE PURPOSES, TENANT HEREBY GRANTS THE FOLLOWING WARRANT OF ATTORNEY: (I) TENANT HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, ATTORNEY OF ANY COURT OF RECORD AND/OR LANDLORD (AS WELL AS SOME ONE ACTING FOR LANDLORD) IN ANY AND ALL ACTIONS COMMENCED FOR RECOVERY OF POSSESSION OF THE LEASED PREMISES TO APPEAR FOR TENANT AND CONFESS OR OTHERWISE ENTER JUDGMENT IN EJECTMENT FOR POSSESSION OF THE LEASED PREMISES AGAINST TENANT AND ALL PERSONS ACTING, HOLDING OR CLAIMING DIRECTLY OR INDIRECTLY BY, THROUGH OR UNDER TENANT, AND THEREUPON WRITS OF POSSESSION MAY FORTHWITH ISSUE AND BE SERVED, WITHOUT ANY PRIOR NOTICE, WRIT OR PROCEEDING WHATSOEVER; (II) IF, FOR ANY REASON AFTER THE FOREGOING ACTION OR ACTIONS SHALL HAVE BEEN COMMENCED, IT SHALL BE DETERMINED THAT POSSESSION OF THE LEASED PREMISES SHOULD REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT TO COMMENCE ONE OR MORE FURTHER ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE LEASED PREMISES INCLUDING, WITHOUT LIMITATION, APPEARING FOR TENANT AND CONFESSING OR OTHERWISE ENTERING JUDGMENT FOR POSSESSION OF THE LEASED PREMISES AS HEREINBEFORE SET FORTH; AND (III) THE PROVISIONS OF SECTION 17.B.v HEREOF ARE INCORPORATED HEREBY BY THIS REFERENCE THERETO.

v. IN ANY ACTION OR PROCEEDING DESCRIBED IN SECTION 17.B.iii. AND/OR SECTION 17.B.iv., OR IN CONNECTION THEREWITH, IF A COPY OF THIS LEASE IS THEREIN VERIFIED BY LANDLORD (OR SOMEONE ACTING FOR LANDLORD) TO BE A TRUE AND CORRECT COPY OF THIS LEASE, SUCH COPY SHALL BE CONCLUSIVELY PRESUMED TO BE TRUE AND CORRECT BY VIRTUE OF SUCH VERIFICATION AND IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL OF THIS LEASE, ANY STATUTE, RULE OF COURT OR LAW, CUSTOM, OR PRACTICE TO THE CONTRARY NOTWITHSTANDING. TENANT HEREBY RELEASES TO LANDLORD, ANY ONE ACTING FOR LANDLORD AND ALL ATTORNEYS WHO MAY APPEAR FOR TENANT ALL ERRORS IN PROCEDURE REGARDING THE ENTRY OF JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED HEREIN, AND ALL LIABILITY THEREFOR. THE RIGHT TO ENTER JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED HEREIN AND TO ENFORCE ALL OF THE OTHER PROVISIONS OF THIS LEASE MAY BE EXERCISED BY ANY ASSIGNEE OF LANDLORD'S RIGHT, TITLE AND INTEREST IN THE LEASE AND IN SUCH ASSIGNEE'S OWN NAME, ANY STATUTE, RULE OF COURT OR LAW, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

vi. NO TERMINATION OF THIS LEASE NOR TAKING NOR RECOVERING POSSESSION OF THE LEASED PREMISES SHALL DEPRIVE LANDLORD OF ANY RIGHTS, REMEDIES OR ACTIONS AGAINST TENANT FOR RENT OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT HEREIN CONTAINED, NOR SHALL THE COMMENCEMENT OR MAINTENANCE OF ANY SUCH ACTION FOR RENT, OR BREACH OF COVENANT OR CONDITION NOR THE RESORT TO ANY OTHER RIGHT, REMEDY OR ACTION HEREIN PROVIDED OR AT LAW OR IN EQUITY BE DEEMED TO BE A WAIVER OF THE RIGHT OF LANDLORD TO RECOVER POSSESSION OF THE LEASED PREMISES.

TENANT ACKNOWLEDGES THAT TENANT HAS READ AND UNDERSTANDS THE FOREGOING PARAGRAPHS REGARDING THE CONFESSION OF JUDGMENT FOR MONEY DAMAGES AND THE CONFESSION OF JUDGMENT FOR EJECTMENT.

TENANT'S INITIALS: 

vii. Prior to Landlord exercising its right to confession of judgment provided for in Section 17.B.iii-vi of this Lease, Landlord shall provide written notice to Tenant ten (10) days prior to Landlord's exercising its right to confession of judgment. The purpose of said notice is to allow the Tenant to cure the breach during the ten (10) day notice period prior to Landlord confessing judgment.

- C. Landlord shall be afforded the rights under Section 17 hereto.
- D. Any property which may be removed from the Premises by Landlord pursuant to this section, to which Tenant is or may be entitled, may be handled, removed and stored, as the case may be, by or at the direction of Landlord at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible or liable to Tenant for the value, preservation or safekeeping thereof. Tenant shall pay Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control; provided, however, that any such property of Tenant not retaken by Tenant from storage within thirty (30) days after removal from the Premises shall, at Landlord's option, be deemed conveyed by Tenant to Landlord under this Lease as a bill of sale without further payment or credit by Landlord to Tenant.
- E. Pursuit by Landlord of any of the foregoing remedies shall not, except as set forth in the alternative case of those remedies provided in Subsections (B.i.) and (B.ii.) above, preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or available in equity (such remedies being cumulative), nor shall pursuit of any remedy constitute a forfeiture or waiver of any Rent or Additional Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants in this Lease. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants in this Lease. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, or as accord and satisfaction of any liability of Tenant, unless Landlord expressly so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies in this Lease upon any event of default shall not be deemed or construed to constitute a waiver of such default or of Landlord's right to enforce any such remedies with respect to such default or any subsequent default. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay all reasonable attorney's fees so incurred, said attorney's fees being deemed Additional Rent due hereunder upon the next date the payment by Tenant of Rent is due.
- F. No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of said Premises shall be valid unless in writing signed by Landlord.
- G. Landlord and Tenant expressly waive any right to trial by jury.
- H. Neither this Lease or any rights or privileges hereunder shall be an asset of Tenant in any bankruptcy, insolvency or reorganization proceeding. If Landlord shall not be permitted to terminate this Lease because of any provision of the United States Bankruptcy Code, Tenant or any trustee for it shall, within fifteen (15) days upon request by Landlord to the Bankruptcy Court, assume or reject this Lease unless all defaults hereunder shall have been cured, Landlord shall have been compensated for any monetary loss resulting from such default, and Landlord shall be provided with reasonably adequate assurance of full and timely performance of all provisions, terms, and conditions of this Lease on the part of Tenant to be performed.

18. LANDLORD'S LIEN

In addition to any statutory lien for rent in Landlord's favor, Landlord shall have and Tenant hereby grants to Landlord a continuing security interest for all rentals and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, inventory, accounts, contract rights, chattel paper and other personal property of Tenant situated on the Premises, and such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent as well as any and all other sums of money then due to Landlord hereunder shall first have paid and discharged. In the event of a default under this Lease, Landlord shall have, in addition to any other remedies provided herein or by law, all rights and remedies under the Uniform Commercial Code, including without limitation, the right to sell the property described in this Section at public or private sale upon providing the notice called for by the Uniform Commercial Code, or if none is so supplied by providing five (5) days' written notice to Tenant. Tenant hereby agrees that Landlord may record a memorandum of this Lease at Landlord's discretion. Tenant further agrees that this Lease shall constitute a security agreement and further agrees to execute for recordation, simultaneous with the execution of this Lease or at such other time designated by Landlord at its sole discretion, such financing statements and other instruments deemed necessary or desirable in the sole discretion of Landlord to perfect the security interest hereby created. Any statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto.

19. STRICT PERFORMANCE

The failure or delay on the part of either party to enforce or exercise any of the provisions, rights or remedies in the Lease shall in no way be construed to be a waiver thereof, nor in any way to affect the validity of this Lease or any part hereof, or the right of the party to thereafter enforce each and every such provision, right or remedy. No waiver of any breach of this Lease shall be held to be a waiver of any other or subsequent breach. The receipt by Landlord of Rent at a time when the Rent is in default under this Lease shall not be construed as a waiver of such default. The receipt by Landlord of a lesser amount than the Rent due shall not be construed to be other than a payment on account of Rent then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's check be deemed in accord and satisfaction, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of the Rent due or to pursue any other remedies provide in this Lease. No act or thing done by Landlord or Landlord's agents or employees during the term of this Lease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless approved in writing by Landlord.

