

**INDUSTRIAL TRIPLE NET LEASE**

**BETWEEN**

**DLL – SEWARD, LLC**

**and**

**U.S.C. Acquisition Corp.**

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**LIST OF EXHIBITS**

- EXHIBIT A DESCRIPTION OF LAND**
- EXHIBIT B SITE PLAN**
- EXHIBIT C COMMENCEMENT DATE MEMORANDUM**
- EXHIBIT D RENT**
- EXHIBIT E ARBITRATION PROCEDURES**
- EXHIBIT F TENANT ESTOPPEL CERTIFICATE**
- EXHIBIT G SUBORDINATION**
- EXHIBIT H MEMORANDUM OF LEASE**

**THIS INDUSTRIAL TRIPLE NET LEASE** (this "**Lease**") made as of the 27<sup>th</sup> day of April, 2007 between **DLL – SEWARD, LLC**, a Delaware limited liability company ("**Landlord**"), and **U.S.C. Acquisition Corp.** a Delaware corporation having an office at c/o U.S. Corrugated, Inc, Atlanta, Georgia ("**Tenant**"),

**W I T N E S S E T H :**

**ARTICLE 1**

**PREMISES AND TERM OF LEASE**

**Section 1.01. Premises and Term.** Landlord, for and in consideration of the rentals to be paid and all of the terms, covenants and agreements hereinafter set forth, to be kept, observed and performed by Tenant, does hereby demise and lease to Tenant and Tenant does hereby hire and take from Landlord, subject to the terms, covenants, conditions and reservations hereof:

the parcel of land (the "**Land**") located at 1469 294th Road, Seward, Nebraska 68434, as, more particularly bounded and described in **Exhibit A** annexed hereto and made a part hereof and the industrial facility (the "**Building**") and all related improvements and the site plan (the "**Site Plan**") annexed hereto as **Exhibit B** and made a part hereof (the Land and the Building being herein sometimes collectively referred to as the "**Premises**");

**TOGETHER WITH** all easements, appurtenances and other rights and privileges now or hereafter belonging or appertaining to the Premises, including, without limitation, the non-exclusive easements, appurtenances and other rights and privileges appertaining the Premises.

**SUBJECT TO:** (a) those matters shown as exceptions to title on Title Insurance Commitment Chicago Title Insurance Company Commitment Number STC40317 ("**Title Commitment**") and matters shown on the survey of the Land, identified in the Title Commitment; (b) any state of facts an accurate survey or physical inspection of the Premises might show; (c) all zoning regulations, restrictions, rules and ordinances, and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction; and (d) the rights and reservations in favor of Landlord as set forth in this Lease (the "**Encumbrances**").

**TO HAVE AND TO HOLD** the Premises unto Tenant, its successors and permitted assigns, for a term of twenty (20) years (the "**Initial Term**") commencing on the Commencement Date (as hereinafter defined), and expiring on the last day of the calendar month in which the twentieth (20th) anniversary day of the Commencement Date shall occur, both dates inclusive, unless extended or sooner terminated as herein provided (the "**Expiration Date**").

The Initial Term, as the same may be extended as hereinafter provided, is herein referred to as the Term.

As used in this Lease, the term "Lease Year" shall mean a period of twelve (12) consecutive calendar months, except that the first Lease Year shall cover the fractional part of the month, if any, in which the Term commences, plus the period comprising the twelve (12) full calendar months next succeeding. The second Lease Year and every subsequent Lease Year of the Term shall cover the same corresponding twelve (12) full calendar months of the first Lease Year last mentioned.

**Section 1.02. Commencement Date.** The Term shall commence on the date (the "**Commencement Date**") which is the date on which Tenant purchases the company from Longview Fibre. Landlord and Tenant shall, concurrently with the Commencement Date, execute and deliver a Commencement Date Memorandum substantially in the form attached hereto as **Exhibit C** acknowledging (i) the Commencement Date, (ii) the Rentable Square Footage of the Premises and the Base Rent computed thereon, and (iii) Tenant's acceptance of the Premises in "as is" condition.

## ARTICLE 2

### **RENT**

**Section 2.01. Base Rent.** Throughout the Term, Tenant shall pay to Landlord, or to such other person(s) as Landlord shall from time to time designate, rent at the annual rental rates determined in the manner set forth in **Exhibit D** annexed hereto (herein sometimes called the "**Base Rent**"). Tenant agrees to pay the Base Rent in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments, in advance, on the first day of each and every month during the Term from and after the Commencement Date, at the office of Landlord or such other place as Landlord may designate by notice, without prior demand or any setoff counterclaim or deduction whatsoever, except that Tenant shall pay the first monthly installment of Base Rent upon the execution hereof.

