



Document Coversheet

File ID:

2/28

Document Name:

Lease

Location:

Aston, PA
105 Commerce Dr.

Comments:

Warehouse

STANDARD INDUSTRIAL LEASE AGREEMENT

Landlord:	THE REALTY ASSOCIATES FUND VI, L.P., a Delaware limited partnership
Tenant:	SMURFIT STONE CONTAINER ENTERPRISES, INC., a Delaware corporation
Premises:	49,410 rentable square feet, Aston, Delaware County, Pennsylvania
Date:	July 1, 2005

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STANDARD INDUSTRIAL LEASE AGREEMENT

THIS STANDARD INDUSTRIAL LEASE AGREEMENT (this "Lease") is made effective the 1st day of July, 2005 (but not necessarily on), between THE REALTY ASSOCIATES FUND VI, L.P., a Delaware limited partnership ("Landlord"), and the Tenant named below.

Tenant: SMURFIT STONE CONTAINER ENTERPRISES, INC.,
a Delaware corporation

Tenant's representative,
address, and phone no.: Smurfit Stone Container Corporation
100 McDonald Boulevard
Ashton, Pennsylvania 19014
Attention: General Manager

Project: The improvements located at 105 Commerce Drive, Aston,
Pennsylvania, and upon the land described on Exhibit A attached
hereto.

Premises: The premises located in Suite B within the Project containing
approximately 49,410 rentable square feet of floor area and depicted on
the floor plan attached as Exhibit B hereto. The 49,410 rentable square
feet in the Premises shall be physically marked with a temporary
construction fence to separate the same from the remaining portion of
the Project (the "Remaining Portion"). In the event Tenant occupies
any portion of space in the Remaining Portion (provided that Landlord
has not leased such space to a third party or is not negotiating to lease
said space), at Landlord's written election to Tenant, the Lease shall be
automatically amended to include the entire bay (i.e., approximately
12,731 rentable square feet) of any space which was occupied by
Tenant (or lesser portions at Landlord's election, from time to time),
and, accordingly, Tenant shall be required to pay Base Rent and
Operating Expenses and other amounts described in this Lease, on all
space in such bay (together with the Premises) even if only a portion of
said space is occupied by Tenant's product as of the date of any such
occupancy by Tenant through the expiration of the Lease Term, if so
elected by Landlord. Notwithstanding anything contained in this Lease
to the contrary, Landlord shall have the right to lease and/or grant
occupancy rights on all or any portion of the Remaining Portion to a
third party at any time. In such event, Tenant shall immediately forfeit
the right to lease the Remaining Portion. The foregoing shall not
constitute an expansion option or Landlord's permission for Tenant's
occupancy of the Remaining Portion, unless elected and agreed to by
Landlord in writing.

Lease Term: Thirty-seven (37) calendar months, expiring ~~July 31, 2008~~ August 31, 2008, subject to
adjustment or earlier termination as set forth in the Lease.

Commencement Date: ~~AUGUST 1, 2005~~ August 1, 2005

Annual Base Rent PRSF: During the period (a) ~~July 1, 2005~~ August 1, 2005, through ~~July 31, 2006~~ August 31, 2006, \$4.25* NNN
per rentable square foot; (b) ~~August 1, 2006~~ August 1, 2006, through ~~July 31, 2007~~ August 31, 2007,
\$4.35 NNN per rentable square foot; and (c) ~~August 1, 2007~~ August 1, 2007, through
~~July 31, 2008~~ September 1, 2008, \$4.50 NNN per rentable square foot.

Monthly Base Rent: During the period (a) ~~July 1, 2005~~ August 1, 2005, through ~~July 31, 2006~~ August 31, 2006,
\$17,499.38* NNN per month; (b) ~~August 1, 2006~~ August 1, 2006, through ~~July 31, 2007~~ August 31, 2007, \$17,911.13 NNN per month; and (c) ~~August 1, 2007~~ August 1, 2007, through
~~July 31, 2008~~ September 1, 2008, \$18,528.75 NNN per month.

* Landlord hereby abates the first ~~consecutive full month~~ (fifteen) 15 days installment
of Base Rent described above. Tenant shall pay all other obligations
accruing during such month, including, without limitation, Operating
Expenses. If Tenant defaults under this Lease beyond any applicable
period of notice and cure, any remaining rent abatement shall cease
from the date of such default, and Tenant shall immediately pay to
Landlord all sums previously abated hereunder.

Net Lease
Master Lease Form 05/92

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Tenant: SMURFIT STONE CONTAINER ENTERPRISES, INC.,
a Delaware corporation

Tenant's representative,
address, and phone no.: Smurfit Stone Container Corporation
100 McDonald Boulevard
Aston, Pennsylvania 19014
Attention: General Manager

Project: The improvements located at 105 Commerce Drive, Aston,
Pennsylvania, and upon the land described on Exhibit A attached
hereto.

Premises: The premises located in Suite B within the Project containing
approximately 49,410 rentable square feet of floor area and depicted on
the floor plan attached as Exhibit B hereto. The 49,410 rentable square
feet in the Premises shall be physically marked with a temporary
construction fence to separate the same from the remaining portion of
the Project (the "Remaining Portion"). In the event Tenant occupies
any portion of space in the Remaining Portion (provided that Landlord
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space in such bay (together with the Premises) even if only a portion of
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per rentable square foot; (b) August 1, 2006, through July 31, 2007,
September 1, 2007, through \$4.35 NNN per rentable square foot; and (c) August 1, 2007, through
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September 1, 2008, \$18,528.75 NNN per month.

(fifteen) 15 DAYS
* Landlord hereby states the first consecutive monthly installment
of Base Rent described above. Tenant shall pay all other obligations
accruing during such month, including, without limitation, Operating
Expenses. If Tenant defaults under this Lease beyond any applicable
period of notice and cure, any remaining rent abatement shall cease
from the date of such default, and Tenant shall immediately pay to
Landlord all sums previously abated hereunder.

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Proportionate Share (i.e., 49,410 divided by 375,000):	13.18%	
Estimated Monthly Operating Expense Payments: (estimates only and subject to adjustment to actual costs and expenses according to the provisions of this Lease)	1. Utilities	Paid by Tenant
	2. Common Area Charges:	\$.55 per rentable square foot per annum
	3. Taxes:	\$.71 per rentable square foot per annum
	4. Insurance Premiums:	\$.09 per rentable square foot per annum
	5. Others:	Paid by Tenant
	Total Estimated Monthly Operating Expense Payments:	\$5,558.63
Total Monthly Base Rent and Operating Expense Payments:		\$23,058.01
Landlord's Broker:	Binswanger Companies	
Tenant's Broker:	Michelson Commercial Realty	
Expansion Option:	Subject to <u>Exhibit C</u> attached hereto.	
Renewal Option:	Subject to <u>Exhibit D</u> attached hereto.	
Landlord's Work:	Except as set forth on <u>Exhibit E</u> , Landlord is leasing the Premises to Tenant "as is" "where is" without representation or warranty, without any obligation by Landlord to alter, remodel, improve, repair or decorate any part of the Premises.	

1. GRANTING CLAUSE.

1.1. Premises. In consideration of the obligation of Tenant to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord leases to Tenant, and Tenant takes from Landlord, the Premises, to have and to hold for the Lease Term, subject to the terms, covenants and conditions of this Lease.

1.2. Common Areas. Landlord hereby grants Tenant for the benefit of Tenant and its employees, suppliers, shippers, customers and invitees during the Lease Term, the non-exclusive right to use, in common with others entitled to such use (including Landlord), the Common Areas (as hereinafter defined) as they exist from time to time, subject to all rights reserved by Landlord hereunder and under the terms of all rules and regulations promulgated by Landlord from time-to-time with respect thereto. Provided Landlord uses reasonable efforts to not unreasonably interfere with Tenant's business operations, given the nature of the circumstances, Landlord reserves the right from time to time to (i) make changes in the Common Areas, including, without limitation, changes in location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways; (ii) close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available; (iii) construct additional buildings, parking areas, loading dock facilities and other improvements within the Common Areas; and (iv) do and perform such other acts and make such other changes in, to or with respect to the Common Areas as Landlord may, in the exercise of sound business judgment, deem appropriate. As used herein, the term "Common Areas" means all areas and facilities outside the Premises and within the exterior land boundary lines of the Project that are provided and designated by Landlord as such from time to time for general non-exclusive use, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways and landscaped areas.

2. PREMISES.

2.1. Acceptance. Tenant accepts the Premises in its condition as of the Commencement Date, subject to all applicable laws, ordinances, and regulations. Tenant acknowledges that Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. The taking of possession of the Premises shall be conclusive evidence that Tenant has inspected and accepts the Premises and that the Premises were in good condition (except latent defects brought to Landlord's attention in writing within sixty (60) days following the Commencement Date excepted) at the time possession was taken. In no event shall Landlord be liable for any defects in the Premises (latent defects brought to Landlord's attention in writing within sixty (60) days following the Commencement Date excepted) or for any limitation on its use.

2.2. Delay in Delivery. If this Lease is executed before the Premises become vacant or otherwise ready for occupancy by Tenant or if any present occupant holds over, or any other tenant holds a right of first refusal or similar right, and Landlord cannot acquire possession of the Premises before the Commencement

Date, then (i) Tenant's obligation to pay Base Rent hereunder shall be waived until Landlord tenders possession of the Premises to Tenant, unless such delay is a Tenant Delay, in which event the Commencement Date shall be advanced by the number of days constituting the Tenant Delay; (ii) the Lease Term shall be extended by the time between the scheduled Commencement Date and the date on which Landlord tenders possession of the Premises to Tenant (which date will then be defined as the Commencement Date); (iii) Landlord shall not be in default hereunder or be liable for damages therefor; and (iv) Tenant shall accept possession of the Premises when Landlord tenders possession thereof to Tenant. Tenant shall execute and deliver to Landlord, within five (5) days after Landlord's written request, a letter confirming the Commencement Date, that Tenant has accepted the Premises and that Landlord has performed all of its construction obligations, if any, with respect thereto (except for punch-list items, if any, specified in any such letter).

2.3. Early Possession. If Tenant occupies the Premises prior to the Commencement Date, such occupancy shall be subject to all the provisions of this Lease, such occupancy shall not advance the termination date and Tenant shall pay Base Rent and other charges as set forth herein from the date of any such occupancy.

2.4. WAIVER. LANDLORD AND TENANT EXPRESSLY WAIVE AND DISCLAIM ANY IMPLIED WARRANTY THAT THE PREMISES ARE SUITABLE FOR TENANT'S INTENDED COMMERCIAL PURPOSE. FURTHER, EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE, TENANT AGREES THAT TENANT'S OBLIGATION TO PAY BASE RENT AND OTHER SUMS HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS OBLIGATIONS HEREUNDER AND, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, TENANT SHALL CONTINUE TO PAY BASE RENT AND SUCH OTHER SUMS, WITHOUT ABATEMENT, SETOFF OR DEDUCTION, NOTWITHSTANDING ANY BREACH BY LANDLORD OF SUCH OBLIGATIONS, WHETHER EXPRESS OR IMPLIED.

3. USE.

3.1. Permitted Use. The Premises shall be used only for the purpose of receiving, storing, shipping and selling (but limited to wholesale sales) products, materials and merchandise made and/or distributed by Tenant and for such other lawful purposes as may be incidental thereto; provided however, with Landlord's prior written consent, Tenant may also use the Premises for light manufacturing. Tenant shall not conduct or give notice of any auction, liquidation, or going out of business sale on the Premises. Tenant will use the Premises in a careful, safe and proper manner and will not commit waste thereon.

3.2. Compliance With Laws. Tenant, at its sole expense, shall comply with all laws (including, without limitation, Environmental Requirements, as defined herein, laws regarding access for handicapped or disabled persons and all fire, life, safety and sprinkler systems), ordinances and regulations and all declarations, covenants, and restrictions, applicable to Tenant's use or occupation of the Premises and with all governmental orders and directives of public officers which impose any duty or restriction with respect to the use or occupation of the Premises.