20. SECURITY DEPOSIT

The Security Deposit shall be held as security for Tenant's faithful performance under this Lease. In the event that Tenant defaults under this Lease, Landlord may apply the Security Deposit in whole or in part to payment of Rent or Additional Rent, or to any expense incurred by Landlord in addressing Tenant's default. In the event that Tenant fully complies with all the terms and conditions of this Lease, the Security Deposit shall be returned to Tenant after the end of the Term and after the surrender of the Premises to Landlord. In the event of a sale of the Complex and Building or leasing of the Building, Landlord shall have the right to transfer the Security Deposit to the purchaser or lessee and Landlord shall be released by Tenant from all liability for the return of the Security Deposit; and Tenant agrees to look solely to the new landlord for the return of the Security Deposit. It is agreed that the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new landlord. In the event Landlord applies any portion of the Security Deposit, Tenant shall promptly restore the amount so applied or retained so that at all times the amount deposited shall be equal to the original Security Deposit. The application or retention of any part of the Security Deposit shall not relieve Tenant from its obligations under this Lease nor limit Landlord's remedies against Tenant's default.

21. INDEMNIFICATION AND WAIVER OF CLAIMS

Tenant shall indemnify, defend, hold harmless, release and relieve Landlord and Landlord's partners, officers, directors, employees, representatives and agents from and against any and all third-party claims, actions, damages, liability and expense (including all reasonable attorney's fees, expenses and liabilities incurred in defense of any such claim or any action or proceeding brought thereon) arising from any activity committed, omitted, permitted or suffered by Tenant or its agents, licensees, contractors, employees or invitees in or about the Premises or elsewhere contrary to the requirements of the Lease, and any negligence or willful misconduct of Tenant or any of Tenant's agents, subtenants, licensees, contractors, employees, representatives or invitees. Without limiting the generality of the foregoing, Tenant's obligations shall include any case in which Landlord shall be made a party to any litigation commenced by or against Tenant, its agents, subtenants, licensees, contractors, employees, representatives or invitees. In any such case Tenant shall indemnify, defend, hold harmless, release and relieve Landlord and its partners, officers, directors, employees, representatives and agents, and shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Landlord in connection with such litigation by counsel satisfactory to Landlord. Landlord shall not be liable to Tenant and Tenant hereby waives all claims against Landlord and its partners, officers, directors, employees, representatives and agents for any injury, damage, theft or loss to any person or property or interruption to any business in or about the Premises or Complex by or from any cause whatsoever, except due to Landlord's gross negligence or willful misconduct.

22. INSURANCE AND SUBROGATION RIGHTS

- A. Tenant agrees to purchase at its own expense and to keep in force during the term of this Lease a general liability policy or policies of workers' compensation and comprehensive general liability insurance, including personal injury and property damage, with contractual liability endorsement, as well as an umbrella and excess liability policy. The general liability policy or policies shall be in at least the following limits:

- i. One Million Dollars (\$1,000,000.00) per occurrence,
- ii. Two Million Dollars (\$2,000,000.00) on account of general aggregate liability
- iii. Two Million Dollars (\$2,000,000.00) on account of products-completed operations aggregate
- iv. Five Thousand Dollars (\$5,000.00) on account of Medical Expense, and
- v. The greater of One Million Dollars (\$1,000,000.00) or an amount equal to the value of the premises on account of damages to the Leased Premises.

The umbrella and excess liability policy or policies shall be in at least the following limits:

- i. Two Million Dollars (\$2,000,000.00) per occurrence, and
- ii. Two Million Dollars (\$2,000,000.00) on account of aggregate liability.

Said policies and renewals thereof shall name the Landlord and Landlord's mortgagee, Heritage Property Management and Heritage Building Group, Inc. as additional insureds on a primary and non-contributory basis, and insure Landlord's contingent liability under this Lease (except for the worker's compensation policy, which shall instead include a waiver of subrogation endorsement in favor of Landlord, Heritage Building Group, Inc., and Landlord's mortgagee). All policies for insurance shall provide (i) that no material change or cancellation of said policies shall be made without thirty (30) days prior written notice sent via certified mail, return receipt requested to Landlord, Heritage Property Management, Heritage Building Group, Inc., Landlord's mortgagee and Tenant, (ii) that any loss shall be payable notwithstanding any act or negligence of the Tenant, Landlord, Landlord's mortgagee, Heritage Building Group, Inc. or Heritage Property Management which might otherwise result in the forfeiture of said insurance, and (iii) that the insurance company issuing the same shall have no right of subrogation against the Landlord, Landlord's mortgagee, Heritage Building Group, Inc. or Heritage Property Management. On or before the Rent Commencement Date of the Term, and thereafter not less than fifteen (15) days prior to the expiration dates of said policy or policies, Tenant shall provide Landlord, Heritage Building Group, Inc. and Heritage Property Management copies of policies or certificates of insurance evidencing coverage required by this Lease. The policy or certificate must reference the Insurance policy number, the policy limits and the policy term. All the insurance required under this Lease shall be issued by insurance companies authorized to do business in the Commonwealth of Pennsylvania with financial rate of at least A- as rated in the most recent addition of Best's Insurance Reports and in business for the past five (5) years. The aforesaid insurance limits may be reasonably increased from time to time by Landlord.

- B. Landlord and Tenant each hereby release each other from any and all liability or responsibility to the other or to anyone claiming by, through or under it or them by way of subrogation or otherwise for any loss or damage to property caused by fire or any other perils insured in policies of insurance covering such property, even if such loss or damage shall have been caused by fault or negligence of the other party, or by anyone for whom such party may be responsible; provided however, that this release shall be applicable and in force and effect only to such extent that such release shall be lawful at that time and in any event only with respect to loss or damage occurring during such time as the releasor's policies of insurance shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to coverage thereunder, and then only to the extent of the insurance proceeds payable under such policies. Landlord and Tenant each hereby covenant and agree to cause their respective insurance carriers to include in their policy such a clause or endorsement.
- C. Tenant agrees that it will not do or suffer to be done, any act, matter or thing objectionable to the fire insurance companies whereby the fire insurance or any other insurance now in force or hereafter to be placed on the Premises or any other part thereof, or on the Building of which the Premises may be a part, shall become void or suspended, or whereby the same shall be treated as a more hazardous risk than at the date when Tenant receives possession hereunder. In case of a breach of this covenant, in addition to all other remedies of Landlord hereunder, Tenant agrees to pay to Landlord as Additional Rent any increase in insurance premiums carried by Landlord on the Premises or Building.
- D. Tenant, at its own expense, shall install and maintain fire protection devices as may be required from time to time by any Governmental Authorities and/or by the insurance underwriters insuring the building in which the Premises are located.

23. WATER DAMAGE AND MOLD

Tenant, by taking possession of the Premises, acknowledges that Tenant is aware that mold, and other airborne substances, may be present in the Building and Premises, and hereby agrees to hold Landlord

harmless from any and all damages resulting therefrom, including special and/or consequential damages, unless such damages are caused by Landlord's gross negligence or willful misconduct. Tenant shall notify Landlord immediately upon the discovery of water damage or mold in the Building or Premises. Tenant shall take all steps necessary to reduce water damage and the growth of mold and/or mildew in or on the Premises to the extent the same is caused by or attributable to Tenant. In such event as there is water damage, mold or mildew resulting from any action or inaction by Tenant, Tenant shall, at Tenant's sole cost and expense, and after notifying Landlord, remediate any such conditions in the Premises caused by Tenant and shall correct the conditions which gave rise to such water damage or mold conditions, including replacing all pipes, drains or other structural conditions. In the event Tenant fails to remediate and repair in accordance herewith, Landlord shall have the right to make such necessary repairs, as Landlord deems appropriate, and the same shall be due from Tenant as Additional Rent. Tenant shall not be responsible for any water damage, mold or mildew conditions which arise from other than Tenant's action or inaction, as set forth herein.

24. DAMAGE BY FIRE

If due to fire casualty damage (i) the damage is of a nature or extent that, in Landlord's reasonable judgment, the repair and restoration work would require more than one hundred twenty (120) consecutive days to complete after the casualty (assuming normal work crews not engaged in overtime), or (ii) more than thirty (30%) percent of the total area of the Building is extensively damaged, or (iii) the casualty occurs in the last year of the Term and Tenant has not exercised a renewal right, or (iv) insurance proceeds are unavailable or insufficient to repair and restore the Building, or (v) the holder of any indebtedness secured by a mortgage or deed to secure debt covering the Premises or Building requires that any insurance proceeds be paid to it, then Landlord shall have the right to terminate this Lease and all the unaccrued obligations of the parties hereto, by sending written notice of such termination to the Tenant within sixty (60) days of the date of casualty. Such notice shall specify a termination date no less than fifteen (15) days after its transmission. Provided, however, that Tenant shall have the right to terminate this Lease if the Premises is not completed within one hundred twenty (120) days so long as Tenant provides written notice, on or before the ninetieth (90th) day after the casualty, to Landlord and Landlord has thirty (30) additional days, upon the expiration of the one hundred twentieth (120th) day (i.e. a total of 150 days), to cure.

