

THIS LEASE entered into this 2<sup>nd</sup> day of **June, 2003** between **Winmar Corporation** with its principal offices at 1500 West Main Street, Suite 208, Lexington, Kentucky 40511, hereinafter called "**LESSOR**", and **Jefferson Smurfit Corporation**, a wholly owned subsidiary of Smurfit Stone Container Corporation, with its principal place of business at 401 Alton Street, P.O. Box 276, Alton, IL 62002-2276, hereinafter called "**LESSEE**".

**WITNESSETH:**

That for and in consideration of the mutual covenants and agreements herein, it is agreed between the parties hereto as follows:

1. That the **Lessor** does lease to the **Lessee** for a term of **five (5) years**, commencing **June 1, 2004** and ending **May 31, 2009**, that property in Fayette County, Kentucky, with improvements thereon owned by the **Lessor** and located on the east side of Lisle Road, containing 103,680 square feet and continuing into the second building to the south containing 38,400 square feet for a total of 142,080 square feet of office and warehouse space.

2. The **Lessee** agrees to pay in monthly installments the lease amount per the following schedule. Each installment to be paid in advance on the first day of each month.

<b>Years 1 and 2</b>	<b>\$1.70 s/f</b>	<b>\$20,128.00 p/month</b>
<b>Years 3, 4, and 5</b>	<b>\$1.75 s/f</b>	<b>\$20,720.00 p/month</b>

3. **Lessee** hereby covenants and agrees with **Lessor** as follows:

- A. To pay the aforesaid rent when due, by mailing to **Lessor's** offices at Suite 208, Bakhaus Building, 1500 West Main Street, Lexington, Kentucky 40511.
- B. To conform to and obey all existing or future laws or ordinances and all rules, regulations, requirements and orders of the governmental authorities or agencies respecting the use and occupancy of the premises insofar as same create any liability upon **Lessor** for the performance thereof.
- C. Not to assign this lease nor sublet the premises nor any part thereof without the prior written consent of the **Lessor**, but such consent will not be unreasonably withheld.
- D. To permit the **Lessor** to enter upon said premises at all reasonable times for the purpose of examining the conditions of the same.
- E. To leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof in as good condition as when received, excepting reasonable wear and tear and damage by fire and the elements or other causes beyond the control of the **Lessee**.

of the realty or demised premises. Upon termination of the Agreement, Lessee shall be permitted to remove all of Lessee's contents, inventory, signs, fixtures, equipment and machinery subject only to repairing any damage to the demised premises resulting from the removal of said signs, fixtures, equipment and machinery.

- G. To pay all water, gas, heat, light and power and telephone service, and all other such services supplied to said premises at the request of Lessee during the existence of this lease or any renewal or extension thereof.
- H. To indemnify and save harmless the Lessor as the owner and landlord of said premises from any and all claims of whatsoever kind and nature that may be made against said Lessor as the result of any injuries or damage to any person while on, in or about said premises, resulting from Lessee's negligence by virtue of this use and occupancy of said premises or by anyone else with its permission or under its control.
- I. To pay during the term of the lease any taxes upon the leased premises in excess of those applicable to the leased premises as of the commencement of the term; payment of any such taxes for a fractional part of a year included in the term to be prorated. The leased premises are a portion of a larger tract owned by the Lessor, and in the event of an increase in the assessment or rate of taxes, the portion of such increase attributable to the land included in this lease shall be determined on a pro-rata basis in proportion to the total land of the tract including the leased premises; all increases in taxes upon the improvements included in the leased premises to be borne by the Lessee in full in addition to the increase in tax upon the land included in the lease as determined as set forth above.

4. Lessor hereby covenants and agrees with Lessor as follows:

- A. That it has full right to lease the premises hereby demised for the term herein stated.
- B. To keep the Lessee in quiet possession of said premises during the entire term of this Lease, providing Lessee is not in breach hereof.
- C. To pay all real property ad valorem taxes assessed against the demised premises, and to maintain fire and extended coverage insurance upon said premises in such amount as it may deem advisable.
- D. To keep in good repair the roof of the building, the exterior thereof, except the plate glass in the windows, doors, etc., which shall be maintained by Lessee, that portion of all utilities lying outside the building and all streets, roads, driveways, and sidewalks, if any.

E. **Lessor** agrees to pay electrical service upgrade, not to exceed \$4,000.00 prior to June 1, 2004.

F. **Lessor** agrees to pay \$12,000.00 Real Estate Commission to Michelson Commercial Realty on or before June 1, 2005.  
**Lessor** will not be held liable for any additional Real Estate Commission throughout the term, renewal, or extensions thereof.

5. If **Lessee** shall at any time be in default in the payment of rent herein, or be in default in the performance of any of the covenants, terms, conditions or provisions of this lease for a period longer than **thirty (30) days** after proper written notice of such default from **Lessor** has been given to **Lessee**, then the **Lessor** shall have the option to declare a forfeiture of this lease and to have immediate possession of the premises

without demand, notice or process, and it shall be lawful for **Lessor** to enter upon said premises and have the possession of same, and thereupon this lease and everything herein contained on the part of the **Lessor** to be done and performed shall cease and determine, without prejudice, however, to the right of the **Lessor** to recover from the **Lessee** all rent due up to the time of such entry and such other damages as said **Lessor** may sustain by reason of the default on the part of said **Lessee**. In case of any such default and entry by **Lessor**, said **Lessor** shall use its best efforts to re-let said premises for the remainder of said term for the highest rent obtainable and may recover from **Lessee** any deficiency between the amount so obtained and the rent herein provided.