3.3. Prohibited Use. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise, or vibrations to emanate from the Premises, or take any other action that would constitute a nuisance or would disturb, unreasonably interfere with, or endanger Landlord or any other tenants of the Project. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler credits. If any increase in the cost of any insurance on the Premises or the Project is caused by Tenant's use of the Premises and which is documented by the Landlord's insurance company, or because Tenant vacates the Premises, then Tenant shall pay the amount of such increase to Landlord. Outside storage, including without limitation, storage of trucks and other vehicles, is prohibited without Landlord's prior written consent. No use shall be made of the Premises that would constitute the Premises as a place of public accommodation under the Americans with Disabilities Act or similar state statutes or local ordinances or any regulations promulgated thereunder, all as may be amended from time to time. Tenant shall adopt and implement the following guidelines to avoid developing excessive moisture or mold growth: (a) to report any maintenance problems involving water, moist conditions, or mold to the Landlord promptly and conduct its required activities in a manner which prevents unusual moisture conditions or mold growth; (b) to not block or inhibit the flow of return or make-up air into the HVAC system; (c) to maintain the suite at a consistent temperature and humidity level to prevent mold, mildew or moisture conditions and otherwise in accordance with the Landlord's instructions; (d) to keep the Premises clean, especially in bathrooms, kitchens, janitorial spaces and other spaces with running water, to remove mildew and prevent or correct moist conditions; and (e) to maintain water in all drain traps at all times. Tenant agrees to immediately notify Landlord if Tenant observes mold/mildew and/or moisture conditions (from any source, including leaks) and allow Landlord to evaluate and make recommendations.

4. BASE RENT.

4.1. Payment. Tenant shall pay Base Rent in the amount set forth on the first page of this Lease. The first month's Base Rent and the first monthly installment of estimated Operating Expenses (as hereafter defined) shall be due and payable on the date hereof, and Tenant promises to pay to Landlord in advance, without demand, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month succeeding the Commencement Date. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Tenant to Landlord hereunder shall be payable at such address as Landlord may specify from time to time by written notice delivered in accordance herewith.

4.2. Late Charge; No Offset. If Tenant is delinquent in any monthly installment of Base Rent for a period in excess of five (5) days, estimated Operating Expenses or any other sums due hereunder for a period of five (5) days, Tenant shall pay to Landlord on demand a late charge equal to 5 percent of such delinquent sum. The provision for such late charge shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as a penalty or as limiting Landlord's remedies in any manner. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Except as expressly provided in this Lease, Tenant shall have no right at any time to abate, reduce, or set-off any rent due hereunder except where expressly provided in this Lease. Tenant waives and releases all statutory liens and offset rights as to rent.

5. INTENTIONALLY DELETED.

6. OPERATING EXPENSE PAYMENTS.

6.1. Estimated Payments. During each month of the Lease Term, on the same date that Base Rent is due, Tenant shall pay Landlord an amount equal to 1/12 of the annual cost, as estimated by Landlord from time to time, of Tenant's Proportionate Share (hereinafter defined) of Operating Expenses for the Project. Payments thereof for any fractional calendar month shall be prorated. For the purposes of this Lease, the term "Operating Expenses" shall mean all expenses and disbursements of every kind (subject to the limitations set forth below) which Landlord incurs, pays or becomes obligated to pay in connection with the ownership, operation, and maintenance of the Project (including the associated Common Areas), including but not limited to the following:

(a) wages and salaries (including management fees) of all employees, agents, consultants and other individuals or entities engaged in the operation, repair, replacement, maintenance, and security of the Project, including taxes, insurance and benefits relating thereto;

(b) all supplies and materials used in the operation, maintenance, repair, replacement, and security of the Project;

(c) annual cost of all capital improvements made to the Project which although capital in nature can reasonably be expected to reduce the normal operating costs of the Project, as well as all capital improvements made in order to comply with any law now or hereafter promulgated by any governmental authority, as amortized over the useful economic life of such improvements as determined by Landlord in its reasonable discretion (without regard to the period over which such improvements may be depreciated or amortized for federal income tax purposes);

(d) cost of all utilities, other than the cost of utilities actually reimbursed to Landlord by the Project's tenants (including Tenant under paragraph 7 of this Lease) and all ground rental payments, including any increase thereof;

(e) cost of any insurance or insurance related expense applicable to the Project and Landlord's personal property used in connection therewith;

(f) all taxes and assessments and governmental charges whether federal, state, county or municipal, and whether they be by taxing or management districts or authorities presently taxing or by others, subsequently created or otherwise, and any other taxes and assessments attributable to the Project (or its operation) and the Common Areas, excluding, however, federal and state taxes on income (collectively, "Taxes"); if the present method of taxation changes so that in lieu of the whole or any part of any Taxes levied on the Land or the Project, there is levied on Landlord a capital tax directly on the rents received therefrom or a franchise tax, assessment, or charge based, in whole or in part, upon such rents for the Project, then all such taxes, assessments, or charges, or the part thereof so based, shall be deemed to be included within the term "Taxes" for the purposes hereof;

(g) cost of repairs, replacements, and general maintenance of the Project (including all truck court areas, loading docks, paving and parking areas, rail spur areas, truck bumpers, levelers, and truck doors), other than costs necessary to assure the structural soundness of the foundation and exterior walls of the Project or the full replacement of the roof which are payable solely by Landlord under Paragraph 10; and

(h) cost of service or maintenance contracts with independent contractors for the operation, maintenance, repair, replacement, or security of the Project (including, without limitation, alarm service, window cleaning, exterior painting, mowing, trash collection, snow, ice, debris and waste removal, and landscape maintenance) and all expenses and costs (including legal fees and expenses) incurred for the general benefit of the Project (e.g., tax disputes).

There are specifically excluded from the definition of the term "Operating Expenses" costs (1) for capital improvements made to the Project, other than capital improvements described in subparagraph (c) above and except for items which, though capital for accounting purposes, are properly considered maintenance and repair items, such as painting of Common Areas and the like; (2) for repair, replacements and general maintenance paid by proceeds of insurance or by Tenant or other third parties, and alterations attributable solely to tenants of the Project other than Tenant; (3) for interest, amortization or other payments on loans to Landlord; (4) for depreciation of the Project; (5) for leasing commissions; (6) for curing defaults by Landlord; (7) for performing work expressly provided in this

Lease to be borne at Landlord's expense; a(8) for federal income taxes imposed on or measured by the income of Landlord from the operation of the Project; (9) any tenant work (not involving common Project common systems or machinery) performed or alteration of interior space leased to Tenant or other tenants or occupants of the Premises, whether such work or alteration is performed for initial occupancy by such tenant or occupant or thereafter; (10) ground rent; (11) depreciation or amortization; (12) repairs necessitated by the negligence of Landlord or required to cure violations of laws in effect on the lease execution date (which were mandated prior to the Commencement Date to be corrected); (13) costs of enforcement of leases; (14) management fees in excess of the five percent (5%) of gross rental collections; (15) compensation paid to officers or executives of the Landlord, but in no event above the grade of building manager; (16) leasing commissions and advertising and promotional expenses; (17) legal fees or other professional fees, other than those which in general benefit the Project; (18) overtime HVAC costs or electricity costs if reimbursed separately by Landlord to other building tenants; (19) any amounts payable by Landlord which constitute a fine, interest or penalty, including interest or penalties for any late payments of operating costs; (20) cost of correcting any latent defects or original design defects in the Premises construction, materials, or equipment (as opposed to the cost of normal repair, maintenance and replacement expected with the construction materials and equipment installed in the Premises in light of their specifications).

6.2. Actual Payments. If Tenant's total payments for any year are less than Tenant's Proportionate Share of actual Operating Expenses for such year, Tenant shall pay the difference to Landlord within thirty (30) days after demand. If the total payments of Tenant for any year are more than Tenant's Proportionate Share of actual Operating Expenses for such year, Landlord shall retain such excess and credit it against Tenant's next payments. For purposes of calculating Tenant's Proportionate Share of operating costs, a year shall mean a calendar year except the first year, which shall begin on the Commencement Date, and the last year, which shall end on the expiration of this Lease. Settlement of Tenant's obligation for Operating Expenses for the last year of the Lease Term shall be made pursuant to Paragraph 21. Tenant's "Proportionate Share" shall be a fraction having as its numerator the floor area of the Premises and as its denominator the total floor area of the Project, all as reasonably determined by Landlord. Landlord may equitably increase Tenant's Proportionate Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with the occupancy of the Project. The estimated Operating Expenses for the Premises set forth on the first page of this Lease are only estimates, and Landlord makes no guaranty or warranty that such estimates will be accurate. THIS IS A NET LEASE AND, EXCEPT AS SET FORTH IN THIS LEASE, LANDLORD HAS NO OBLIGATION TO PAY ANY COST TO REPAIR, MAINTAIN, INSURE OR OTHERWISE OPERATE THE BUILDING.

7. UTILITIES.

7.1. Payment. Tenant shall pay for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used, all maintenance charges for utilities, and any storm sewer charges or all other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like with regard to Tenant's use of the Premises. With regard to all separately metered utilities serving the 165,000 rentable square feet, Tenant shall be liable for 29.95% unless Tenant leases additional space in the Project, in which case, said percentage shall increase based on the additional space leased by Tenant, subject to the terms and conditions of this Lease. Tenant agrees to limit use of water and sewer for normal restroom use and nothing herein contained shall impose upon Landlord any duty to provide sewer or water usage for other than normal restroom usage.

7.2. Utility Providers. Tenant hereby acknowledges its understanding and agreement that Landlord has made and entered into certain agreements with one or more utility provider(s) (the "Company," whether one or more). Notwithstanding the foregoing, it is agreed that if same is permitted by applicable law, Landlord shall have the right at any time and from time to time during the Lease Term to either (i) contract for service from a different company or companies providing electricity or other utility services (each such company being herein referred to as an "Alternate Service Provider") and Tenant waives any right to contract with any company or provider, or (ii) continue to contract for such service from the Company or other companies then providing such service(s), and Tenant shall cooperate with Landlord, the Company and/or any Alternate Service Provider at all times and, as may be reasonably necessary, Tenant shall allow Landlord, the Company and/or any Alternate Service Provider reasonable access to the Building's electric lines, heaters, risers, wiring and any other machinery within the Premises. Landlord shall not be responsible for providing any services except as provided under and in accordance with this Paragraph 7.2. Landlord's obligation to furnish services under this Paragraph 7.2 shall be subject to the rules and regulations of the supplier(s) of such services and shall additionally be subject to all applicable governmental rules and regulations. Landlord may, upon not less than thirty (30) days prior written notice to Tenant, discontinue any such service(s) to the Premises, provided Landlord first arranges for a direct connection thereof through the supplier of such service(s). If the utility services for the Premises are separately metered, Tenant shall, however, be responsible for contracting with the supplier of such service(s) and for paying all deposits and costs relating to such service(s) from and after the date of such discontinuance of provision thereof by Landlord.

7.3. NO LIABILITY. EXCEPT IF CAUSED BY THE GROSS NEGLIGENCE OF LANDLORD, INTERRUPTION OR MALFUNCTION OF ANY UTILITY OR TELEPHONE SERVICE AND/OR FAILURE TO MAINTAIN TEMPERATURE OR ELECTRICAL CONSTANCY LEVELS SHALL NOT CONSTITUTE A BREACH BY LANDLORD, NOR SHALL SAME BE DEEMED TO CAUSE AN EVICTION (CONSTRUCTIVE OR ACTUAL) OR DISTURBANCE OF TENANT, NOR SHALL SAME RELEASE TENANT FROM ANY OBLIGATION UNDER THIS LEASE, NOR SHALL SAME GRANT TO OR ENTITLE TENANT TO ANY RIGHT TO OFFSET OR RENT ABATEMENT, AND NEITHER LANDLORD NOR LANDLORD'S AGENTS, REPRESENTATIVES OR EMPLOYEES SHALL BE LIABLE FOR DAMAGES (CONSEQUENTIAL

OR OTHERWISE) AS A RESULT THEREOF. MOREOVER, NO SUCH INTERRUPTION OR MALFUNCTION OF SERVICES OR FAILURE TO MAINTAIN TEMPERATURE OR ELECTRICAL CONSTANCY LEVELS, OR THE RESULTS OR EFFECTS THEREOF, SHALL BE CONSTRUED AS AN EVICTION (CONSTRUCTIVE OR ACTUAL) OF TENANT OR AS A BREACH OF ANY IMPLIED WARRANTY OF SUITABILITY, NOR WILL SAME RELIEVE TENANT FROM THE OBLIGATION TO PERFORM ANY COVENANT OR AGREEMENT HEREIN, AND IN NO EVENT SHALL LANDLORD BE LIABLE FOR DAMAGE TO PERSONS OR PROPERTY (INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION), OR BE IN BREACH OR DEFAULT UNDER THIS LEASE, AS A RESULT OF ANY SUCH EVENT OR THE RESULTS OR EFFECTS THEREOF.