- A. In the event of damage or destruction to the Premises or any part thereof and Landlord has not terminated this Lease, Tenant's obligation to pay Rent and Additional Rent shall be equitably adjusted or abated.
- B. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof.
- C. In no event shall Landlord be required to rebuild, repair or replace any part of the furniture, trade fixtures, equipment or other improvements which may have been placed in or about the Premises by Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or the Premises shall be for the benefit of the party carrying said insurance and under its sole control, except that Landlord's insurance may be subject to control by the holder or holders of any indebtedness secured by a mortgage or deed to secure debt covering any interest of Landlord in the Building or Premises.
- D. In the event of any damage or destruction to the Building or the Premises by any peril covered by the provisions of this Section, Tenant shall, upon notice from Landlord, remove forthwith, at its sole cost and expense, such portion or all of the property belonging to Tenant or his licensees from such portion or all of the Building or Premises as Landlord shall request and Tenant hereby indemnifies and holds Landlord harmless from any loss, liability, costs, expenses, including attorney's fees, arising out of any claim of damage or injury as a result of any alleged failure to properly secure the Premises prior to such removal.

25. CONDEMNATION

If in Landlord's reasonable judgment a taking by condemnation renders the Premises unsuitable for occupancy, then this Lease shall terminate as of the date title to the condemned real estate vests in the Condemnor, and the Rent and Additional Rent shall be paid in full by Tenant to Landlord to said date and all rent prepaid for a period beyond said date shall be repaid by Landlord to Tenant and neither party shall thereafter have any liability hereunder. If in Landlord's reasonable judgment a taking by condemnation does not render the Premises unsuitable for occupancy, then this Lease shall remain in effect, provided the Rent and Additional Rent be equitably reduced in proportion to the area of the Premises which has been taken for the duration of the taking. Tenant shall have the right to make a claim against the Condemnor for separately awarded moving expenses and business interruption and dislocation damages to the extent that such claim does not reduce the sums otherwise payable by the Condemnor to Landlord for the total value of the land and Building taken.

If the Premises or the Building are declared unsafe by any duly constituted authority having the power to make such determination, or are the subject of a violation notice or notices requiring repair or reconstruction, Landlord, at its option, may make the required repairs or may terminate this Lease, and in the latter event, Tenant shall immediately surrender said Premises to Landlord and thereupon this Lease shall terminate and the rent shall be apportioned as of the date of such termination.

26. CERTAIN RIGHTS RESERVED TO LANDLORD

Landlord reserves and may exercise the following rights without affecting Tenant's obligations:

- A. To change the name of the Building or Complex;
- B. To change the address of the Building, Suite or Complex;
- C. To retain at all times passkeys or security codes to the Premises;
- D. To grant the exclusive right to conduct any particular business or service in the Complex;
- E. To close the Building or Complex after regular work hours or on legal holidays subject, however, to Tenant's right to admittance, under such reasonable regulations as Landlord may prescribe;
- F. To take any and all measures, including inspections, repairs, alterations, decorations, additions and improvements to the Premises, Building or Complex;
- G. To establish identification and admittance procedures for the Building and Complex as may be necessary or desirable for operational safety, security, efficiency or convenience; and
- H. To enter upon the Premises and exercise any or all of the foregoing rights hereby without being deemed guilty of an eviction or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of Rent or affecting any of Tenant's obligations under this Lease.
- I. To identify Tenant as an occupant in the Complex, and to use pictures of the Complex or Premises which may show Tenant's name or logotype, in Landlord's or Landlord's agent's marketing, promotional and/or corporate materials.
- J. To relocate Tenant from the Premises to a comparable space within the Complex by giving Tenant a minimum of sixty (60) days written notice. Landlord shall pay for all reasonable relocation costs including but not limited to business stationery, transfer of utility service, moving company, etc. Such relocation shall not modify, terminate or otherwise affect this Lease except that the "Premises" shall refer to Tenant's new location and appropriate adjustments shall be made regarding Tenant's Rent and Additional Rent based on any changes in the size of the Premises.

27. FORCE MAJEURE

Landlord shall be excused for the period of delay in its performance of any Lease obligations when prevented from so doing by causes beyond Landlord's control which shall include, without limitation, all labor disputes, inability to obtain material or services, civil commotion, acts of terrorism or Acts of God. If by reason of strikes or other labor disputes, fire or other casualty (or reasonable delays in adjustment of insurance), accidents, orders or regulations of any Federal, State, County or Municipal authority, or any other cause beyond Landlord's reasonable control, Landlord is unable to furnish or is delayed in furnishing any utility or service required to be furnished by Landlord under the provisions of this Lease or is unable to perform or make or is delayed in performing or making any installations, decorations, repairs, alterations, additions or improvements, or is unable to fulfill or is delayed in fulfilling any of Landlord's other obligations under this Lease, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement, delay in payment or diminution of Rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

28. NO RECORDATION

This Lease shall not be recorded in any office of public record by Tenant. Any attempt to do so shall be an event of default under this Lease.

29. ESTOPPEL CERTIFICATE

Tenant agrees at any time and from time to time, on not less than ten (10) days prior written notice from Landlord, to execute, acknowledge, and deliver to Landlord a written statement certifying that the Lease is unmodified and in full force and effect, or that the Lease is in full force and effect as modified and listing the instrument of modification, along with the dates on which the Rent and Additional Rent have been paid, and whether or not to the best of Tenant's knowledge Landlord is in default hereunder, and if so, specifying the nature of the default or any other information reasonably requested by Landlord. It is intended that any such statement delivered pursuant to this section may be relied upon by a prospective purchaser of Landlord's interest or mortgagee of Landlord's interest or an assignee of any mortgage of Landlord's interest.

30. SUBORDINATION AND RIGHTS OF MORTGAGEE

Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or Complex or both; and (b) the lien or interest of any mortgage or deed to secure debt which may now exist or hereafter be executed in any amount for which the Building, Complex, ground leases or underlying leases, or Landlord's interest or estate in any of said items is specified as security. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated to this Lease any such ground leases or underlying leases or any such liens or interests of mortgages or deeds to secure debt. In the event that any ground lease or underlying lease is terminated for any reason or any mortgage or deed to secure debt is foreclosed or a conveyance in lien of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the tenant of the successor in interest to Landlord at the option of such successor in interest. Tenant agrees to execute

such non-disturbance and attornment agreements as the holder of any mortgage or deed to secure debt may reasonably require within ten (10) days of receiving written notice. Tenant covenants and agrees to execute and deliver, upon demand by Landlord, and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Lease with respect to the successor in interest to Landlord at the option of such successor in interest.

31. SUCCESSORS

The respective rights and obligations provided in this Lease shall bind and shall inure to the benefit of the parties hereto, their legal representatives, heirs, successors and assigns, provided, however, that no rights shall inure to the benefit of any successors of Tenant unless Landlord's written consent for the transfer to such successor has first been obtained as provided in this Lease.

32. LANDLORD'S LIABILITY

Landlord's obligations under this Lease shall be binding upon Landlord only for the period of time that Landlord owns the Building; and, upon termination of that ownership, Tenant, except as to any obligations which are then due and owing, shall look solely to Landlord's successor in interest in the Building for the satisfaction of each and every obligation of Landlord hereunder. Landlord shall have no personal liability under this Lease and Tenant shall look solely to the equity of Landlord in the Building for the satisfaction of any claim, remedy or cause of action accruing to Tenant as a result of the breach of any section of this Lease by Landlord. In addition to the foregoing, no recourse shall be had for an obligation of Landlord hereunder, or for any claim based thereon or otherwise in respect thereof, against any past, present or future trustee, member, partner, shareholder, officer, director, partner, agent or employee of Landlord, whether by virtue of any statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such other liability being expressly waived and released by Tenant with respect to the above-named individuals and entities.

33. ATTORNEY'S FEES

In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party shall be entitled to reasonable attorney's fees to be fixed by the court in such action or proceeding.

34. APPROVAL AND PERMIT CONTINGENCY

This Lease is expressly contingent upon Landlord receiving any and all necessary zoning approvals and building permits for the construction of the Complex and Premises. If Landlord is unable to secure said approvals and permits within twenty-four (24) months of the Lease Date and commence construction of the Premises, then either Landlord or Tenant may terminate this Lease by written notice to the other, and neither party shall have any further liability hereunder.

35. BROKERS

Landlord and Tenant each represents and warrants to the other that such party has had no dealings, negotiations or consultations with respect to the Premises or this transaction with any brokers or finders other than Situs Properties, Inc and CB Richard Ellis. Each party agrees to indemnify, defend and hold the other harmless from and against all liability, cost and expense, including attorney's fees and court costs, arising out of any misrepresentation or breach of warranty under this Section.