**Section 2.02. Additional Rent.** All Impositions (as hereinafter defined), charges, costs, expenses and sums of any kind, together with all interest and penalties that may accrue thereon as the result of Tenant's failure to pay the same as herein provided, all other costs, expenses and damages which Landlord may suffer or incur, and any and all other sums which may become due by reason of any default of Tenant or any failure on Tenant's part to perform or comply with the agreements, terms, covenants and conditions of this Lease on Tenant's part to be performed or complied with, and each and every item thereof, shall be and be deemed to be "Additional Rent" hereunder and, in the event of the non-payment thereof, Landlord (in addition to and not in limitation of its other rights and remedies hereunder) shall have all of the rights and remedies in respect thereof as are herein or by law provided in the case of the non-payment of Base Rent.

**Section 2.03. Rental Arrears.** If Tenant shall be in arrears in the payment of Base Rent or Additional Rent (herein sometimes collectively referred to as "**Rent**" or "**Rental**"), Tenant waives its rights, if any, to designate the items in arrears against which any payments made by Tenant are to be credited and Landlord may apply any of such payments to any such items in arrears as Landlord, in its sole discretion, shall determine, irrespective of any designation or request by Tenant as to the items against which any such payments shall be credited.

**Section 2.04. Partial Payment.** No payment by Tenant nor receipt by Landlord of a lesser amount than may be required to be paid hereunder shall be deemed to be other than on account of any such payment, nor shall any endorsement or statement on any check or any letter accompanying any check tendered as payment be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment due or pursue any other right or remedy in this Lease provided in respect thereof or otherwise.

**Section 2.05. Net Rental.** Landlord and Tenant agree that: (a) Rental shall be absolutely net to Landlord without any abatement, diminution, reduction, deduction, counterclaim, setoff, or offset whatsoever, so that each Lease Year of the Term shall yield, net to Landlord, all Rental; and (b) except as otherwise expressly set forth in this Lease, Tenant shall pay all costs, expenses and charges of every kind relating to the Premises or the maintenance, management and operation thereof that may arise or become due or payable during or after (but attributable to a period falling within) the Term. Tenant covenants to pay the Rental as above and/or hereinafter provided.

### ARTICLE 3

#### IMPOSITIONS

**Section 3.01. Impositions.** Tenant covenants and shall bear, pay and discharge, as hereinafter provided and as Additional Rent hereunder, any and all of the following items (collectively, "**Impositions**"): (a) real estate and other taxes and general and special assessments, including parking assessments; (b) personal Property taxes; (c) use, occupancy and/or rent taxes; (d) water, water meter and sewer rents, rates, and charges; (e) license and permit fees; (f) any fines, penalties, and other similar governmental charges applicable to the foregoing, together with any interest or costs with respect to the foregoing, incurred as the result of Tenant's failure to pay any Impositions in a timely manner as herein provided; (g) insurance premiums; and (h) any other governmental levies, fees, rents, assessments, or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which Landlord may be obligated to pay by virtue of its ownership and/or leasing of the Premises and/or Tenant's operation thereof, which at any time during the Term are (A) assessed, charged, levied, confirmed or imposed upon or against: (1) the Premises, any estate or interest therein, or the use, rental or occupancy thereof; (2) any document to which Tenant is a party creating or transferring any interest or estate in the Premises, the use, rental or occupancy thereof, including, without limitation, this Lease; (3) the entity holding the tenant's interest and estate in any of the foregoing; (4) the sidewalks or streets in front of or adjoining the Premises; (5) any passageway or space in, over or under such sidewalk or street adjacent or relating to the Premises; (6) any other appurtenances of the Premises; (7) any personal property, equipment or other facility used in the operation of the Premises; and/or (8) the rental or income derived therefrom or any estate or interest therein; or (B) otherwise imposed upon Tenant by the terms of this Lease. If by law any Imposition, at the option of the taxpayer, may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments, in which event Tenant shall pay only such installment payments as shall become due prior to the expiration or earlier termination of this Lease, unless this Lease is terminated by reason of Tenant's default in which event all such