8. TAXES. Landlord agrees to pay all Taxes that accrue against the Project during the Lease Term, which shall be included as part of the Operating Expenses charged to Tenant hereunder, provided Landlord shall have the right to contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens thereof. All capital levies or other taxes assessed or imposed on Landlord upon the rents payable to Landlord under this Lease and any franchise, tax, any excise, transaction, sales or privilege tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the Premises and/or the Project or any portion thereof shall be paid by Tenant to Landlord monthly in estimated installments or upon demand, at the option of Landlord, as additional rent. If any such tax or excise is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Landlord or Tenant.

9. INSURANCE.

9.1. Landlord's Insurance. Landlord shall maintain such fire and extended coverage insurance covering the Project as Landlord deems appropriate. Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, commercial liability insurance and rent loss insurance. All such insurance shall be included as part of the Operating Expenses charged to Tenant hereunder. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any documented increased premiums Landlord's insurer documents necessary as a result of Tenant's use of the Premises.

9.2. Tenant's Insurance. Tenant, at its own expense, shall maintain during the Lease Term a policy or policies of: fire and extended coverage insurance covering the replacement cost of all property and improvements, installed or placed in the Premises by Tenant, Tenant, at its own expense, shall maintain worker's compensation insurance with statutory limits and employer's liability insurance with such limits as required by law; commercial liability insurance, with liability limits of \$3,500,000 combined single limit per occurrence for property damage, personal injuries, or deaths of persons occurring in or about the Premises and the Excess Coverage (as defined below). The commercial liability policies shall name Landlord as an additional insured, insure on an occurrence and not a claims-made basis, be issued by insurance companies which are reasonably acceptable to Landlord, not be cancelable unless thirty (30) days prior written notice shall have been given to Landlord, and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Such certificates thereof shall be delivered to Landlord by Tenant upon commencement of the Lease Term and upon each renewal of said insurance. Although Landlord has strongly recommended that Tenant maintain the insurance referenced above with commercially reasonable deductibles, Tenant has elected against Landlord's advice to self insure the first \$2,500,000 of the commercial liability coverage referenced above (the "Self-Insured Retention") and cover the excess from an A+++XV insurance company (the "Excess Coverage"), Tenant may, against Landlord's advice, elect not to obtain such coverage and instead to self-insure the Self-Insured Retention. Tenant shall be permitted to self-insure so long as Tenant maintains a minimum net worth of \$500,000,000 or greater, and Tenant maintains the Excess Coverage. Notwithstanding anything in this Lease to the contrary, and in addition to all other Tenant waivers set forth in this Lease, Tenant waives any and all rights to make any claim against Landlord or its employees, agents or insurers for any loss or losses incurred by Tenant or any third party due to Tenant's right to maintain the Self-Insured Retention. Such permission to self-insure the Self-Insured Retention shall not be deemed to invalidate or void any other requirements or conditions of this Lease, including, without limitation, the waiver of subrogation, (b) various releases of Landlord and (c) Tenant's indemnity obligations set forth in the Lease.

9.3. Waiver of Subrogation. Landlord shall not be liable to Tenant or those claiming by, through, or under Tenant for any injury to or death of any person or persons or the damage to or theft, destruction, loss, or loss of use of any property (a "Loss") caused by casualty, theft, fire, third parties, or any other matter beyond the control of Landlord, or for any injury or damage or inconvenience which may arise through repair or alteration of any part of the Project, or failure to make repairs, or from any other cause, except if such Loss is caused by Landlord's gross negligence or misconduct. The fire and extended coverage insurance obtained by Landlord and Tenant covering their respective property shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, their respective officers, directors, employees, managers, agents, invitees, and contractors, in connection with any loss or damage thereby insured against. Neither party nor its officers, directors, employees, managers, agents, invitees or contractors shall be liable to the other for loss or damage caused by any risk covered by fire and extended coverage property insurance, and each party waives any claims against the other party, and its subsidiaries, affiliates, officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of a party to insure its property shall not void this waiver.

10. LANDLORD'S REPAIRS. Landlord shall maintain, at Landlord's expense, only the full roof replacement (however, Landlord will not be permitted to circumvent this requirement if the full roof is in need of repair by performing partial replacements), structural soundness of the foundation, and structural soundness of the exterior walls of the building of which the Premises are a part in good repair, reasonable wear and tear and casualty losses and damages caused by Tenant excluded. The term "walls" as used in this Paragraph 10 shall not include windows, glass or plate glass, doors or overhead doors, special store fronts, dock bumpers, dock plates or levelers, or office entries. Tenant shall immediately give Landlord written notice of any repair required by Landlord pursuant to this Paragraph 10, after which Landlord shall have a reasonable opportunity to repair.

11. TENANT'S REPAIRS. Except only those repairs for which Landlord is responsible under Paragraph 10, Landlord, at Tenant's cost and expense, shall maintain in good repair and condition all parts of the Common Areas and the parking areas, driveways, Project systems and equipment not exclusively serving the Premises, alleys and landscape and grounds surrounding the Premises, excluding the rail and all other items related to the rail. Tenant shall reimburse Landlord for all such costs and expenses in accordance with the provisions of Paragraph 6 above, except to the extent such repairs and replacements are covered by insurance on the Project under policies naming Landlord as the insured. Tenant shall have the non-exclusive right to use the existing rail serving the Project, provided Tenant at all times fulfills all of the following terms and conditions, to the sole satisfaction of Landlord: Tenant shall, at Tenant's expense, (a) within thirty (30) days following the Commencement Date, cause the rail serving the Project to be in good condition and good working order, (b) maintain, repair and replace the rail, so that the rail is at all times in good working condition and (c) reimburse Landlord for any out-of-pocket costs incurred by Landlord related to the rail; provided, however, Landlord agrees to cause the existing brush to be removed from the tracks servicing only the direct Premises, at Landlord's cost. Further, Tenant accepts the rail in its "as is, where is" condition on the date hereof without any representation or warranty on the part of Landlord, and in connection therewith, (a) as a material part of the consideration to Landlord hereunder, with respect to the rail, Tenant hereby assumes all risk of damage to Tenant's property or business or injury to persons in, upon or about the Project arising from any cause related to the rail, INCLUDING LANDLORD'S NEGLIGENCE OR THE NEGLIGENCE OF ITS EMPLOYEES, CONTRACTORS OR AGENTS, and (b) Tenant hereby waives all claims in respect thereof against Landlord, its employees, agents and contractors therefor in connection with Tenant's use of the rail. In addition, Tenant shall, at Tenant's expense, maintain the heating and air conditioning and other mechanical systems and components of the Premises exclusively serving the Premises, including lighting, electrical systems, and plumbing lines and equipment. If exclusively serving the Premises, Tenant, at its own cost and expense and subject to Landlord's prior right to contract for such services, shall enter into and deliver to Landlord one or more maintenance service contracts acceptable to Landlord with a contractor(s) approved by Landlord for rail, hot water, heating and air conditioning, and other mechanical systems and equipment within or serving the Premises. Any service and maintenance contract(s) must include all services required by Landlord and must become effective within thirty (30) days after Landlord's request. In the event Tenant does not so deliver the service contract(s), Landlord shall have the right to contract for said service without notice to Tenant, and Tenant shall upon demand reimburse Landlord for the full cost thereof. Subject to the provisions of Paragraph 16, Tenant shall repair and pay for any damage to the Premises or the Project caused by Tenant and Tenant's employees, agents, or invitees, or caused by Tenant's default hereunder. Subject to Force Majeure and Tenant's maintenance, repair and replacement obligations set forth herein, if at any time during the initial Lease Term (and not any extension or renewal thereof) Landlord causes the rail to become unavailable to the building of which the Premises are a part and such failure is not caused by Tenant or its employees, agents, contractors, invitees, sublessees or assigns or any other third-party, railroad and/or other governmental authority (collectively, "Third Parties"), Tenant may send written notice to Landlord of such failure. If said failure is caused by Landlord and not attributable to the Third Parties (including, without limitation, Tenant's failure to maintain, repair and replace the rail as provided herein) and Landlord fails to cause rail service to be reinstated to the building of which the Premises are a part, at Tenant's sole cost and expense, within ninety (90) days following the date said notice from the Tenant is received by Landlord (unless said performance will, due to the nature of the obligation, require a period in excess of ninety (90) days, then after such period as is reasonably necessary), Tenant shall have the right, as Tenant's sole remedy, exercisable within thirty (30) days following said 90-day period, to terminate this Lease effective sixty (60) days following said notice. If Tenant fails to exercise said right within said 10-day period, Tenant's termination right shall be null and void. In the event Tenant timely and properly exercises said option, Tenant shall remain liable for its Proportionate Share of the Operating Expenses and all obligations surviving early termination of the Lease, including, without limitation, utilities, insurance, liability, indemnification and environmental conditions, which accrue prior to the date of termination.

12. TENANT IMPROVEMENTS AND TRADE FIXTURES.

12.1. Tenant Improvements. Any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Tenant Improvements") shall be subject to Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; provided, however, Landlord may withhold its consent in its sole and absolute discretion if such alteration, physical addition or improvement affects any systems or structural portions of the Premises or the Project or such work is visible from the outside of the Premises. All Tenant Improvements shall comply with insurance requirements and with applicable law, ordinances, and regulations, including, without limitation and to the extent applicable, laws and regulations regarding removal or alteration of structural or architectural barriers to handicapped or disabled persons (and Tenant shall construct at its expense any alteration required by such laws or regulations, as they may be amended). All Tenant Improvements shall be constructed in a good and workmanlike manner and only good grades of materials shall be used. All plans and specifications for any Tenant Improvements shall be submitted to Landlord for its approval, and Landlord may thereafter monitor construction; and Tenant shall reimburse Landlord for its actual out-of-pocket costs in reviewing

plans and documents and in monitoring construction. Landlord may post on and about the Premises notices and give notices that Landlord shall not be liable on account of any damage or claim in connection with such construction, and Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction. Landlord's right to review plans and specifications and monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules, or regulations. At Landlord's request, Tenant shall obtain payment and performance bonds for any Tenant Improvements which bonds shall be delivered to Landlord prior to commencement of work on the Tenant Improvements and shall be in form and substance satisfactory to Landlord. Upon completion of any Tenant Improvements, Tenant shall deliver to Landlord sworn statements setting forth the names of all contractors and subcontractors who did work on the Tenant Improvements and final lien waivers from all such contractors and subcontractors.

12.2. Trade Fixtures. Tenant, at its own cost and expense, may erect such shelves, bins, machinery and trade fixtures (collectively "Trade Fixtures") as it desires provided that such items do not alter the basic character of the Premises or the Project, do not overload or damage the same, and may be removed without injury to the Premises, and provided that the construction, erection, and installation thereof complies with all applicable governmental laws, ordinances, regulations and with Landlord's requirements. Upon the expiration of the Lease Term, Tenant shall remove its Trade Fixtures and shall repair any damage caused by such removal, by the last day of the Lease Term.

13. SIGNS. Tenant shall not make any changes to the exterior of the Premises, install any exterior lights, decorations, balloons, flags, pennants, banners, or painting, or erect or install any signs, windows or door lettering, placards, decorations, or advertising media or any type which can be viewed from the exterior of the Premises, without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, so long as the same complies with Landlord's sign criteria for the Project. Upon vacation of the Premises, Tenant shall remove all signs and repair, paint, and/or replace the building fascia surface to which its signs are attached. Tenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. All signs, decorations, advertising media, blinds, draperies and other window treatment or bars or other security installations visible from outside the Premises shall be subject to Landlord's approval and conform in all respects to Landlord's requirements.

14. PARKING. Tenant shall be entitled to park in common with other tenants of the Project in those areas designated by Landlord within the Common Areas for nonreserved parking as shown on Exhibit E attached hereto. Landlord reserves the right, in its absolute discretion, to determine whether such parking facilities are becoming crowded and, in such event, to allocate parking spaces among Tenant and other tenants in the Project. All parking spaces may only be used for parking vehicles no larger than full-size passenger automobiles or pick-up trucks, except Tenant may have the non-exclusive right to park trailers in the area shown on Exhibit E attached hereto, to the extent permitted under applicable laws, rules, codes and regulations, and further provided, that the same does not unreasonably interfere with other tenants in the Premises. Landlord, in addition to its other remedies, shall have the right to remove or tow away any oversized vehicles. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties.