36. FINANCIAL STATEMENTS AND GUARANTEE OF LEASE

Tenant shall furnish to Landlord, Landlord's Mortgagee, prospective Mortgagee or purchaser reasonably requested financial information upon request. American Laser Centers, LLC agrees to guarantee Tenant's performance under this Lease according to **Exhibit C** attached hereto.

37. NOTICES

Wherever a notice is required, notice shall be deemed to have been duly given if in writing and either: (i) personally served; (ii) delivered by pre-paid nationally recognized overnight courier service; (iii) forwarded by Registered or Certified mail, return receipt requested, postage prepaid; or (iv) facsimile with a copy mailed by first class U.S. mail. In all such cases notices must be addressed to the parties as listed in the Term Sheet. Each such notice shall be deemed to have been given to or served upon the party to which addressed on the date the same is delivered or delivery is refused. Any party shall have the right from time to time to change the address to which notices to it shall be sent and to specify one additional addressee to which copies of notices to it shall be sent by giving the other party or parties at least thirty (30) days prior notice of the changed address or additional address.

38. HAZARDOUS MATERIAL

- A. Tenant shall not bring onto the Premises any hazardous or toxic substance, material or waste which has been or in the future is determined by any state, federal or local governmental authority or any law, ordinance, statute, governmental rule or regulation to be capable of posing a risk of injury to health, safety or property and/or the use, storage and/or disposal of which is regulated by any governmental authority, including, without limitation, all of those materials and substances designated as hazardous or toxic by the local government having jurisdiction over the Premises, the U. S. Environmental Protection Agency, the Consumer Product Safety Commission, or any other governmental agency now or hereafter authorized to regulate materials or substances.
- B. Tenant shall comply with all applicable Governmental Requirements affecting the Premises, the operation of Tenant's business at the Premises, and the use and removal of any substances

therefrom, including, without limitation, hazardous materials. Such compliance shall include, inter alia, (i) the filing by Tenant of all governmental applications and registrations for all substances used, stored, manufactured, generated or otherwise in the Premises; (ii) the obtaining of all licenses and permits with respect thereto; and (iii) the timely filing from time to time, as required, of all reports and other matters required to be filed with governmental authorities having jurisdiction. Notwithstanding anything in this Lease to the contrary, Tenant shall not, without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion and subject to such conditions as may be imposed by Landlord, possess, use, store, manufacture, process or dispose of, in, on or from the Premises, any medical or human or animal tissue or substances, oil, grease, toxic, or hazardous materials regulated in any way by any public authority, except for articles permitted to be sold from the Premises and cleaning supplies of insignificant quantities stored in sealed containers.

- C. Tenant shall not permit any on-site disposal of any medical or human or animal tissue or substance, oil, grease, toxic or hazardous materials (collectively the "Special Materials"). No Special Materials, hazardous or toxic wastes, contaminated substances or those resulting from manufacturing or processing shall be deposited in containers provided for trash removal. All such waste materials (including Tenant's construction or remodeling wastes) other than ordinary sanitary commercial trash (which may be legally disposed of without any special handling or precautions) shall be removed from the Premises and properly disposed of by Tenant in compliance with all applicable Governmental Requirements at Tenant's sole cost and expense.
- D. Tenant does hereby agree to indemnify and hold Landlord harmless of, from and against all claims, actions, liens, demands, costs, damages, punitive damages, expenses, fines and judgments (including legal costs and attorney's fees) resulting from or arising by reason of the following: (i) any spills or other contamination of air, soil or water by oil, grease, toxic or hazardous substances, or hazardous material, at or around the Premises or Shopping Center or upon removal therefrom; (ii) Tenant's violation of any environmental laws or regulations, ordinances or orders in or about the Shopping Center; or (iii) the violation of any provision of this Section.
- E. Upon ten (10) days prior written request from Landlord, Tenant shall execute, acknowledge and deliver to Landlord a written statement in form satisfactory to Landlord certifying (i) if true, that Tenant has not disposed of any oil, grease, toxic or hazardous substance, or hazardous material, at the Premises or Shopping Center or (ii) that any such substances used, processed or generated at the Premises have been disposed of properly in accordance with all applicable Governmental Requirements. If Tenant is unable to certify either of the above, Tenant shall so notify Landlord and give Landlord the details resulting in Tenant's inability to so certify.
- F. In the event of Tenant's failure to comply in full with this Section, Landlord may, at its option, perform any and all of Tenant's obligations as aforesaid and all costs and expenses incurred by Landlord in the exercise of this right together with interest thereon as herein provided until paid in full shall be deemed to be Additional Rent payable on demand.
- G. Tenant shall surrender the Premises to Landlord upon the expiration or earlier termination of this Lease free of hazardous materials and in a condition which complies with all Governmental Requirements, recommendations of consultants hired by Landlord, and such other reasonable requirements as may be imposed by Landlord.
- H. This Section shall survive the expiration or sooner termination of this Lease.

39. FLOOR LOADING

Tenant is hereby informed that the floor throughout the Premises is constructed for a 70 pounds per square foot live load capacity. Tenant agrees not to exceed such amount.

40. EXCLUSIVE RIGHT

During the Term and as long as Tenant is not in default under the terms and conditions of this Lease, including Term Sheet Paragraph 4 and Paragraph 8, Landlord agrees not to lease space to any other tenant in the Building whose primary business provides services including laser hair removal, skin rejuvenation (via laser or injection), microdermabrasion, and non-surgical cellulite reduction therapy, along with other cosmetic related enhancement services. This exclusive right is subject to and shall not apply to any existing exclusive and/or use of other tenants in the Building at the time of execution of this Lease.

41. MISCELLANEOUS

- A. Time is of the essence for all terms, conditions, duties and obligations under this Lease.
- B. The section headings in this Lease are for convenience only. They are not a legal part of the Lease, they do not create a priority, and they are not complete descriptions of everything in each section.
- C. As used in this Lease, the word "person" shall mean and include, where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for the singular, and the singular for the plural, where appropriate; and words of any gender shall mean to include any other gender.

- D. If any part of this Lease is determined to be not legal, not binding or not enforceable, it will not cancel or void the remaining parts of the Lease, which shall remain in full force and effect.
- E. This Lease shall be construed, governed and enforced in accordance with Pennsylvania law, without regard to principles relating to conflicts of law. Tenant hereby consents to the exclusive jurisdiction of the state courts located in Bucks County or Montgomery County, and to the federal courts located in the Eastern District of Pennsylvania.

42. EXHIBITS

Attached are the following documents which are incorporated into and constitute a part of this Lease:

- EXHIBIT A: TENANT IMPROVEMENT PLAN AND SPECIFICATIONS
- EXHIBIT B: RULES AND REGULATIONS
- EXHIBIT C: GUARANTY OF LEASE

43. ENTIRE AGREEMENT

This Lease, including the Term Sheet and any exhibits and riders hereto, is the entire agreement between Landlord and Tenant, and supercedes any prior negotiations and proposals. It may not be modified except by a written agreement signed by both parties or their respective successors in interest.

44. EXECUTION

This Lease shall become effective when it has been signed by a duly authorized officer or representative of each of the parties and delivered to the other party. Notwithstanding anything contained herein, said Lease shall not be effective until the date Landlord provides written notice to Tenant, which shall be within sixty (60) days of the execution of this Lease, of the termination of a portion of the Lease between Heritage-Montgomery Center, L.P. and NVR, Inc. t/a Ryan Homes, a Virginia Corporation, dated June 28, 2004 with regards to the Premises.

45. TENANT'S REPRESENTATIONS AND WARRANTIES

TENANT, AS A MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THIS LEASE, HEREBY REPRESENTS, WARRANTS AND COVENANTS TO LANDLORD THAT AS OF THE DATE HEREOF:

- A. Tenant is represented by legal counsel, or has had the ability to review this Lease with legal counsel.
- B. Tenant is duly organized, validly existing and legally authorized to do business in the Commonwealth of Pennsylvania.
- C. Tenant's Board of Directors or Members (if Tenant is a corporation), Members (if Tenant is a limited liability company) or Partners (if Tenant is a partnership) held a special meeting and expressly authorized its officer(s) to execute this Lease which contains a warranty of attorney to confess judgment for money and/or possession.
- D. Tenant has carefully read and understood all of the terms and conditions contained in this Lease and believes them to be commercially reasonable.
- E. Tenant's execution of this Lease is evidence of Tenant's informed and voluntary consent to all of the Lease terms and conditions.
- F. Tenant is the sole occupant of the Premises.
- G. This Lease is part of a commercial/business transaction and is not a consumer credit transaction; no portion of this Lease or Premises relates to a primarily personal, family or household use.
- H. Tenant is not insolvent and has not filed for bankruptcy in any jurisdiction in which Tenant conducts business.
- I. Tenant's annual income exceeds Ten Thousand Dollars (\$10,000).
- J. **TENANT ACKNOWLEDGES AND UNDERSTANDS THAT THE LEASE CONTAINS PROVISIONS UNDER WHICH LANDLORD MAY ENTER JUDGMENT BY CONFESSION AGAINST THE TENANT. BEING FULLY AWARE OF TENANT'S RIGHT TO PRIOR NOTICE AND A HEARING IN CONNECTION WITH THE JUDGMENT OR OTHER CLAIMS THAT MAY BE ASSERTED AGAINST THE TENANT BY LANDLORD THEREUNDER BEFORE JUDGMENT IS ENTERED, THE TENANT HEREBY VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVES ALL SUCH RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LANDLORD'S ENTERING JUDGMENT AGAINST IT BY CONFESSION PURSUANT TO THE TERMS THEREOF. THE JUDGMENT MAY BE OBTAINED AGAINST THE TENANT IN ANY COURT OF COMMON PLEAS OF THE COMMONWEALTH OF PENNSYLVANIA AFTER AN EVENT OF DEFAULT WITHOUT THE FOLLOWING, ALL OF WHICH HAVE BEEN INTENTIONALLY, UNDERSTANDINGLY AND KNOWINGLY WAIVED BY THE TENANT:**
 - i. **THE RIGHT TO NOTICE AND A HEARING BEFORE JUDGMENT IS ENTERED;**

- ii. THE RIGHT TO REDUCE OR SET-OFF A CLAIM BY DEDUCTING A CLAIM THE TENANT MAY HAVE AGAINST THE LANDLORD (CALLED THE "RIGHT OF DEFALCATION");
- iii. RELEASE OF PROCEDURAL ERRORS;
- iv. INQUEST (THE RIGHT TO ASCERTAIN WHETHER THE RENTS AND PROFITS OF THE TENANT'S OTHER REAL ESTATE WILL BE SUFFICIENT TO SATISFY THE JUDGMENT WITHIN SEVEN (7) YEARS);
- v. EXEMPTION LAWS NOW IN FORCE OR HEREAFTER TO BE PASSED; AND
- vi. THE RIGHT TO DEFEND AGAINST THE ENTRY OF JUDGMENT AGAINST THE TENANT BEFORE JUDGMENT IS ENTERED.

K. TENANT ACKNOWLEDGES AND UNDERSTANDS THAT THE LEASE AND APPLICABLE PENNSYLVANIA LAWS PERMIT AND AUTHORIZE THE LANDLORD, AFTER ENTRY OF JUDGMENT BY CONFESSION AND WITHOUT EITHER NOTICE OR A HEARING, TO FORECLOSE UPON, ATTACH, LEVY, TAKE POSSESSION OF OR OTHERWISE SEIZE AND SELL PROPERTY OF THE TENANT IN FULL OR PARTIAL SATISFACTION OF THE JUDGMENT. BEING FULLY AWARE OF TENANT'S DUE PROCESS RIGHTS TO PRE-DEPRIVATION NOTICE AND AN OPPORTUNITY FOR A HEARING, THE TENANT HEREBY (1) VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVES ALL PRE-DEPRIVATION NOTICE AND HEARING RIGHTS RELATIVE TO ANY PROCEEDINGS BY LANDLORD TO EXECUTE ON ANY JUDGMENT ENTERED BY CONFESSION UNDER THE LEASE, AND (2) EXPRESSLY AGREES AND CONSENTS TO LANDLORD'S TAKING ALL SUCH ACTIONS AS MAY BE PERMITTED UNDER APPLICABLE STATE AND FEDERAL LAW WITHOUT SUCH PRE-DEPRIVATION NOTICE TO THE TENANT AND WITHOUT AN OPPORTUNITY FOR A HEARING.

L. Prior to Landlord exercising its right to confession of judgment provided for in Section 17.B.iii-vi of this Lease, Landlord shall provide written notice to Tenant ten (10) days prior to Landlord's exercising its right to confession of judgment. The purpose of said notice is to allow the Tenant to cure the breach during the ten (10) day notice period prior to Landlord confessing judgment.

M. Tenant received a copy of this Lease at the time of execution.

Tenant's Initials: LS

IN WITNESS WHEREOF, the parties hereto have executed this Lease under their hands and seals as of the day and year set forth in the Term Sheet.

LANDLORD:

HERITAGE-MONTGOMERY CENTER, L.P., a Pennsylvania Limited Partnership

By: HBG-MONTGOMERY CENTER, INC., a Pennsylvania corporation, its General Partner

By: [Signature] 7/14/08
Lawrence A. Wargo, Vice President

TENANT:

ALC of Pennsylvania, LLC, a Delaware Limited Liability Company

By: [Signature]

Print Name: Kevin P. Pech

Title: C.A.O. & General Counsel

Witness / Attest: [Signature]

Print Name: Theresa Macdonald

Title: Ops. PPD, MGA

[illegible]

EXHIBIT A
TENANT IMPROVEMENT PLAN AND SPECIFICATIONS
(SPECIFICATIONS)

Below are the construction specifications for the Tenant Improvements to the Premises, as well as information regarding the Premises and Building. Landlord will construct the Tenant Improvements described below at Landlord's cost as generally shown on the Tenant Improvement plan and in compliance with (a) the government-approved construction documents, (b) all applicable ordinances, codes and regulations, and (c) the on-site inspections of the government authorities having jurisdiction over the Premises, including any changes to the Tenant Improvement plan and specifications required by those government authorities. Colors and materials described as "building standard" shall be selected by Tenant from among choices given to Tenant by Landlord.

Base Building

Prior to the construction of the Tenant Improvements, Landlord will construct the base Building containing the Premises. The base Building will include:

1. Finished Building exterior including all exterior doors and windows;
2. Finished Building common and "core" areas to be used by Tenant such as entrances, lobbies, corridors and stairways;
3. Fire detection and suppression systems such as smoke detectors and sprinkler system;
4. Fire alarm system capable of expansion into the Premises at Landlord's discretion or as required by code;
5. Tenant's heating, ventilation and air conditioning (HVAC) unit(s) and main trunk system;
6. Tenant's rough plumbing and rough electrical system;
7. Tenant's "punch down" block / connection point for Tenant's telephone system with 25 pair cable; and
8. Paved, striped and lighted parking area with sidewalk to Building or Premises entrance;
9. Tenant will be provided one (1) suite key per every 200 square feet of rented space.

Tenant Improvements

Landlord will provide the following as part of the Tenant Improvements, unless otherwise indicated on the Tenant Improvement plan and government-approved construction documents. Landlord may change specifications and dimensions to address specific building conditions, or substitute any of the following materials with similar or higher quality materials at Landlord's discretion.

1. Obtain all construction documents, permits and approvals for the construction of the Tenant Improvements.
2. Construct finished demising walls, perimeter walls and interior walls in the locations shown on the Tenant Improvement plan, painted in a "building standard" neutral color with flat latex paint.
 - A. New Demising Walls -- 3 5/8" 25-gauge steel stud construction 24" on center to the underside of deck, to be covered with 5/8" Type X drywall. Stud space to be filled with fiberglass batt insulation full height. All walls to be taped, spackled and sanded for painting.
 - B. New Interior Partitions -- 3 5/8" 25-gauge steel stud construction 24" on center to under side of ceiling, to be covered with 5/8" drywall. All walls to be taped, spackled and sanded for painting.
3. Install entrance door with non-removable pin hinges and welded frames. Door style to be selected by Landlord.
4. Install interior doors in all locations shown on the Tenant Improvement plan. All interior doors shall be 3'-0" x 7'-0" x 1 3/4" solid core birch veneer with factory finish or two coats stain and two coats clear satin polyurethane or comparable paint coverage. Door height may be changed at the discretion of Landlord. Hardware to be satin chrome lever Schlage pass function or comparable. Hinges to be satin chrome finish ball bearing type with three hinges per door. Frames shall be hollow metal knock-down frames. Locking interior door hardware is available at Tenant's expense.
5. Paint all walls and trim with one (1) prime coat and (2) finish coats of Sherwin Williams 7006 Extra White and one (1) feature wall in each room Sherwin Williams "Hometown Hero Blue"
6. Install acoustical drop ceiling and fluorescent drop-in light fixtures. Finished acoustical ceiling shall be fully accessible, 2'-0" x 4'-0" fissure white lay in acoustical tile system in an exposed metal "tee" grid with white baked-enamel finish, or equal. Recessed lighting shall be 2'-0" x 4'-0" florescent light fixtures with prismatic lenses with the average density of one (1) fixture per 80 square feet.