installment payments, shall include those which otherwise would be payable by Tenant subsequent to the termination of this Lease. All of Tenant's obligations hereunder shall survive the expiration or sooner termination of the Term. However, nothing herein contained shall require Tenant to pay any municipal, state or federal income or franchise taxes imposed upon Landlord, whether based upon the income or capital of Landlord, or any municipal, state, or federal succession or gift taxes of Landlord; provided, nevertheless, that if at any time during the Term the present method of taxation or assessment shall be changed so that in lieu of or in addition to the whole or any part of the taxes, assessments or other charges now levied, assessed or imposed on real estate or the improvements thereon, there shall be levied, assessed or imposed wholly or partially a franchise tax, capital levy or other tax on real estate as such, or on the use and occupancy thereof, or on the rents or income derived therefrom, or if any such tax or charge, or any part thereof, howsoever called, shall be measured by or based on the Premises, the Land or the rents or income derived therefrom, then all such taxes, assessments, levies or charges or the part thereof so measured or based shall be deemed to be included within the definition of the term "Impositions" for the purpose of this Lease.

Tenant shall pay the Impositions stated in (a) through (f) and (h) above directly to the appropriate taxing authority prior to the date upon which the payment shall be deemed to be delinquent. Promptly after payment of such Impositions, Tenant shall forward evidence of payment of same to Landlord.

**Section 3.02. Personal Property Taxes.** Tenant shall pay all taxes and assessments levied or imposed upon personal property owned by Tenant, including, without limitation machinery, equipment, furnishings, inventory and other personal property owned and/or leased by Tenant, directly to the taxing authorities levying or imposing the same before the same shall become delinquent.

**Section 3.03. Apportionment.** Any Imposition which Tenant is required to bear, pay or discharge under this Lease, relating to a fiscal period of a taxing authority, a part of which period is included within the Term and a part of which is included in a period of time prior to the Commencement Date or after the Expiration Date shall be apportioned (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) between Landlord and Tenant as of the Commencement Date and/or the Expiration Date, as the case may be, so that Tenant shall pay that portion of such Imposition which is attributable to that part of such fiscal period included in the Term and Landlord shall pay the remainder thereof; provided, however, that if a termination of this Lease results from any default by Tenant, Tenant shall not be entitled to any such apportionment.

**Section 3.04. Contest.** If Landlord has elected not to contest any Imposition, Tenant, after prior notice and the consent of Landlord in its reasonable discretion in each instance, may, at Tenant's sole cost and expense and free of any expense to Landlord, contest the amount or validity, in whole or in part, of any Imposition which Tenant is required to bear, pay or discharge under this Lease by appropriate proceedings, instituted promptly and in good faith and conducted diligently, but only after payment of such Imposition, unless such payment would operate as a bar to such contest or interfere materially with the prosecution thereof, in which event,

notwithstanding the provisions of Section 3.01, payment of such Imposition may be postponed if, and only so long as:

(a) the Premises would not by reason of such postponement or nonpayment, in the determination of any mortgagee holding an interest in the Premises or in the reasonable judgment of Landlord, be in danger of being forfeited or lost; or Landlord would not be subjected to any other liability, penalty or charge of any kind;

(b) Tenant continues to prosecute such proceeding diligently to final adjudication; and

(c) Tenant shall have deposited with Landlord, cash or other security approved by Landlord, in the amount so contested and unpaid, together with all interest and penalties in connection therewith, and all charges as determined by Landlord that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings.

Upon the termination of such proceedings, it shall be the obligation of Tenant to pay Landlord the amount of such Imposition or the part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with all costs, fees (including reasonable attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith, and, if requested by Tenant, Landlord shall disburse said moneys on deposit with it directly to the taxing authority to whom such Imposition is payable.

**Section 3.05. Tax Bills.** Any certificate, advice or bill of non-payment of any Imposition, issued by the appropriate official designated by law to make or issue the same or to receive payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time or date stated therein. Landlord shall furnish Tenant with copies of all bills for Impositions received by Landlord from the taxing authorities and, in any circumstance in which Landlord is paying such bills, and upon prior request by Tenant, with evidence of the payment of such Impositions.

## ARTICLE 4

### UTILITIES

**Section 4.01. Utilities.** Tenant covenants and agrees to arrange for services and to pay directly to the public or private utility company or companies, as Additional Rent, as and when same shall become due and payable, all charges for utilities, including, without limitation, air conditioning, heat, water, sewerage, fuel oil, gas, steam, hot water, electricity, light, telephone and communication services, and power furnished to the Premises. Landlord shall have no obligation to provide any such utility services, nor shall it incur any liability for any loss or damage resulting, directly or indirectly, from any failure or delay by any utility supplier to furnish any such services.