15. FIRE AND CASUALTY DAMAGE.

15.1. Notice. If at any time during the Lease Term, the Premises or the Project is damaged by fire or other casualty, Landlord may elect upon notice to Tenant delivered as soon as practicable but not later than sixty (60) days after the date of such loss to terminate this Lease or to repair and reconstruct the damaged improvements to substantially the same condition in which they existed immediately before the damage, except that Landlord shall not be required to repair and reconstruct any fixtures, additions, or other improvements that Tenant is required to insure under Paragraph 9.

15.2. Landlord's Repair. If Landlord elects to repair and reconstruct the damaged improvements, the repair and replacement will be made within nine (9) months from the date of Landlord's election to repair and reconstruct, subject to delays arising from the collection of insurance proceeds or from Force Majeure events, and this Lease shall remain in full force and effect provided that the Lease Term will be extended for a time equal to the period beginning on the date the loss or damage was suffered until the repairs and replacement are completed. Tenant at Tenant's expense shall promptly perform, subject to delays arising from the collection of insurance proceeds, all repairs or restoration not required to be done by Landlord and shall promptly reenter the Premises and commence doing business in accordance with this Lease. Tenant may terminate this Lease by notice to Landlord (given within ten (10) days after the 9-month period) if Landlord's repair or replacement have not been substantially completed within such 9-month period plus any period by which such repair or replacement was delayed by the collection of insurance proceeds, any act or neglect by Tenant or its contractors or Force Majeure events. If Landlord elects to repair and/or reconstruct the damaged improvements, Tenant shall pay to Landlord the amount of the commercially reasonable deductible under Landlord's insurance policy within ten (10) days after presentment of Landlord's invoice. If the damage involves other premises, Tenant shall pay the portion of the deductible in the proportion that the cost of the repair and replacement of the Premises bears to the total cost of repair and replacement, as determined by Landlord.

15.3. Base Rent Abatement. If the Premises or a portion thereof is not usable as a result of damage by fire or other casualty to the Premises or building in which the Premises are located, and Landlord elects to repair and/or reconstruct the damaged improvements, Base Rent shall be abated for the period of repair and reconstruction in the proportion which the area of the Premises which is not usable by Tenant bears to the total area

of the Premises. Such abatement shall be the sole remedy of Tenant, and to the extent permitted by applicable law, and except as provided herein, Tenant waives any right to terminate the Lease by reason of damage or casualty loss.

15.4. Termination During Last Year. Without limiting Landlord's rights under this Section 15, in the event substantial damage to the Premises occurs during the last year of the Lease Term and such damage is not caused by Tenant or its employees, agents, contractors, representatives, affiliates, sublessees or assignees and Tenant has not extended the Lease Term, Landlord or Tenant may elect to terminate this Lease effective upon giving notice of such election, in writing, to the other party within sixty (60) days after the occurrence thereof.

16. CONDEMNATION. If the whole or any substantial part of the Premises or the Project should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would prevent or materially interfere with the permitted use of the Premises in Landlord's and Tenant's reasonable judgment or in Landlord's judgment, would materially interfere with or impair its ownership or operation of the Project, then upon written notice by Landlord, this Lease shall terminate and Base Rent shall be apportioned as of said date. If part of the Premises shall be Taken and this Lease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Lease Term shall be reduced to such extent as may be fair and reasonable under the circumstances. In the event of any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recovered by Tenant for moving expenses and damage to Tenant's Trade Fixtures, if a separate award for such items is made to Tenant.

17. ASSIGNMENT AND SUBLETTING.

17.1. General. Without Landlord's prior written consent (which consent shall not be unreasonably delayed or withheld), Tenant shall not assign this Lease or sublease the Premises or any part thereof or mortgage, pledge or hypothecate its leasehold interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. This prohibition against assigning or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law and shall bind any permitted assignee or sublessee. For purposes of this paragraph, a transfer of the ownership interests controlling Tenant shall be deemed an assignment of this Lease unless Tenant's ownership interests are publicly traded. If Tenant requests Landlord's consent to any assignment, subletting or other transfer, then Tenant shall provide Landlord with a written description of all terms thereof, copies of the proposed documentation and the following information about the proposed assignee, sublessee or other transferee: name and address; reasonably satisfactory information about its proposed business and business history; its proposed use of the Premises; banking, financial and other credit information; and other information sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character. If Landlord consents to a proposed assignment, subletting or other transfer, then the proposed transferee shall deliver to Landlord a written agreement whereby it assumes the Tenant's obligations hereunder. Landlord's consent to any assignment, subletting or other transfer shall not waive Landlord's rights as to any subsequent assignment, subletting or transfer. Tenant shall reimburse Landlord for all of Landlord's reasonable out-of-pocket expenses in connection with any assignment, sublease or other transfer.

17.2. Affiliate Transfers. Notwithstanding subparagraph 17.1 above, Tenant may assign or sublet the Premises or any part thereof to any entity controlling Tenant, controlled by Tenant or under common control with Tenant (a "Tenant Affiliate") without the prior written consent of Landlord so long as any such Tenant Affiliate has the same or greater financial creditworthiness as Tenant as of the date of this Lease, as reasonably determined by Landlord. In such event, Tenant must give Landlord at least ten (10) days prior written notice, furnish appropriate financial documentation concerning such Tenant Affiliate and execute and deliver to Landlord such financial credit information and instruments (including UCC-3 amendments) as Landlord may reasonably request with such respect to any such assignment or subletting.

17.3. Termination. Upon Landlord's receipt of Tenant's written notice of a desire to assign or sublet the Premises, or any part thereof (other than to a Tenant Affiliate), Landlord shall have the right to be exercised by giving written notice to Tenant within thirty (30) days after receipt of Tenant's notice, to terminate this Lease with respect to the space described in Tenant's notice, as of the date specified in Tenant's notice for the commencement of the proposed assignment or sublease.

17.4. Additional Compensation. In the event that the rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord as additional rent hereunder fifty percent (50%) of excess (after the deduction of market brokerage commissions and attorneys' fees) consideration within ten (10) days following receipt thereof by Tenant. All rentals paid to Tenant by an assignee or sublessee shall be received by Tenant in trust for Landlord, to be forwarded immediately to Landlord without offset or reduction of any kind, and upon election by Landlord, such rentals shall be paid directly to Landlord.

17.5. No Release. Notwithstanding any assignment, subletting or other transfer, Tenant and any guarantor or surety of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent and for compliance with all of Tenant's other obligations under this Lease (regardless of whether Landlord's approval has been obtained for any such assignments or sublettings). If this Lease be assigned or

if the Premises be subleased (whether in whole or in part) or in the event of the mortgage, pledge, or hypothecation of Tenant's leasehold interest or grant of any concession or license within the Premises or if the Premises be occupied in whole or in part by anyone other than Tenant, then upon a default by Tenant hereunder Landlord may collect rent from the assignee, sublessee, mortgagee, pledgee, party to whom the leasehold interest was hypothecated, concessionee or licensee or other occupant and, except to the extent set forth in the preceding paragraph, apply the amount collected to the next rent payable hereunder. No such transaction or collection of rent or application thereof by Landlord, however, shall be deemed a waiver of these provisions or a release of Tenant from the further performance by Tenant of its covenants, duties, or obligations hereunder.

17.6. Landlord Transfer. Landlord may transfer, in whole or in part, the Project and any of its rights under this Lease. If Landlord assigns its rights under this Lease, then Landlord shall thereby be released from any further obligations hereunder, provided Landlord transfers the Security Deposit to the transferee and Landlord thereafter shall have no further liability for the return of the Security Deposit.

17.7. Leveraged Buy-Out. The involvement by Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, refinancing, transfer, leveraged buy-out or otherwise) whether or not a formal assignment or hypothecation of this Lease or Tenant's assets occurs, which results or will result in a reduction of the "Net Worth" of Tenant as hereinafter defined, by an amount equal to or greater than fifty percent (50%) of such Net Worth of Tenant as it is represented to Landlord at the time of the execution by Landlord of this Lease, or as it exists immediately prior to said transaction or transactions constituting such reduction, at whichever time said Net Worth of Tenant was or is greater, shall be considered to be an assignment of this Lease by Tenant to which Landlord may reasonably withhold its consent. "Net Worth" of Tenant for purposes of this Section 17.7 shall be the tangible net worth of Tenant (excluding any guarantors) established under generally accepted accounting principles consistently applied.

17.8. Standards for Approval. It shall be reasonable for Landlord to withhold its consent to any Transfer if (i) Tenant is in default under this Lease, (ii) the proposed transferee is a tenant in the Project or an affiliate of such a tenant or a party that Landlord has identified as a prospective tenant in the Project and Landlord is then negotiating with such prospective tenant for space in the Project, (iii) the financial responsibility, nature of business, and character of the proposed transferee are not all reasonably satisfactory to Landlord, (iv) in the reasonable judgment of Landlord the purpose for which the transferee intends to use the Premises (or a portion thereof) involves Hazardous Materials or would impose a burden on the parking facilities, common areas or Project systems that is greater than the burden imposed by Tenant, (v) the proposed transferee is a government entity or quasi governmental entity or agency, and/or (vi) the Transfer would cause Landlord to be in violation of any of its obligations under another lease or agreement to which Landlord is a party. The foregoing shall not exclude any other reasonable basis for Landlord to withhold its consent. Landlord shall have no liability for damages to Tenant or to any proposed transferee, and Tenant shall not be permitted to terminate this Lease, if it is adjudicated that Landlord's consent has been unreasonably withheld and such unreasonable withholding of consent constitutes a breach of this Lease or other duty to Tenant, the proposed transferee or any other person on the part of Landlord. In such event, Tenant's sole remedy shall be to have the proposed Transfer declared valid as if Landlord's consent had been given.

18. INDEMNIFICATION AND WAIVER. EXCEPT FOR LANDLORD'S GROSS NEGLIGENCE (AS DETERMINED BY A FINAL JUDGMENT ISSUED BY A COURT OF COMPETENT JURISDICTION), TENANT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS LANDLORD, AND LANDLORD'S PARTNERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, ACTIONS, LIABILITIES, DAMAGES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) FOR SICKNESS OR INJURIES TO ANY PERSON AND DAMAGE TO OR THEFT OR MISAPPROPRIATION OR LOSS OF PROPERTY OCCURRING IN OR ABOUT THE PROJECT AND ARISING FROM THE USE AND OCCUPANCY OF THE PREMISES OR PROJECT OR FROM ANY ACTIVITY, WORK, OR THING DONE, PERMITTED OR SUFFERED BY TENANT IN OR ABOUT THE PREMISES OR PROJECT (INCLUDING, WITHOUT LIMITATION, ANY ALTERATION BY TENANT OR ANY ISSUES ARISING FROM TENANT'S USE OF THE RAIL AT ANY TIME HEREAFTER OR PRIOR TO THE DATE HEREOF) OR FROM ANY BREACH OR DEFAULT ON THE PART OF TENANT IN THE PERFORMANCE OF ANY COVENANT OR AGREEMENT ON THE PART OF TENANT TO BE PERFORMED UNDER THIS LEASE OR DUE TO ANY OTHER ACT OR OMISSION OF TENANT, ITS SUBTENANTS, ASSIGNEES, INVITEES, EMPLOYEES, CONTRACTORS AND AGENTS. THE FURNISHING OF INSURANCE REQUIRED HEREUNDER SHALL NOT BE DEEMED TO LIMIT TENANT'S OBLIGATIONS UNDER THE PROVISIONS OF THIS PARAGRAPH 18. LANDLORD AND ITS PARTNERS, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES SHALL NOT BE LIABLE FOR, AND TENANT HEREBY WAIVES ALL CLAIMS AGAINST SUCH PARTIES FOR, SICKNESS OR INJURY TO PERSONS OR DAMAGE TO PROPERTY SUSTAINED BY TENANT OR TENANT'S EMPLOYEES, AGENTS, CONTRACTORS, INVITEES, LICENSEES, SUBTENANTS, ASSIGNEES OR ANY PERSON CLAIMING THROUGH TENANT RESULTING FROM ANY CONDITION (INCLUDING MOLD, MILDEW AND OTHER MOISTURE CONDITIONS AND/OR ANY CONDITIONS RESULTING FROM TENANT'S USE OR PRIOR USE OF THE RAIL), ACCIDENT OR OCCURRENCE IN OR UPON THE PREMISES OR IN OR ABOUT THE PROJECT FROM ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, SICKNESS, INJURY OR DAMAGE CAUSED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, BY THE NEGLIGENCE OF LANDLORD OR ITS PARTNERS, OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES.