7. Install 200-amp, 3-phase 120/208 volt electrical service and accessible panel, with electrical devices at the locations shown on the Tenant Improvement plan or as described below. Landlord reserves the right to separately meter heavy electrical uses such as computer rooms at Tenant's cost.
 - A. Electrical Switches -- Standard wall switches shall be provided, with one (1) in each office and conference room.
 - B. Electrical Outlets -- Two (2) wall mounted shared circuit duplex outlets shall be provided in each office and conference room, with additional outlets to be provided per code or at a minimum of one (1) outlet per 25 linear feet of corridor wall. All outlets to be mounted 18" above floor.
8. Install sprinkler fire protection system, with sprinkler heads spaced as required by code for general office use. Additional heads required by code to address Tenant's specific use shall be installed at Tenant's expense.
9. Install life safety features such as smoke detectors and exit signs as required by code.
 - A. Exit signs shall be provided according to code.
 - B. Horns and strobe lights shall be provided according to code.
 - C. Emergency lighting shall be provided according to code.
 - D. Fire extinguishers and cabinets shall be provided per code for general office use. Additional extinguishers and cabinets required by code to address Tenant's specific use shall be installed at Tenant's expense. Landlord shall maintain the extinguishers, but Tenant shall be responsible for insuring that the extinguishers remain undamaged and in their proper locations.
 - E. The Building will contain a fire alarm system capable of expansion into the Premises at Landlord's discretion or as required by code.
10. Install office, conference room and hallway flooring with "building standard" carpet and wall base.
11. Install ADA-compliant restroom(s) as required by code in the location(s) shown on the Tenant Improvement plan with toilet, sink, faucet, mirror, robe hook, paper towel dispenser, toilet paper dispenser and grab bars, plus "building standard" ceramic floor tile.
12. Install separately metered HVAC split system sized at one ton per 300 square feet, plus supply / return ductwork and diffusers specifically designed for the Premises. Any additional HVAC requirements, including Variable Air Volume (VAV) units, shall be installed at Tenant's expense.
13. Floor Bearing Capacity -- The structural floor system of the Building is designed per code to accommodate dead (fixed) loads up to 50 lbs. per square foot or live (moving) loads up to 80 lbs. per square foot. Tenant shall observe these load capacities at all times. Structural modifications to accommodate specific Tenant requirements shall be made at Tenant's expense.

Tenant Responsibility

Any improvements not specifically described within Landlord's scope of work for the Tenant Improvements shall be the sole cost and responsibility of Tenant, including construction documents, permits and approvals for those improvements. Tenant must receive Landlord's written approval before beginning any construction and adhere to Landlord's requirements, which may include but are not limited to providing copies of all construction documents and permits to Landlord, providing evidence of insurance to Landlord, providing a waiver of liens from all contractors to Landlord, and adhering to construction standards established by Landlord in Landlord's sole discretion. Tenant shall also perform all construction in a good and workmanlike manner, and in compliance with all applicable government ordinances, codes and regulations.

Unless otherwise indicated above, Tenant shall be solely responsible for the design, installation and cost of Tenant's telecommunications system(s), including but not limited to phone, computer, data and cable wiring, plus any additions or upgrades to the electrical system needed therefor. In addition, Tenant shall be solely responsible for the design, installation and cost of Tenant's security system, plus any additions or upgrades to the electrical system needed therefor. Landlord shall advise Tenant as to when Tenant may install the telecommunications and/or alarm system(s) during the construction of the Premises, which shall be prior to Landlord's completing the installation of drywall. If Tenant is unable to install these system(s) prior to Landlord's completing the installation of drywall, then Tenant shall be responsible for Landlord's cost to repair and restore the drywall and any other Tenant Improvements constructed by Landlord. Such costs to repair and restore the Tenant Improvements shall be considered as Additional Rent.

Unless otherwise indicated above, Tenant shall be solely responsible for purchasing, installing maintaining and services any appliances in the Premises and shall obtain Landlord's prior written approval before beginning such installation.

TENANT AGREES TO ACCEPT THE PREMISES IN ITS "AS IS" CONDITION WHEN THE TENANT IMPROVEMENTS ARE SUBSTANTIALLY COMPLETE. LANDLORD SPECIFICALLY EXCLUDES AND DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NEITHER MAKES NOR ADOPTS ANY WARRANTY, EXPRESS OR IMPLIED. TENANT RELIES ON NO REPRESENTATION OF LANDLORD OR ANY OF ITS AUTHORIZED REPRESENTATIVES IN REGARD TO THE CONDITION OF THE PREMISES EXCEPT AS MAY BE SET FORTH IN THIS AGREEMENT.

EXHIBIT B RULES AND REGULATIONS

Last Revised: June 7, 2006

All tenants shall observe the following Rules and Regulations. They shall apply in all cases to tenants and their employees, agents, representatives, licensees, concessionaires, invitees, visitors, subtenants and contractors. Landlord reserves the right to change, add, or eliminate any rule or regulation at any time for the benefit of Landlord, its tenants or the Complex. When revised, Landlord shall give tenants written notice thereof and the revised Rules and Regulations shall be immediately binding upon the tenants. There shall be no exceptions to these Rules and Regulations without the prior written consent of Landlord.

1. Common areas, including but not limited to the landscaped grounds, parking lots, sidewalks, building entrances, lobbies, hallways, elevators and stairways, shall not be obstructed or used for any purpose at any time other than ingress or egress.
2. No tenant shall permit visits to its premises by persons in such numbers or under such conditions as to interfere with the use and enjoyment of the parking lots, entrances, lobbies, hallways, elevators, stairways or other common areas by other tenants.
3. No mats, trash, or other objects shall be placed in the common areas. No objects shall be thrown from doors, windows, or down hallways or stairs of a building.
4. Except in designated areas, no common areas such as sidewalks, porches, vestibules, lobbies, hallways or stairways shall be used as places to eat, drink, or lounge during "break" or meal periods.
5. No space within the Complex, including tenant's premises, shall be used for the purpose of lodging, sleeping, or for any immoral or illegal purpose.
6. No object of any kind shall be erected on or attached to a building or common area.
7. Tenants shall observe all traffic signals, signs and markings within the Complex. Tenants shall not park along streets, drive aisles, loading areas or in front of directory or building signs. Tenants shall not use or permit the use of any portion of the Complex for outdoor storage of vehicles, equipment or any other item. Any vehicle, equipment or item left on the Complex overnight shall be removed by Landlord at tenant's cost with no liability to Landlord.
8. All exterior doors of a premises and building shall be kept closed at all times except as they may be used for ingress or egress.
9. Tenants are responsible for all keys and/or security access cards issued to them, and to secure the return of same from any employee terminating employment with them. Only tenants' employees shall have keys or security access cards. Each tenant must, upon the termination of tenancy, return to Landlord all keys for their premises and all security access cards to their building. The cost to replace lost keys or cards shall be paid by tenant.
10. No additional locks or bolts shall be installed upon any door or window of a building. If Landlord approves the installation of an alarm system, then tenant must provide the alarm code to Landlord.
11. Explosives, gasoline, oils, acids, caustics or any flammable, explosive, unstable, radioactive or hazardous materials are strictly prohibited within the Complex. Liquids, solids or gases that may cause sickness, disease or injury to persons are also strictly prohibited within the Complex.
12. Nothing shall be displayed through the windows or doors of a premises or hung in such a manner as to make it visible from the exterior, and the window sills of a premises shall be kept clear of all objects. Landlord must approve all drapes or window blinds as to their quality, design, color and manner of installation, and if approved must be regularly cleaned by tenant at tenant's cost.
13. Sinks, toilets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed. Only standard toilet tissue may be flushed in toilets. All damage resulting from misuse of these fixtures shall be the responsibility of the tenant who caused same.
14. No tenant shall mark, paint, drill into, bore, cut or string wires or in any way deface any part of their premises except for the reasonable hanging of decorative or instructional materials on the inside walls of their premises.
15. No mopeds, skateboards, in-line skates, scooters or other vehicles; and no animals, birds or other pets of any kind shall be brought into, used or kept in a premises or any part of the Complex.
16. No tenant shall do anything to disturb or interfere with other tenants such as causing noise, vibrations, bad smells, electronic interference or obstructions. All passage through common areas shall be conducted in a quiet, unobtrusive and business-like manner.