6. If, during the term of this lease or any renewal or extension thereof, said premises shall be so damaged by fire or other casualty that the demised premises shall be unsuitable for restoration for **Lessee's** continued use and occupancy in **Lessee's** business within 120 days, then at **Lessee's** option, in lieu of **Lessor's** rebuilding, replacing and repairing the demised premises, **Lessee** may give notice to **Lessor**, within **thirty (30) days** after the occurrence of such damage or destruction, of **Lessee's** intention to terminate this Agreement on any business day specified in such notice which occurs not more than **one hundred twenty (120) days** after the date of said notice, and this Lease shall terminate on such date, except with respect to obligations and liabilities of **Lessee** under this Agreement, actual or contingent, which have arisen on or prior to such date, upon payment by **Lessee** of all installments of basic rental and all other sums then due and payable under this Agreement to and including such date of termination.

In the event **Lessee** does not elect to terminate this lease, then the **Lessor** shall be obligated to complete the rebuilding or restoration of the building as promptly as possible and the rent herein provided for shall be abated during the period from the date of the damage until the date when the building is again ready for occupancy.

In the event of partial destruction of the building by fire or otherwise during the term or any extended term hereof, and if such partial destruction should leave a sufficient portion of the building in such condition that same could advantageously be used by **Lessee** during the time that rebuilding or restoration is in progress, **Lessee** may elect to use such portion of said building during such time, but in such event, the rent, during the period of rebuilding or restorations, shall be proportionately abated.

7. If, (i) the entire demised premises shall be taken in or by condemnation or other eminent domain proceedings pursuant to any law, general or specific; or (ii) any substantial portion of the demised premises, which is sufficient to render the remaining portion thereof unsuitable for **Lessee's** continued use or occupancy in **Lessee's** business, shall be taken in or by any such proceedings, then **Lessee** may give notice to **Lessor** of its intention to terminate this Lease on the day of such taking. If less than the entire demised premises shall have been taken, as part of said notice of termination, **Lessee** may deliver to **Lessor** a notice stating that, in the judgment of the **Board of Directors of Lessee**, the portion of the demised premises so taken is sufficient to fulfill the conditions set forth in clause (ii) of this sub-paragraph. This Agreement shall then terminate on such date, except with respect to obligations and liabilities of **Lessee** under this Agreement, actual or contingent, which have arisen on or prior to such date, upon payment by **Lessee** of all installments of basic rent and all other sums then due and payable under this Agreement to and including such termination date.

If a portion of the demise premises shall be taken in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, which taking is not sufficient to authorize or require that Lessee give notice of its intention to terminate this Lease as provided in sub-paragraph (b) above, then this Agreement shall continue in full force and offset with prorata abatement of any basic rent, and Lessor shall at its option (1) promptly after any such taking or requisition and at its sole cost and expense, repair any damage caused by such taking or requisition so that after the completion of such repairs, the demised premises shall be, as nearly as possible, in a condition as good as the condition thereof immediately prior to such taking or requisition; or (2) terminate this Agreement without liability to Lessee.

8. Lessee shall have the right to erect and maintain upon the premises hereby let, and appropriate sign or signs, provided that upon the termination hereof, Lessee shall cause same to be removed and shall pay the cost of any repairs made necessary by such removal.

9. It is agreed between the parties hereto that this lease, all covenants, stipulations and agreements contained herein, shall be binding upon the heirs, devisees, executors, administrators, personal representatives, legatees, successors and assigns of the parties hereto.

10. Notice to any party shall be deemed given when mailed postage prepaid to the address hereafter stated for that party, or such other address as it may direct in writing?

**LESSOR: Winmar Corporation**  
Suite 208, Bakhaus Building  
1500 West Main Street  
Lexington, Kentucky 40511

**LESSEE: Jefferson Smurfit Corporation**  
401 Alton Street  
P.O. Box 276  
Alton, IL 62002-2276

**IN WITNESS WHEREOF**, the Lessor and Lessee have caused this lease to be executed by their duly authorized officers in duplicate, each copy to have the same force and effect as an original, this the day and year first above written.

**WINMAR CORPORATION**

BY \_\_\_\_\_  
Secretary-Treasurer  
**LESSOR**

**Attest:**

\_\_\_\_\_

**JEFFERSON SMURFIT  
CORPORATION**

BY   
**LESSEE**

**Attest:**

\_\_\_\_\_

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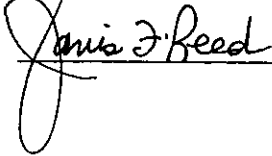
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Secretary-Treasurer  
**LESSOR**

Attest:



**JEFFERSON SMURFIT CORPORATION**

BY   
**LESSEE**

Attest:

\_\_\_\_\_