19. INSPECTION AND ACCESS. Landlord and its agents, representatives, and contractors shall have the right to enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Lease and for any other business purpose. Landlord and Landlord's

representatives may enter the Premises during business hours for the purpose of showing the Premises to prospective lenders or purchasers or, during the last year of the Lease Term, prospective tenants; in addition, Landlord shall have the right to erect a suitable sign on the Premises stating the Premises are available to let or that the Project is available for sale.

20. QUIET ENJOYMENT. If Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Lease Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord, but not otherwise.

21. SURRENDER.

21.1. Removal/Repair. Upon termination of the Lease Term or earlier termination of Tenant's right of possession, Landlord may, by notice to Tenant, require Tenant at Tenant's expense to remove any or all Trade Fixtures and/or any or all Tenant Improvements and to repair any damage caused by such removal. Any Trade Fixtures, Tenant Improvements, or other property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property. All Tenant Improvements except those which Landlord requires Tenant to remove shall remain in the Premises as the property of Landlord.

21.2. Survival. All obligations of Tenant hereunder not fully performed as of the termination of the Lease Term shall survive the termination of the Lease Term, including without limitation, all payment obligations with respect to Operating Expenses and all obligations concerning the condition and repair of the Premises. Upon the termination of the Lease Term and prior to Tenant vacating the Premises, Tenant shall pay to Landlord any amount reasonably estimated by Landlord as necessary to put the Premises, including without limitation, all heating and air conditioning systems and equipment exclusively serving the Premises, in good condition and repair, casualty and reasonable wear and tear excepted. Tenant shall also pay to Landlord the amount, as estimated by Landlord, of Tenant's obligation for Operating Expenses for the year (or portion thereof) in which the Lease terminates within thirty (30) days following Landlord's written demand therefor. All such amounts shall be used and held by Landlord for payment of such obligations, the Tenant being liable for any additional costs therefor upon demand by Landlord.

22. HOLDING OVER. If, for any reason, Tenant retains possession of the Premises after the termination of the Lease Term, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease (excluding any expansion or renewal option or other similar right or option) shall be applicable during such holdover period, except that Tenant shall pay Landlord from time to time, upon demand, as Base Rent for the holdover period, an amount equal to one hundred fifty percent (150%) of the Base Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over. All other payments shall continue under the terms of this Lease. In addition, Tenant shall be liable for all damages incurred by Landlord as a result of such holding over. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Paragraph 22 shall not be construed as consent for Tenant to retain possession of the Premises.

23. EVENTS OF DEFAULT. Each of the following events shall be an event of default ("Event of Default") by Tenant under this Lease:

(i) Tenant shall fail to pay any installment of Base Rent, Operating Expense Payment or any other payment required herein when due, and such failure shall continue for a period of five (5) days from the date such payment was due; provided, however, Landlord shall give Tenant written notice of such Event of Default one (1) time in each consecutive 12-month period of the Lease Term and Tenant shall not be deemed to have committed an Event of Default if Tenant cures the same within five (5) days following the date of Landlord's written notice.

(ii) Tenant or any guarantor or surety of Tenant's obligations hereunder shall (A) become insolvent; (B) admit in writing its inability to pay its debts; (C) make a general assignment for the benefit of creditors; (D) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property; or (E) take any action to authorize or in contemplation of any of the actions set forth above in this subparagraph 23(ii).

(iii) Any case, proceeding or other action against Tenant or any guarantor or surety of Tenant's obligations hereunder shall be commenced seeking (A) to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent; (B) reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors; or (C) appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action results in the entry of an order for relief against it which it is not dismissed within sixty (60) days of its filing or entry.

(iv) Any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease.

(v) Tenant shall not occupy or shall vacate the Premises or shall fail to continuously operate its business at the Premises for the permitted use set forth herein and Tenant is in monetary or other default under this Lease with no further notice or grace periods being applicable.

(vi) There shall occur any assignment, subleasing or other transfer of Tenant's interest in or with respect to this Lease except as otherwise permitted in this Lease.

(vii) Tenant shall fail to discharge any lien placed upon the Premises in violation of this Lease within thirty (30) days after any such lien or encumbrance is filed against the Premises.

(viii) Tenant or any guarantor or surety of Tenant's obligations hereunder dies or suffers a legal disability (if Tenant, guarantor, or surety is an individual) or shall be dissolved or otherwise fail to maintain its legal existence (if Tenant, guarantor or surety is a corporation, partnership or other entity).

(ix) Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Paragraph 23, and except as otherwise expressly provided therein, such default shall continue for more than thirty (30) days after Landlord shall have given Tenant written notice of such default.

24. LANDLORD'S REMEDIES.

24.1. General. Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, Landlord may at any time thereafter at its election: (i) terminate this Lease or Tenant's right of possession, but Tenant shall remain liable as hereinafter provided; (ii) alter locks or other security devices at the Premises, without notice to Tenant, to deprive Tenant access thereto and Landlord shall not be required to provide a new key or right of access to Tenant; and/or (iii) pursue any remedies provided for under this Lease or at law or in equity. Upon the termination of this Lease or termination of Tenant's right of possession, it shall be lawful for Landlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Tenant and all persons and property therefrom. If Landlord re-enters the Premises, Landlord shall have the right to keep in place and use, or remove and store, all of the furniture, fixtures and equipment at the Premises.

24.2. Lease Termination. If Landlord terminates this Lease, Landlord may recover from Tenant the sum of: all Base Rent and all other amounts accrued hereunder to the date of such termination; the cost of reletting the whole or any part of the Premises, including without limitation brokerage fees and/or leasing commissions incurred by Landlord, and costs of removing and storing Tenant's or any other occupant's property, repairing, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Landlord in pursuing its remedies, including reasonable attorneys' fees and court costs; and the excess of the then present value of the Base Rent and other amounts payable by Tenant under this Lease as would otherwise have been required to be paid by Tenant to Landlord during the period following the termination of this Lease measured from the date of such termination to the expiration date stated in this Lease, over the present value of any net amounts which Tenant establishes Landlord can reasonably expect to recover by reletting the Premises for such period, taking into consideration the availability of acceptable tenants and other market conditions then affecting leasing. Such present values shall be calculated at a discount rate equal to the 90-day U.S. Treasury bill rate at the date of such termination.

24.3. Possession Termination. If Landlord terminates Tenant's right of possession (but not this Lease), Landlord may, but shall be under no obligation to, relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord without thereby releasing Tenant from any liability hereunder and without demand or notice of any kind to Tenant. For the purpose of such reletting Landlord is authorized to make any repairs, changes, alterations, or additions in or to the Premises as Landlord deems reasonably necessary or desirable. If the Premises are not relet, then Tenant shall pay to Landlord as damages a sum equal to the sum of the rental reserved in this Lease for such period or periods, plus the cost of recovering possession of the Premises (including attorneys' fees and costs of suit), the unpaid Base Rent and other amounts accrued hereunder at the time of repossession, and the costs incurred in any attempt by Landlord to relet the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Landlord, the unpaid Base Rent and other amounts accrued hereunder at the time of reletting, the cost of recovering possession (including without limitations brokerage fees and leasing commissions) and the cost of collection of the rent accruing therefrom) to satisfy the rent provided for in this Lease to be paid, then Tenant shall immediately satisfy and pay any such deficiency. Any such payments due Landlord shall be made upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums falling due from time to time. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Base Rent due hereunder. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect in writing to terminate this Lease for such previous breach.

24.4. Reletting. Tenant acknowledges that Landlord has entered into this Lease in reliance upon, among other matters, Tenant's agreement and continuing obligation to pay all Rent due throughout the Term. Upon Landlord's termination of this Lease and Tenant's possession after the occurrence of an Event of Default, to

the extent required under then applicable law, Landlord agrees to use reasonable efforts to relet the Premises; provided, however, in connection therewith, Tenant agrees that Landlord has no obligation to: (i) relet the Premises prior to leasing any other space within the Building; (ii) relet the Premises (A) at a rental rate or otherwise on terms below market, as then determined by Landlord in its sole discretion; (B) to any entity not satisfying Landlord's then standard financial credit risk criteria; (C) for a use (1) not consistent with Tenant's use prior to the Event of Default; (2) which would violate then applicable law or any restrictive covenant or other lease affecting the Building; (3) which would impose a greater burden upon the Building's parking, HVAC or other facilities; and/or (4) which would involve any use of Hazardous Materials; (iii) divide the Premises, install new demising walls or otherwise reconfigure the Premises to make same more marketable; (iv) pay any leasing or other commissions arising from such reletting, unless Tenant unconditionally delivers Landlord, in good and sufficient funds, the full amount thereof in advance; (v) pay, and/or grant any allowance for, tenant finish or other costs associated with any new lease, even though same may be amortized over the applicable lease term, unless Tenant unconditionally delivers Landlord, in good and sufficient funds, the full amount thereof in advance; and/or (vi) relet the Premises, if to do so, Landlord would be required to alter other portions of the Building, make ADA-type modifications or otherwise install or replace any sprinkler, security, safety, HVAC or other Building operating systems.

24.5. No Waiver. Exercise by Landlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Lease by Landlord, whether by agreement or by operation of law, it being understood that such surrender and/or termination can be effected only by the written agreement of Landlord. Any law, usage, or custom to the contrary notwithstanding, Landlord shall have the right at all times to enforce the provisions of this Lease in strict accordance with the terms hereof; and the failure of Landlord at any time to enforce its rights under this Lease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Lease or as having modified the same. Tenant and Landlord further agree that forbearance or waiver by Landlord to enforce its rights pursuant to this Lease or at law or in equity, shall not be a waiver of Landlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Landlord of rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed by Landlord. The terms "enter," "re-enter," "entry" or "re-entry," as used in this Lease, are not restricted to their technical legal meanings. Any reletting of the Premises shall be on such terms and conditions as Landlord in its sole discretion may determine (including without limitation a term different than the remaining Lease Term, rental concessions, alterations and repair of the Premises, lease of less than the entire Premises to any tenant and leasing any or all other portions of the Project before reletting the Premises).

25. LANDLORD'S DEFAULT AND LIABILITY.

25.1. Landlord's Default. Landlord shall not be in default hereunder and Tenant shall not have any remedy or cause of action unless Landlord fails to perform any of its obligations hereunder with thirty (30) days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of thirty (30) days, then after such period of time as is reasonably necessary). If Landlord is in default hereunder, Tenant's exclusive remedy shall be either (a) an action for damages, and Tenant's damages shall be limited to Tenant's actual direct (excluding consequential, special, exemplary and punitive damages) damages therefore or (b) a suit for specific performance. All obligations of Landlord hereunder shall be construed as covenants not conditions; and all such obligations will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action on final trial or appeal shall be entitled to its reasonable attorneys' fees to be paid by the non-prevailing party.

25.2. Landlord's Liability. The term "Landlord" in this Lease shall mean only the owner, for the time being of the Premises, and in the event of the transfer of such owner of its interests in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Lease Term upon each new owner for the duration of such owner's ownership. Any liability of Landlord under this Lease and/or with respect to the Project, the Common Areas, the Premises or otherwise shall be limited solely to its interest in the Project, and in no event shall any personal liability be asserted against Landlord and/or its partners, officers, directors, agents or employees in connection with this Lease nor shall any recourse be had to any other property or assets of Landlord or such other parties.