17. No tenant shall use any equipment which requires more electric current than is supplied to their premises. No tenant shall operate any kitchen device except for a refrigerator, dishwasher, coffee machine, microwave oven, toaster and/or vending machine; all of which shall be located only in Tenant's kitchenette. Any dishwasher or refrigerator shall be purchased, installed and maintained at the sole cost and expense of Tenant. No electric heating device shall be used in a premises.
18. No smoking is permitted in any building or premises. If a tenant smokes outside, cigarette ashes or butts shall not be disposed of in common areas or toilets.
19. For buildings with common entrances, Landlord may require, at its sole option, all persons entering such buildings after 6 PM or before 7 AM, Monday through Friday and at any time on Holidays, Saturdays and Sundays, to register at the time they enter and at the time they leave such buildings.
20. Landlord reserves the right to exclude from the Complex any person who is not known or does not properly identify himself to Landlord's management or security personnel.
21. Tenants shall operate their own heating, ventilating and air conditioning system(s) to maintain comfort conditions and prevent excessive cold, heat and humidity. Tenants' obligations for operating and maintaining these systems shall be as reasonably established by Landlord.
22. Tenants shall not interfere with any building's heating, air conditioning, ventilation, electrical, plumbing or other mechanical system.
23. Landlord shall not be responsible for lost or stolen personal property, furniture, trade fixtures, equipment, money or jewelry from any tenant's premises or common areas of the Complex.
24. Tenants at all times shall keep their premises orderly, neat, safe, clean and free from rubbish, dirt and vermin, and store all trash and other solid waste within their premises. Landlord may direct the use of all solid waste disposal contractors, at such intervals as Landlord may require. Unless janitorial service is provided by Landlord, tenants are responsible for securing their trash and placing it completely inside the dumpsters provided by Landlord so that the trash cannot be seen.
25. Landlord reserves the right to designate the time and method of any delivery to a premises, as well as the removal or disposal of any item from a premises. Tenants shall be responsible to Landlord for any loss or damage resulting from these activities.
26. Landlord may, at any time, temporarily close any part of the common areas to make improvements, repairs or changes; and may do such other acts in the common areas at Landlord's sole discretion.
27. No soliciting, canvassing, peddling, picketing, demonstrating, distributing pamphlets or any similar activity is permitted within the Complex.
28. Each tenant shall be responsible for any damage they cause to the Complex.

ADDITIONAL RULES AND REGS TO BE ADDED TO LEASES FOR RESTAURANTS

29. Tenant shall open the Premises for business seven (7) days per week for a minimum of eight (8) hours per day, except for national holidays.
30. All equipment producing grease laden vapors such as griddles, deep fat fryers, broilers and char broilers must be located under a *Hood and Duct System*. Tenant must clean and maintain the *Hood and Duct System*, keep it free of grease deposits and have in place a *Fire Protection System*. Tenant shall maintain a contract with a professional cleaner for a minimum of a semi-annual steam cleaning of the *Hood and Duct System*. Tenant shall further maintain a contract with a professional for a minimum of a semi-annual servicing of the *Fire Protection System*.
31. All Tenants generating grease from food preparation or other activities must install a code-compliant grease trap to protect the plumbing and sanitary sewer lines of the Premises and Complex. Tenant must maintain a contract with a professional cleaner for a minimum of a quarterly cleaning of the grease trap, or more often, if necessary, to insure free flow in the plumbing and sanitary sewer lines.

#

**EXHIBIT C
GUARANTY**

THIS GUARANTY is given by American Laser Centers, LLC, a Delaware Limited Liability Company whose address is 24555 Hallwood Court, Farmington Hills, MI 48335 (collectively "Guarantor") to Heritage-Montgomery Center, L.P., whose address is 2500 York Road, Jamison, PA 18929, ("Landlord"), on this 14th day of July, 2008.

Recitals

At the request of the Guarantor, the Landlord has executed a Lease with ALC of Pennsylvania, LLC, a Delaware Limited Liability Company, dated July 14, 2008, (the "Tenant") for approximately 2,083 rentable square feet of office space at Heritage Executive Campus at Montgomeryville, 595 Bethlehem Pike, Suites 401 and 402, Montgomeryville, PA, (the "Lease").

The Landlord would not have permitted Tenant to execute the Lease except for the request of the Guarantor and the execution and delivery of this guaranty; and

In consideration of the Landlord entering into the Lease with the Tenant;

The Guarantor agrees as follows:

1. **Guaranty.** The Guarantor, for himself and his heirs, executors, administrators and assigns unconditionally guaranty the prompt payment when due, or whenever payment becomes due under the terms of the Lease, all payments of Rent, Additional Rent, and all other charges, expenses and costs of every kind and nature, which are or may be due now or in the future under the terms of the Lease, any agreements or documents related to the Lease, or any other transaction between the Landlord and the Tenant directly or indirectly related to the Lease; and the complete and timely performance, satisfaction and observation of the terms and conditions of the Lease, rules and regulations and related obligations arising by reason of the Lease, required to be performed, satisfied or observed by the Lease.

2. **Coverage of Guaranty.** This guaranty extends to any and all liability which the Tenant has or may have to the Landlord by reason of matters occurring before the signing of the Lease, during the period of the Lease, or by matters occurring after the expiration of the term of the Lease or by matters occurring after the expiration of the term of the Lease by reason of removal of Tenant property, surrender of possession or other matters. This guaranty extends to any successor of the Tenant, any assignee or sublessee of the Tenant, to any extensions or renewals of the Lease, and to any term established by reason of the holdover of the Tenant, an assignee or sublessee.

3. **Performance Guaranty.** In the event that the Tenant fails to perform, satisfy or observe the terms and conditions of the Lease, rules and regulations, and related Lease obligations required to be performed, satisfied or observed by the Tenant, the Guarantor will promptly and fully perform, satisfy and observe the obligation or obligations in the place of the Tenant. The Guarantor shall pay, reimburse and indemnify the Landlord for any and all damages, costs, expenses, losses and other liabilities arising or resulting from the failure of the Tenant to perform, satisfy or observe any of the terms and conditions of the Lease, rules and regulations and related obligations.

4. **Waiver of Notices.** Without notice to or further assent from the Guarantor, the Landlord may waive or modify (with the consent of Tenant) any of the terms or conditions of the Lease, any rules and regulations or related Tenant obligations; or compromise, settle or extend the time of payment of any amount due from the Tenant or the time of performance of any obligation of the Tenant. These actions may be taken by the Landlord without discharging or otherwise affecting the obligations of the Guarantor.

5. **Lease Security.** This guaranty shall remain in full force and effect, and the Guarantor fully responsible, without regard to any security deposit or other collateral for the performance of the terms and conditions of the Lease, or the receipt, disposition, application or release of any security deposit or other collateral, now or hereafter held by or for the Landlord.

6. **Unconditional Obligations.** The liability of the Guarantor is direct, immediate, absolute, continuing, unconditional and unlimited. The Landlord shall not be required to pursue any remedies it may have against the Tenant or against any security deposit or other collateral as a condition to enforcement of this guaranty. Nor shall the Guarantor be discharged or released by reason of the discharge or release of the Tenant for any reason, including a discharge in Bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Lease by a trustee, custodian, or other representative in Bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitations of the liability of the Tenant or any remedy of the Landlord. The Guarantor assumes all responsibility for being and keeping himself informed of Tenant's financial condition and assets, and of all other circumstances bearing upon the risk of non-performance by Tenant signing the Lease. The Guarantor agrees that Landlord shall have no duty to advise the Guarantor of information known to it regarding such circumstances or risks.

7. **Subordination of Subrogation Rights.** The Guarantor subordinates any and all claims which the Guarantor has or may have against the Tenant by reason of subrogation for payment or

performance under this guaranty or claims for any other reason or cause. The Guarantor agrees not to assert any claim which he has or may have against the Tenant, including claims by reason of subordination under this guaranty, until such time as the payment and other obligations of the of the Landlord are fully satisfied and discharge.

8. **Binding Effect.** This guaranty is binding upon the Guarantor, his heirs, executors, administrators and assigns, and is binding upon and shall inure to the benefit of the Landlord, its successors and assigns. No assignment or delegation by the Guarantor shall release the Guarantor of his obligations under this guaranty. The term "Tenant" used in this guaranty includes also the first and any successive assignee or sublessee of the Tenant or any assignee or sublessee of the Lease.

9. **Modifications.** This guaranty may not be modified orally, but only by a writing signed by both the Guarantor and the Landlord. Modifications include any waiver, change, discharge, modification, or termination.

10. **Joint and Several Obligation.** If there is more than one Guarantor, the liability of each Guarantor under this Guaranty shall be joint and several.