26. WAIVER OF JURY TRIAL. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

27. SUBORDINATION. Subject to the requirements of this Paragraph 27, this Lease and Tenant's interest and rights hereunder are and shall be subject and subordinate at all times to the lien of any mortgage, now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant. Tenant agrees, at the election of the holder of any such mortgage, to attorn to any such holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination and such instruments of attornment as shall be requested by any such holder. Tenant hereby appoints Landlord attorney in fact for Tenant irrevocably (such power of attorney being coupled with an interest) to execute, acknowledge and deliver any such instrument and instruments for and in the name of the Tenant and to

cause any such instrument to be recorded, Landlord will obtain and deliver to Tenant a non-disturbance, subordination and attornment agreement in the form from provided by any mortgagee or ground lessor, which agreement shall provide that (i) so long as Tenant is not in default under this Lease after the expiration of any applicable notice and cure periods, Tenant may remain in possession of the Premises under the terms of this Lease and (ii) Tenant will attorn to such ground lessor or mortgagee. Subject to the foregoing, Tenant agrees within ten (10) days following written demand to execute, acknowledge and deliver such instruments, confirming such subordination and such reasonable instruments of attornment as shall be requested by any such holder not inconsistent with the terms of this Lease. Notwithstanding the foregoing, any such holder may at any time subordinate its mortgage to this Lease, without notice or Tenant's consent, and thereupon this Lease shall be deemed prior to such mortgage without regard to their respective dates of execution, delivery or recording and in that event such holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such mortgage and had been assigned to such holder. The term "mortgage" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, any reference to the "holder" of a mortgage shall be deemed to include the beneficiary under a deed of trust.

28. MECHANICS' LIENS. Tenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interest of Landlord or Tenant in, the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Premises and that it will save and hold Landlord harmless from all loss, cost or expense based on or arising out of asserted claims or liens against the leasehold estate or against the interest of Landlord in the Premises or under this Lease arising out of the supply of labor or materials to the Premises at the request of the Tenant Parties. Upon Tenant's receipt of notice of a lien or encumbrance against the Premises, Tenant shall give Landlord prompt written notice of the placing of any lien or encumbrance against the Premises, and if the lien or encumbrance arises out of labor or materials supplied to the Premises, at Tenant Parties' request, Tenant shall cause such lien or encumbrance to be discharged within thirty (30) days of the filing or recording thereof; provided, however, Tenant may contest such liens or encumbrances as long as such contest prevents foreclosure of the lien or encumbrance and Tenant causes such lien or encumbrance to be bonded or insured over in a manner satisfactory to Landlord within such 30 day period.

29. INTENTIONALLY DELETED.

30. ESTOPPEL CERTIFICATES. Tenant agrees, from time to time, within ten (10) days after request of Landlord, to execute and deliver to Landlord, or Landlord's designee, any estoppel certificate requested by Landlord, stating that this Lease is in full force and effect, the date to which rent has been paid, that Landlord is not in default hereunder (or specifying in detail the nature of Landlord's default), the termination date of this Lease and such other matters pertaining to this Lease as may be requested by Landlord. It is understood and agreed that Tenant's obligation to furnish each estoppel certificate in a timely fashion is a material inducement for Landlord's execution of this Lease. No cure or grace period provided in this Lease shall apply to Tenant's obligations to timely deliver an estoppel certificate; provided, however, Landlord does agree to give Tenant one second (2nd) notice and Tenant will be in default hereunder if Tenant fails to deliver said estoppel within five (5) days following Landlord's second (2nd) written request therefor. Tenant hereby irrevocably appoints Landlord as its attorney in fact to execute on its behalf and in its name any such estoppel certificate if Tenant fails to execute and deliver the estoppel certificate within ten (10) days after the Landlord's written request thereof.

31. ENVIRONMENTAL REQUIREMENTS.

31.1. General. Except for such minor quantities of fuel used to operate its tow motors, fork lifts and similar equipment and incidental cleaning agents and solutions or maintenance materials used in the ordinary course or materials and goods stored as part of Tenant's warehouse operations (but such use and storage shall be in compliance with all Environmental Requirements) and listed on Exhibit C attached hereto, Tenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or store or use any Hazardous Material in or about the Premises without Landlord's prior written consent. Tenant, at its sole cost and expense, shall operate its business in the Premises in compliance with all Environmental Requirements, and will obtain, comply with, and properly maintain all permits and licenses, or applications required by Environmental Requirements for its operations. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, or other similar enactments of any governmental authority of agency, and any applicable judicial, administrative or regulatory decrees, judgments, orders, or policies regulating or relating to any Hazardous Materials or pertaining to health, safety, industrial hygiene, or the environmental conditions on, under, or about the Premises or the environment, including, without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); the Resource Conservation and Recovery Act; the Toxic Substances Control Act; the Clean Air Act; the Federal Water Pollution Control Act; the Federal Hazardous Materials Transportation Act; and all state and local counterparts, supplements or additions thereto, and any regulations or policies promulgated or issued thereunder. The term "Hazardous Materials" means and includes petroleum (as defined in CERCLA), asbestos and any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements.

31.2. Indemnity. Tenant shall indemnify, defend, and hold Landlord any its partners, officers, directors, agents and employees harmless from and against any and all manner of losses (including, without limitation, diminution in value of the Premises or the Project and loss of rental income from the Project), claims,

demands, actions, suits, damages (including, without limitation, punitive damages), fines, penalties, administrative and judicial proceedings, judgments, settlements, expenses (including, without limitation, consultant fees, reasonable attorneys' fees, or expert fees) which arise during or after the Lease Term which are brought or recoverable against, or suffered or incurred by Landlord or such parties as a result of any breach of the obligations under this Paragraph 31 or noncompliance with any Environmental Requirement by Tenant, its agents, employees, contractors, subtenants, or invitees, regardless of whether Tenant had knowledge of such noncompliance. Notwithstanding anything contained in this Lease to the contrary, Tenant has no responsibility for any: (a) Hazardous Materials existing at the Project prior to Tenant's occupancy of the Project or (b) Hazardous Materials, except those brought upon, produced, stored, transported, migrated, spilled, released, used, discharged or disposed of in the Project by (or at the direction of) Tenant or its employees, contractors, assignees, sublessees, invitees, agents and affiliates (collectively, "Tenant Party"); provided, however, Tenant shall be liable to Landlord and the indemnifications set forth in this Section 31.2 and the Lease shall be applicable for all loss, cost, damage, liability or expense (as provided in this Lease) arising at any time during or after the term of this Lease in connection with or related to any environmental condition or circumstance arising from Tenant's operations at the Project, Tenant's products and/or Tenant's use of the Premises from any cause whatsoever, including, without limitation, those losses, costs, damage, liabilities and expenses caused by fire (including hostile fire) or other casualty, earthquake, acts of God, strikes, terrorism, boycotts, war, riot, insurrection, embargoes and shortages of equipment, labor or materials (by way of example, and not limitation, in the event of an earthquake that causes Tenant's products to spill or migrate into ground water, Tenant would be liable for the clean-up as well as all indemnity obligations and/or other obligations under this Lease). The indemnification and hold harmless obligations of Tenant shall survive any termination of this Lease, any renewal, expansion or amendment of this Lease and/or the execution and delivery of any new lease with Tenant covering all or any portion of the Project.

31.3. Assessments. Landlord shall have access to, and a right to perform inspections and tests of, the Premises as it may require to determine Tenant's compliance with Environmental Requirements and Tenant's obligations under this Paragraph 31. Access shall be granted to Landlord upon Landlord's prior notice to Tenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Tenant's operations. At the expiration or earlier termination of the Lease, Landlord shall have the right, at its option, to undertake an environmental assessment of the Premises to determine Tenant's compliance with all Environmental Requirements. All such inspections and tests shall be conducted at Landlord's expense, unless such inspections or tests reveal the presence of Hazardous Material or reveal, based on Landlord's reasonable determination, that Tenant has not complied with all Environmental Requirements, in which case Tenant shall immediately, upon demand, reimburse Landlord for the cost of such inspection and tests. Landlord and Tenant agree that Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord holds against Tenant.

31.4. Duty to Inform Landlord. If Tenant knows, or has reasonable cause to believe, that a Hazardous Material, or a condition involving or resulting from same, has come to be located in, on or under or about the Premises or the Project, Tenant shall immediately give written notice of such fact to Landlord. Tenant shall also immediately give Landlord (without demand by Landlord) a copy of any statement, report, notice, registration, application, permit, license, given to or received from, any governmental authority or private party, or persons entering or occupying the Premises, concerning the presence, spill, release, discharge of or exposure to, any Hazardous Material or contamination in, on or about the Premises or the Project.

31.5. Hazardous Materials Disclosure Certificate. Prior to executing this Lease, Tenant has delivered to Landlord Tenant's executed initial Hazardous Materials Disclosure Certificate (the "Initial HazMat Certificate"), a copy of which is attached hereto as Exhibit C. Tenant covenants, represents and warrants to Landlord that the information in the Initial HazMat Certificate is true and correct and accurately describes the use(s) of Hazardous Materials which will be made and/or used on the Premises by Tenant, including the uses and storage of Tenant's products. Tenant shall, commencing with the date which is one year from the Commencement Date and continuing every year thereafter, deliver to Landlord an executed Hazardous Materials Disclosure Certificate (the "HazMat Certificate") describing Tenant's then-present use of Hazardous Materials on the Premises, and any other reasonably necessary documents and information as requested by Landlord. The HazMat Certificates required hereunder shall be in substantially the form attached hereto as Exhibit C.

32. INTENTIONALLY DELETED.

33. RULES AND REGULATIONS. Tenant shall, at all times during the Lease Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises, the Common Areas and/or the Project. In the event of any conflict between said rules and regulations and other provisions of this Lease, the other terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project.

34. SECURITY SERVICE. Tenant acknowledges and agrees that Landlord is not providing any security services with respect to the Premises and that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other injury (including death) or damage suffered or incurred by Tenant or its employees or agents in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises.

35. FORCE MAJEURE. Landlord shall not be held responsible for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental

controls, enemy or hostile governmental actions, war, terrorism, bio-terrorism, civil commotion, fire or other casualty, and any causes beyond the reasonable control of Landlord ("Force Majeure").

36. ENTIRE AGREEMENT. This Lease constitutes the entire understanding and agreement of Landlord and Tenant with respect to the subject matter hereof, and contains all of the covenants and agreements of Landlord and Tenant with respect thereto. No representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior letters of intent, agreements, promises, negotiations, or representations not expressly set forth in this Lease are of no force or effect. This Lease may not be altered, changed or amended except by an instrument in writing signed by both parties hereto.

37. SEVERABILITY. If any clause or provisions of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

38. BROKERS. Tenant represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, other than the broker, if any, set forth on the first page of this Lease, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

39. LIMITED WAIVER. Tenant represents and acknowledges that it has knowledge and experience in financial and business matters sufficient to enable Tenant to evaluate the merits and risks of business transactions generally and the transactions contemplated by this Lease in particular; that Tenant is not in a significantly disparate bargaining position with respect to Landlord or this transaction; that Tenant has been or was afforded the opportunity to be represented by counsel of its own selection in connection with this Lease; and Tenant hereby waives the applicability of the provisions of any applicable deceptive trade or similar laws with respect to this Lease and the transactions contemplated hereby.

40. OFAC. To the best of Tenant's knowledge, neither Tenant nor any of its affiliates, nor any of their respective partners, and none of their respective employees, officers, directors, representatives or agents, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

41. MISCELLANEOUS.

(a) Any payments or charges due from Tenant to Landlord hereunder, including, without limitation, all Operating Expense payments, shall be considered rent for all purposes of this Lease.

(b) If and when included within the term "Tenant", as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Tenant.

(c) All notices required or permitted to be given under this Lease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, or by hand delivery addressed to the parties at their addresses below. Either party may by notice given as aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon delivery.

(d) Tenant hereby waives any claim for money damages or for termination of this Lease based upon any claim or assertion by Tenant that Landlord unreasonably or arbitrarily withheld or delayed its consent or approval in any case where Landlord's consent or approval is required, except if Landlord is expressly required to be reasonable in granting or denying its consent. Except as otherwise expressly provided in this Lease, Landlord's granting or withholding of any consent or approval shall be at its complete direction.

(e) At Landlord's request from time to time Tenant shall furnish Landlord with true and complete copies of its most recent annual and quarterly financial statements prepared by Tenant or Tenant's accountants and any other financial information or summaries that Tenant typically provides to its lenders.

(f) Neither this Lease nor a memorandum of lease shall be filed or recorded by or on behalf of Tenant with any public official or recorder's office. Landlord may prepare and file, and upon request by Landlord Tenant will execute, a memorandum of lease.

(g) The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto.

(h) The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties and, if applicable, any guarantor of Tenant's obligations hereunder.

(i) Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provisions hereof, or in any way affect the interpretation of this Lease.

(j) Any amount not paid by Tenant within five (5) days after its due date in accordance with the terms of this Lease shall bear interest from such due date until paid in full at the lesser of the highest rate permitted by applicable law or 15 percent per year. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(k) Construction and interpretation of this Lease shall be governed by the laws of the state in which the Project is located, excluding any principles of conflicts of law.