11. **Confession of Judgment.**

(a) GUARANTOR COVENANTS AND AGREES THAT IF THERE IS AN EVENT OF DEFAULT UNDER THE LEASE, LANDLORD MAY, WITHOUT LIMITATION, CAUSE JUDGMENTS FOR MONEY TO BE ENTERED AGAINST GUARANTOR, AND FOR THOSE PURPOSES, GUARANTOR HEREBY GRANTS THE FOLLOWING WARRANT OF ATTORNEY: (I) GUARANTOR HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY, CLERK OF COURT, ATTORNEY OF COURT OF RECORD AND/OR LANDLORD (AS WELL AS SOMEONE ACTING FOR LANDLORD) IN ANY AND ALL ACTIONS COMMENCED AGAINST GUARANTOR FOR RECOVERY OF ANY AMOUNTS TO BE PAID TO LANDLORD BY GUARANTOR UNDER THIS GUARANTY, TO APPEAR FOR GUARANTOR AND ASSESS DAMAGES AND CONFESS OR OTHERWISE ENTER JUDGMENT AGAINST GUARANTOR FOR ALL OR ANY PART OF THE AMOUNTS TO BE PAID BY LANDLORD UNDER THIS GUARANTY, TOGETHER WITH INTEREST, COSTS AND ATTORNEYS' COMMISSION OF FIVE PERCENT (5%) OF THE FULL AMOUNT OF THE AMOUNTS AND SUMS PAYABLE UNDER THIS GUARANTY AND THEREUPON WRITS OF EXECUTION AS WELL AS ATTACHMENT MAY FORTHWITH ISSUE AND BE SERVED, WITHOUT ANY PRIOR NOTICE, WRIT OR PROCEEDING WHATSOEVER, EXCEPT AS MAY OTHERWISE BE REQUIRED BY APPLICABLE LAW; (II) THE WARRANT OF ATTORNEY HEREIN GRANTED SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF BUT SUCCESSIVE ACTIONS MAY BE COMMENCED AND SUCCESSIVE JUDGMENTS MAY BE CONFESSED OR OTHERWISE ENTERED AGAINST GUARANTOR FROM TIME TO TIME AS OFTEN AS AMOUNTS OR SUMS DUE UNDER THIS GUARANTY SHALL BE DUE OR IN ARREARS, AND THIS WARRANT OF ATTORNEY MAY BE EXERCISED AFTER TERMINATION OR EXPIRATION OF THE TERM OF THE LEASE OR ANY EXTENSIONS OF THE TERM OR RENEWALS OF THE LEASE; AND (III) THE PROVISIONS OF SECTION 11(B) ARE INCORPORATED HEREIN BY THIS REFERENCE THERETO.

GUARANTOR'S INITIALS JS

(b) IN ANY ACTION OR PROCEEDING AS DESCRIBED IN SECTION 11(A) OF THIS GUARANTY, OR IN CONNECTION THEREWITH, IF A COPY OF THIS GUARANTY IS THEREIN VERIFIED BY LANDLORD OR SOMEONE ACTING FOR LANDLORD TO BE A TRUE AND CORRECT COPY OF THIS GUARANTY (AND SUCH COPY SHALL BE CONCLUSIVELY PRESUMED TO BE TRUE AND CORRECT BY VIRTUE OF SUCH VERIFICATION), THEN IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL GUARANTY, ANY STATUTE, RULE, COURT OF LAW, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING. GUARANTOR HEREBY RELEASES TO LANDLORD, ANYONE ACTING FOR LANDLORD AND ALL ATTORNEYS WHO MAY APPEAR FOR GUARANTOR, ALL ERRORS OF PROCEDURE REGARDING THE ENTRY OF JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS GUARANTY, AND ALL LIABILITY THEREFOR. THE RIGHT TO ENTER JUDGMENT OR JUDGMENTS BY CONFESSION OR OTHERWISE BY VIRTUE OF THE WARRANTS OF ATTORNEY CONTAINED IN THIS GUARANTY AND TO ENFORCE ALL OF THE OTHER PROVISIONS OF THIS GUARANTY MAY BE EXERCISED BY ANY ASSIGNEE OF LANDLORD'S RIGHT, TITLE OR INTEREST IN THE LEASE IN SUCH ASSIGNEE'S OWN NAME, ANY STATUTE, RULE OF COURT OF LAW, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

GUARANTOR'S INITIALS JS

12. **Guarantor's Representations and Warranties**

For the purpose of obtaining and/or guarantying a Lease with Landlord, the Guarantor hereby certifies the following:

- (a) Tenant is the sole occupant of the Premises.

(b) This Lease is part of a commercial/business transaction and is not a consumer credit transaction and no portion of the Lease or Premises relates to a primarily personal, family, or household use.

(c) **GUARANTOR ACKNOWLEDGES AND UNDERSTANDS THAT THE GUARANTY CONTAINS PROVISIONS UNDER WHICH LANDLORD MAY ENTER JUDGMENT BY CONFESSION AGAINST THE GUARANTOR. GUARANTOR BEING FULLY AWARE OF GUARANTOR'S RIGHT TO PRIOR NOTICE AND A HEARING IN CONNECTION WITH THE JUDGMENT OR OTHER CLAIMS THAT MAY BE ASSERTED AGAINST THE GUARANTOR BY LANDLORD THEREUNDER BEFORE JUDGMENT IS ENTERED, THE GUARANTOR HEREBY VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVES ALL SUCH RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LANDLORD'S ENTERING JUDGMENT AGAINST IT BY CONFESSION PURSUANT TO THE TERMS THEREOF. THE JUDGMENT MAY BE OBTAINED AGAINST THE TENANT IN ANY COURT OF COMMON PLEAS OF THE COMMONWEALTH OF PENNSYLVANIA AFTER AN EVENT OF DEFAULT WITHOUT THE FOLLOWING, ALL OF WHICH HAVE BEEN INTENTIONALLY, UNDERSTANDINGLY AND KNOWINGLY WAIVED BY THE TENANT:**

- (i) **THE RIGHT TO NOTICE AND A HEARING BEFORE JUDGMENT IS ENTERED;**
- (ii) **THE RIGHT TO REDUCE OR SET-OFF A CLAIM BY DEDUCTING A CLAIM THE TENANT MAY HAVE AGAINST THE LANDLORD (CALLED THE "RIGHT OF DEFALCATION");**
- (iii) **RELEASE OF PROCEDURAL ERRORS;**
- (iv) **INQUEST (THE RIGHT TO ASCERTAIN WHETHER THE RENTS AND PROFITS OF THE TENANT'S OTHER REAL ESTATE WILL BE SUFFICIENT TO SATISFY THE JUDGMENT WITHIN SEVEN (7) YEARS);**
- (v) **EXEMPTION LAWS NOW IN FORCE OR HEREAFTER TO BE PASSED; AND**
- (vi) **THE RIGHT TO DEFEND AGAINST THE ENTRY OF JUDGMENT AGAINST THE TENANT BEFORE JUDGMENT IS ENTERED.**

GUARANTOR'S INITIALS RS

(d) **GUARANTOR ACKNOWLEDGES AND UNDERSTANDS THAT THE LEASE AND APPLICABLE PENNSYLVANIA LAWS PERMIT AND AUTHORIZE THE LANDLORD, AFTER ENTRY OF JUDGMENT BY CONFESSION AND WITHOUT EITHER NOTICE OR A HEARING, TO FORECLOSE UPON, ATTACH, LEVY, TAKE POSSESSION OF OR OTHERWISE SEIZE AND SELL PROPERTY OF THE TENANT AND/OR GUARANTOR IN FULL OR PARTIAL SATISFACTION OF THE JUDGMENT. BEING FULLY AWARE OF TENANT'S AND/OR GUARANTOR'S DUE PROCESS RIGHTS TO PRE-DEPRIVATION NOTICE AND AN OPPORTUNITY FOR A HEARING, THE GUARANTOR HEREBY (1) VOLUNTARILY, KNOWINGLY AND INTELLIGENTLY WAIVES ALL PRE-DEPRIVATION NOTICE AND HEARING RIGHTS RELATIVE TO ANY PROCEEDINGS BY LANDLORD TO EXECUTE ON ANY JUDGMENT ENTERED BY CONFESSION UNDER THE LEASE, AND (2) EXPRESSLY AGREES AND CONSENTS TO LANDLORD'S TAKING ALL SUCH ACTIONS AS MAY BE PERMITTED UNDER APPLICABLE STATE AND FEDERAL LAW WITHOUT SUCH PRE-DEPRIVATION NOTICE TO THE GUARANTOR AND WITHOUT AN OPPORTUNITY FOR A HEARING.**

GUARANTOR'S INITIALS RS

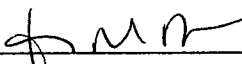
(e) **THE GUARANTOR HEREBY REPRESENTS, WARRANTS AND CERTIFIES TO LANDLORD THAT: (1) GUARANTOR IS REPRESENTED BY COUNSEL OR HAD THE ABILITY TO HAVE COUNSEL PRESENT AND AGREES TO AND UNDERSTANDS THE ABOVE TERMS EXPLICITLY; (2) GUARANTOR'S ANNUAL INCOME EXCEEDS \$10,000; AND (3) GUARANTOR HAS RECEIVED A COPY OF THIS GUARANTY AT THE TIME OF EXECUTION.**

GUARANTOR'S INITIALS RS


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IN WITNESS WHEREOF, the Guarantor has duly signed this Guaranty on the date stated above.

Witness:

By: 
Debra Maldonado
Print Name

Guarantor: American Laser Centers, LLC

By: 
Kevin Piccini C.A.B. General Counsel
Print Name

Proof of Claim

Creditor: Heritage – Montgomery Center, L.P.

Debtor: ALC Holdings LLC, et al.

Case Number: 11-13853 (MFW)

BMC Group, Inc.

Attn: ALC Holdings LLC Claims Processing

P.O. Box 3020

Chanhassen, MN 55317-3020