(l) Time is of the essence as to the performance of Landlord's and Tenant's obligations under this Lease.

(m) All riders, exhibits and addendum attached hereto are hereby incorporated into this Lease and made a part hereof. The following riders, exhibits and addenda are attached hereto:

Exhibit A	-	Legal Description
Exhibit B	-	Floor Plan
Exhibit C	-	Expansion Option
Exhibit D	-	Renewal Option
Exhibit E	-	Landlord's Work
Exhibit F	-	Form of HazMat Certificate

(n) Landlord reserves the following rights with respect to the Project and the Premises: (i) to place upon the exterior walls of the Project signs of Landlord's own choosing, including, without limitation, signs indicating the name of the Project; (ii) to change the name or address of the Project or the Premises; (iii) to retain keys to the Premises so as to have access thereto at all times in case of an emergency; and (iv) to enter the Premises and show same to prospective lenders, purchasers or tenants during Tenant's normal business hours.

(o) Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate other leases with respect to the Building and may impair Landlord's relationship with other tenants of the Building. Tenant agrees that it and its partners, officers, directors, employees, brokers, and attorneys, if any, shall not knowingly disclose the terms and conditions of this Lease to any tenant in the Building, or to any other person or entity with whom Landlord is actively negotiating a lease in the Building or without the prior written consent of Landlord which may be given or withheld by Landlord, in Landlord's sole discretion. It is understood and agreed that damages alone would be an inadequate remedy for the breach of this provision by Tenant, and Landlord shall also have the right to seek specific performance of this provision and to seek injunctive relief to prevent its breach or continued breach. Provided this paragraph shall not be deemed to prohibit Tenant from revealing terms of this Lease to any prospective subtenant or assignee so long as Tenant complies with the requirements of Section 10.

(p) Landlord shall have the right at any time and from time to time during the Lease Term and any extension thereof to relocate the Tenant, upon thirty (30) days prior written notice, from all or part of the Premises (the "Old Premises") to another area in the Project (the "New Premises"), provided that: (1) the size of the New Premises is reasonably comparable to the size of the Old Premises and the New Premises contain a minimum of one (1) warehouse door for every 10,000 rentable square feet, two (2) single fixture restrooms and approximately 600 square feet of office space; and (2) Landlord pays the reasonable actual out-of-pocket cost of moving the Tenant. Tenant shall cooperate with Landlord in all reasonable ways to facilitate the move

[SIGNATURES ON NEXT PAGE]

TENANT:

**SMURFIT STONE CONTAINER
ENTERPRISES, INC.,**
a Delaware corporation

By: 

Name: Ron Meyers


Title: Asst. Secretary

Address:

100 McDonald Boulevard
Ashton, Pennsylvania 19104
Attention: General Manager

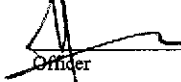
LANDLORD:

THE REALTY ASSOCIATES FUND VI, L.P.,
a Delaware limited partnership

By:  Realty Associates Fund VI LLC,
a Massachusetts limited liability company,
general partner

By: Realty Associates Advisors LLC,
a Delaware limited liability company,
Manager

By: Realty Associates Advisors Trust,
a Massachusetts business trust,
sole member

By:  Heather L. Hohenthal
Regional Director

By: Realty Associates Fund VI Texas Corporation,
a Texas corporation, general partner

By:  Heather L. Hohenthal
Regional Director

Address:

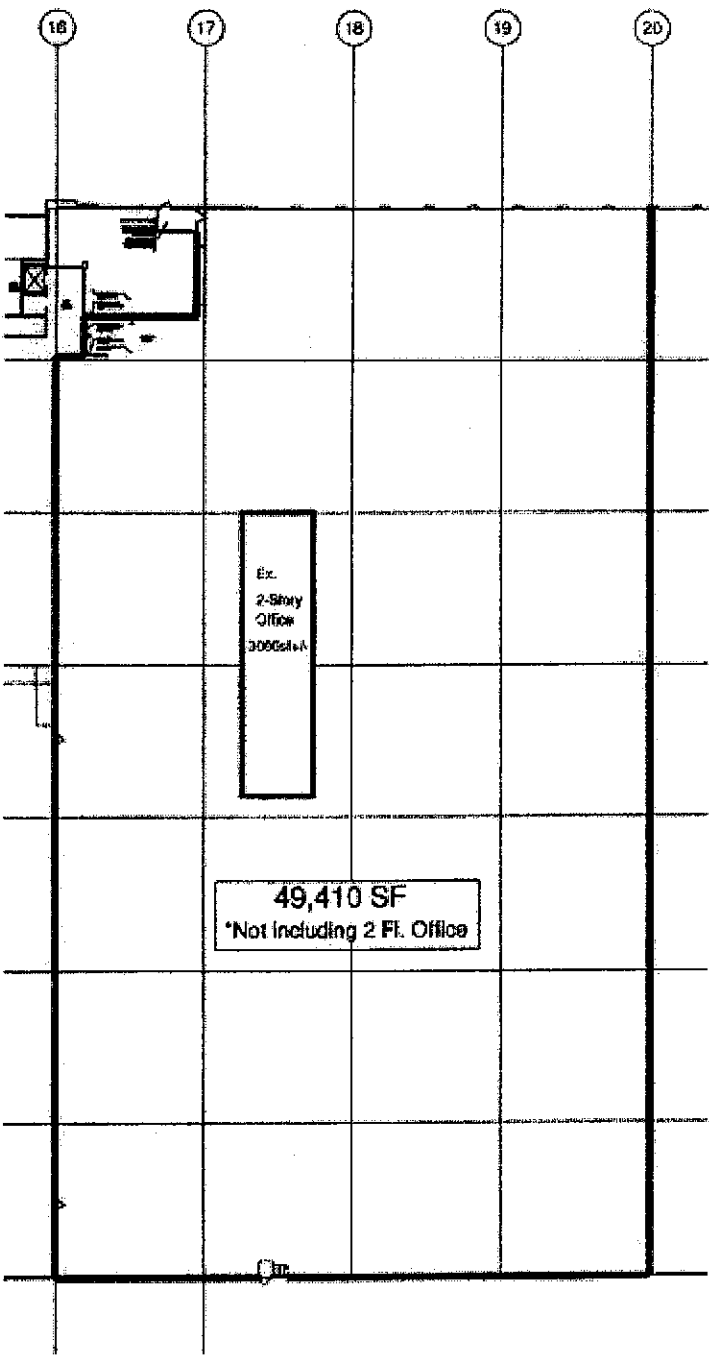
c/o TA Associates Realty
28 State Street, 10th Floor
Boston, Massachusetts 02109
Attention: Asset Manager

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

FLOOR PLAN



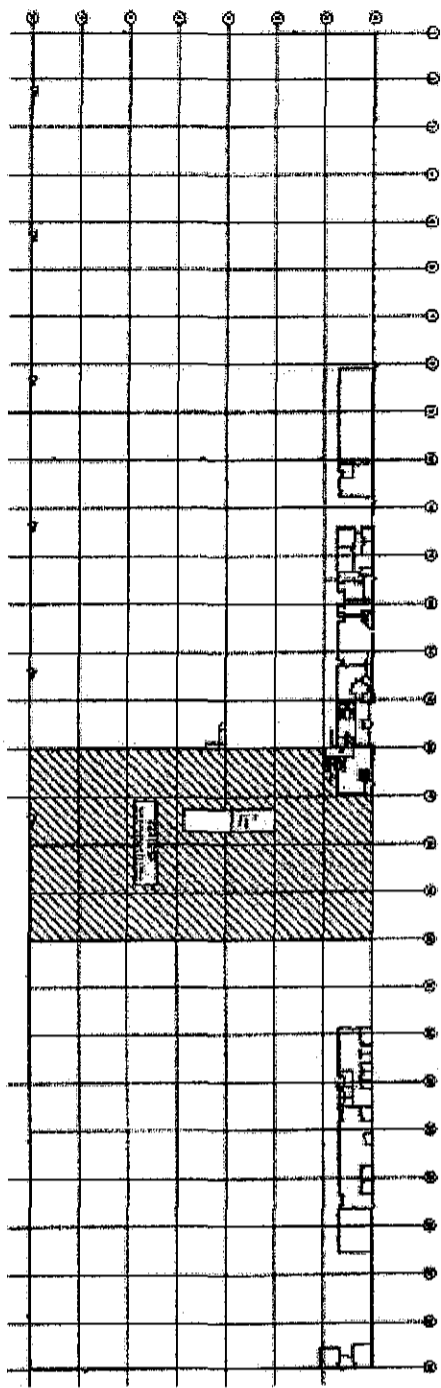


EXHIBIT C

RENEWAL OPTION

Provided no Event of Default exists, Tenant is occupying the entire Premises, Tenant may renew this Lease for one (1) additional period of three (3) years on the same terms provided in this Lease (except Exhibit D shall not apply to the extended Term and as set forth below), by delivering binding written notice (the "Renewal Notice") of the exercise thereof to Landlord not earlier than twelve (12) months nor later than nine (9) months prior to the expiration of the initial Lease Term. On or before the commencement date of such extended Lease Term, Landlord and Tenant shall execute an amendment to this Lease extending the Lease Term on the same terms provided in this Lease, except as follows:

- (1) The Base Rent payable for each month during such extended Lease Term shall be the asking rental rate for buildings comparable to the Project, at the commencement of such extended Lease Term, for space of equivalent quality, size, utility and location, with the length of the extended Lease Term and the credit standing of Tenant to be taken into account, but in no event shall said rate be less than the Base Rent applicable to the last month;
- (2) Tenant shall have no further renewal options unless hereafter expressly granted by Landlord in writing; and
- (3) Landlord shall lease to Tenant the Premises in their then-current condition, and Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

Within sixty (60) days following delivery of the Renewal Notice, Landlord shall deliver to Tenant a written notice ("Landlord's Notice") specifying the rate (the "Renewal Rental Rate") determined by Landlord for the renewal term. Tenant shall have fifteen (15) days following delivery of Landlord's Notice to send Landlord binding written notice ("Tenant's Second Renewal Notice") of (i) Tenant's exercise of its right to renew the Lease at the Renewal Rental Rate proposed by Landlord, or (ii) Tenant's exercise of its right to renew the Lease in accordance with the provisions for determining the Renewal Rental Rate. Tenant's failure to timely deliver Tenant's Renewal Notice shall be deemed acceptance by Tenant of the Renewal Rental Rate proposed by Landlord. If Tenant timely elects option 2(ii) above, Tenant shall be deemed to have elected to renew the Lease Term and Landlord and Tenant shall commence negotiations to agree upon the Renewal Rental Rate. If Landlord and Tenant are unable to reach agreement within thirty (30) days after Landlord's receipt of Tenant's Second Renewal Notice, then the Renewal Rental Rate shall be determined in accordance with the next paragraph.

If Landlord and Tenant are unable to reach agreement on the Renewal Rental Rate within such thirty (30) day period, then the Renewal Rental Rate shall be determined in accordance with the following: within seven (7) days, Landlord and Tenant shall each select one (1) independent broker with at least ten (10) years of experience in leasing comparable industrial/office space in the Ashton, Pennsylvania office market (a "Qualified Broker") to determine the Renewal Rental Rate. If one party shall fail to select a Qualified Broker within the seven (7) day period, then the Qualified Broker chosen by the other party shall be the sole arbitrator. If the two appointed independent Qualified Brokers are unable to agree on Renewal Rental Rate within a second period of seven (7) days following their appointment, the two independent Qualified Brokers shall within seven (7) days from the date that they were required to agree on Renewal Rental Rate but were unable to do so, select a third independent Qualified Broker (the "Third Qualified Broker") and the Third Qualified Broker shall be the sole arbitrator of the Renewal Rental Rate. Within ten (10) days after submission of the matter to the Third Qualified Broker, the Third Qualified Broker shall determine the Renewal Rental Rate based on the factors described herein. The Third Qualified Broker shall notify Landlord and Tenant of its decision, which shall be final and binding. Each party shall pay the fees of the broker selected by it and Tenant shall pay the cost of the Third Qualified Broker. If the Renewal Rental Rate is not determined for any reason by the commencement of the renewal term, Tenant shall remit payment to Landlord in the amount initially determined by Landlord, with a reconciliation to be made following the Qualified Broker's final determination.

Tenant's rights under this Exhibit shall terminate if (i) this Lease or Tenant's right to possession of the Premises is terminated, (ii) Tenant assigns any of its interest in this Lease or sublets any portion of the Premises, (iii) Tenant delivers a Revocation Notice, or (iv) Tenant fails to timely exercise its option under this Exhibit, time being of the essence with respect to Tenant's exercise thereof.

EXHIBIT D

EXPANSION OPTION

Subject to Landlord's rights set forth in this Exhibit D, any future or current tenants and the rights and options of any current tenants (a "Prior Tenant"), the terms and conditions of this Exhibit D and provided no default exists and Tenant is occupying the entire Premises at the time of such election and has not assigned or subleased any portion of the Premises, Tenant may lease immediately contiguous Available Vacant Space (hereafter defined) in increments of 12,731 rentable square feet in the Project as shown on Exhibit D-1 attached hereto, from the period commencing on the Commencement Date through and including July 31, 2008 (such space so leased being the "Expansion Area"), by delivering to Landlord thirty (30) days prior written notice of Tenant's election to include any other Expansion Area in the Premises subject to the terms set forth below. In the event Tenant elects to lease any portion of the Expansion Area referenced above, the availability of any Expansion Area shall be subject to Landlord's approval as to size, location and configuration, Landlord's current negotiations with other prospects and long-term plans for space in the Project, all of which may be determined by Landlord in its sole discretion. If Tenant timely exercises its option, then possession of the Expansion Area shall be delivered to Tenant in an "as is" condition on the date that the Premises become available for Landlord to lease to Tenant (the "Expansion Effective Date"). Further, Tenant and Landlord shall execute an amendment to the Lease including the Expansion Area in the Premises on the same terms as the Lease, except as follows:

- (1) the number of rentable square feet of floor area in the Premises shall increase by the number of rentable square feet of floor area in the Expansion Area and Tenant's Proportionate Share shall be adjusted accordingly;
- (2) The Lease Term for the Expansion Area shall commence on the Expansion Effective Date and continue coterminous with the Lease Term for the Project; provided, however, if Landlord at any time receives any bona fide third-party offer ("Offer") for all of any portion of the Expansion Area and/or any additional space in the Project which Landlord is willing to accept, Landlord will deliver written notice thereof to Tenant ("Landlord's Notice"), and in such event, Tenant shall be required to match the terms and conditions set forth in Landlord's Notice, including, without limitation, any increase in the square footage (which may include space in addition to the Expansion Area then leased by Tenant), the Base Rent rate and lease term proposed by said prospect. If Tenant fails to send Landlord written notice that Tenant will match the terms and conditions set forth in Landlord's Notice within three (3) days following Landlord's delivery of Landlord's Notice to Tenant, at Landlord's sole election, Landlord may at any time thereafter terminate the Lease as to any Expansion Area leased by or proposed to be leased by Tenant upon thirty (30) days prior written notice to Tenant and/or relocate the Expansion Premises pursuant to the Lease;
- (3) subject to Subsection (2) above, Base Rent for the Expansion Area shall be equal to the product of (A) the rentable square feet of area in the Expansion Area, multiplied by (B) the rate then applicable to the Premises, subject to increase at the same time and in the same manner as Base Rent for the Premises; provided, however, in the event Landlord receives the Offer and Tenant has elected to lease the Expansion Area (and any additional space covered by the Offer), the terms and conditions set forth in Subsection (2) above shall become applicable to the Expansion Area (and any additional space) and Tenant must match said terms and conditions of the Offer; and
- (4) Tenant shall lease the Expansion Area in "as is" condition without representation or warranty, without any obligation by Landlord to alter, remodel, improve, repair or decorate any part of the Expansion Area.

As used herein, "Available Vacant Space" shall mean available vacant space in the Project that Landlord plans to market from time to time excluding any space that (a) Landlord has a bona-fide prospect for which Landlord is negotiating terms or (b) is encumbered by any Prior Tenant.

Tenant's rights under this Exhibit shall terminate if (a) Tenant commits a monetary default under the Lease beyond the expiration of any applicable grace period; (b) Tenant, at any time during any portion of the Lease Term, assigns any of its interest in the Lease or sublets any portion of the Premises; (c) Tenant vacates or abandons any portion of the Premises; (d) the total square footage of the Premises is less than 49,000 rentable square feet; (e) Tenant fails to timely exercise its option under this Exhibit, time being of the essence with respect to Tenant's exercise thereof; or (f) automatically on July 31, 2008, or as set forth above. The rights of Tenant contained in this Exhibit D shall apply only for the benefit of the undersigned Tenant and shall not apply in favor of any assignee or subtenant of Tenant. Further, Tenant's rights under this Exhibit D shall be subject and subordinate to Landlord's rights set forth in this Exhibit D, any future or current tenants and all existing rights to lease space in the Project.

EXHIBIT D-1 EXPANSION AREA

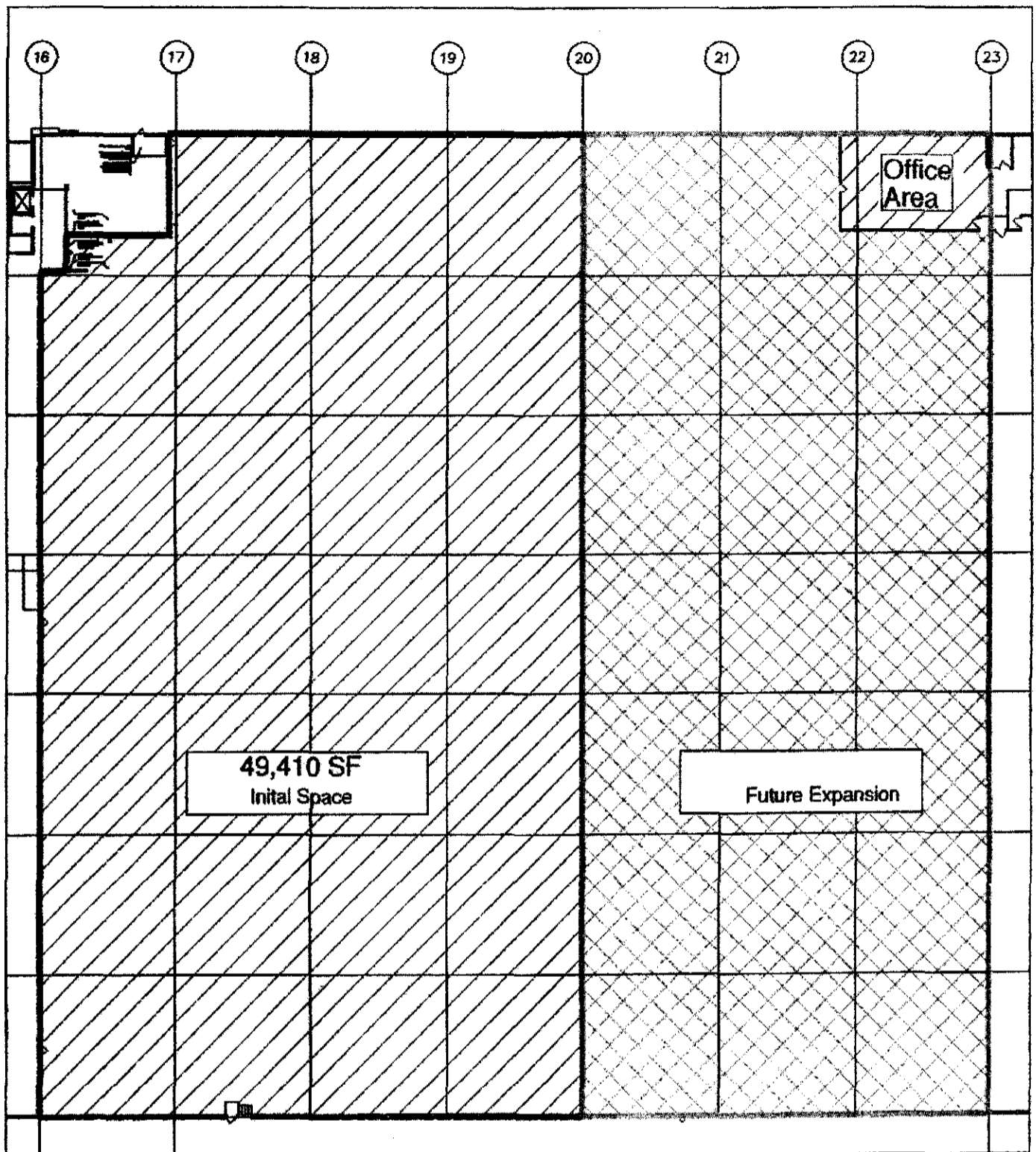


EXHIBIT D-1

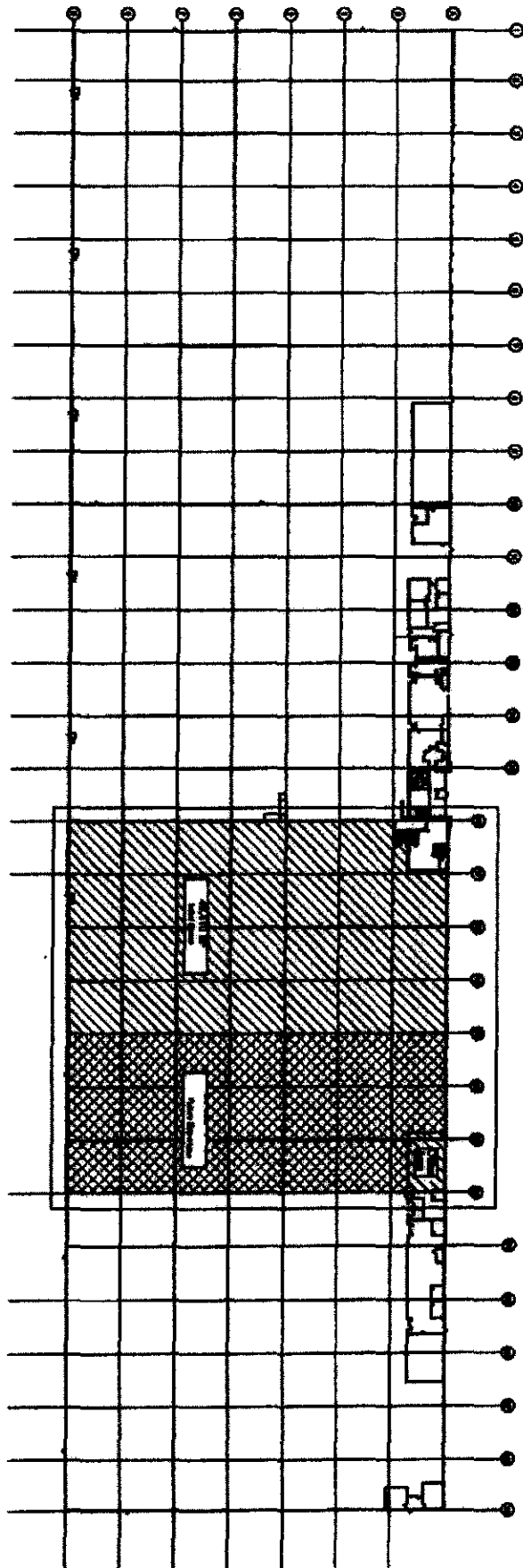


EXHIBIT E

LANDLORD'S WORK

Tenant hereby accepts the Premises in their "AS-IS" condition, and Landlord shall have no obligation to perform any work therein (including, without limitation, demolition of any improvements existing therein or construction of any tenant finish-work or other improvements therein), and shall not be obligated to reimburse Tenant or provide an allowance for any costs related to the demolition or construction of improvements therein. Notwithstanding the foregoing, Landlord agrees to complete the following work, using available Project standard colors and materials, at Landlord's expense, subject, however, to the terms of the Lease:

1. Landlord will demo existing two-story office area in the Premises.
2. Landlord will caulk expansion joints to eliminate gaps in warehouse.
3. Landlord will clean, paint and carpet and VCT the receiving office and adjacent restroom located outside the Premises.
4. Landlord will power wash warehouse floors and provide a pest control layer.
5. Landlord will cause all existing doors, lighting and heating serving the Premises are in good working order as of the Commencement Date.
6. Landlord will obtain a Certificate of Occupancy and cause the fire/life safety systems to be in good working condition and in compliance with codes, other than those necessitated by Tenant's use of the Premises or improvements installed by Tenant, of which Tenant shall be liable at Tenant's sole cost.