## ARTICLE 5

### INTENTIONALLY DELETED



## ARTICLE 6

### LATE CHARGES

**Section 6.01. Late Payment.** If payment of any item of Rental shall become overdue for five (5) days beyond the date on which it is due and payable as in this Lease provided, Tenant agrees to pay to Landlord, as and for an agreed upon late charge (and not as a penalty), an amount equal to \$.03 for every dollar thereof overdue, which shall, without further notice or demand by Landlord, immediately become due and payable to Landlord as liquidated damages for the additional administrative, costs and expenses incurred by Landlord by reason of Tenant's failure to make prompt payment. Nothing contained in this Article 6 is intended in any way to extend any grace periods or notice periods provided for elsewhere in this Lease. All amounts payable to Landlord pursuant to this Article 6 shall be considered Additional Rent.

## ARTICLE 7

### INSURANCE

**Section 7.01. Building, etc.** (a) Throughout the Term, Tenant, at its sole cost and expense, shall provide and maintain in force in respect of the Premises, all of the following:

- (i) Insurance on an "all risk" basis covering the Improvements including, without limitation, fire insurance and insurance against loss or damage by lightning, windstorm, tornado, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicle, smoke, vandalism, malicious mischief and other hazards of whatsoever kind now or hereafter covered by the usual "all risk" policy, and damage by water. All such insurance shall be carried and maintained in an amount sufficient to prevent Landlord from becoming a coinsurer under the provisions of any applicable policies of insurance, but in any event, in an amount not less than one hundred (100%) percent of the full replacement value of the Improvements without deduction for depreciation (including the cost of debris removal, but excluding the cost of excavations, footings and foundations) as determined from time to time at the request of either party by the insurer or by an insurance appraiser approved by the insurer;
- (ii) Rent insurance with all risk coverage in an amount not less than one (1) year's Base Rent, plus the estimated amount of the Impositions and the premiums for the insurance required by this Article 7 for such one-year period;
- (iii) Worker's Compensation and all other statutory forms of insurance now or hereafter prescribed by law and in limits not less than the statutorily required amounts, covering all persons employed by Tenant in connection with the operations of Tenant conducted at

the Premises or by Tenant or others in connection with any construction thereon, which may be provided by Tenant for all persons employed by Tenant, or by Tenant's contractors for all persons employed by such contractors;

- (iv) Insurance against liability for bodily and personal injury, death and Premises damage, it being agreed that such insurance shall be at least in the limits set forth below or in such higher limits as may from time to time be reasonably required by Landlord. Such liability insurance coverage shall be written on a Comprehensive General Public Liability form (including, without limitation, motor vehicle liability for all owned, non-owned and hired vehicles and Premises damage coverage), and containing the so-called "occurrence clause", covering specifically all occurrences in, on or about the Premises, including all sidewalks adjoining the Premises. All insurance against liability for bodily and personal injury, death and Premises damage, shall be written for a combined single limit of not less than \$5,000,000 for any single occurrence; and a minimum combined single limit of \$2,000,000 shall be written for Water Damage Legal Liability and Sprinkler Leakage Legal Liability; and
- (v) Insurance on an "all risk" basis covering Tenant's personal property and trade fixtures in the Premises in an amount not less than one hundred (100%) percent of the full replacement cost of such property and fixtures.

(b) Prior to the commencement of any Alteration (as hereinafter defined), and until completion thereof, Tenant shall provide and maintain in force or cause to be provided and maintained in force, such additional insurance coverages as Landlord may reasonably prescribe covering Landlord, Landlord's mortgagee, Tenant and any contractors engaged by Tenant.

(c) All insurance obtained or caused to be obtained by Tenant, as required by this Section 7.01 (except for the coverage described in subsections (b)(i) and (b)(iii) of this Section), shall be carried in favor of Landlord and Tenant, as their respective interests may appear, and, in respect of any mortgagee of the Premises, such insurance, (1) in the case of Premises insurance or insurance covering any economic loss resulting from any risks covered by any such Premises insurance, such insurance shall name each such mortgagee under a standard mortgagee endorsement, and (2) in the case of the insurance described in subsection (b)(ii) of this Section 7.01, such insurance shall name each such mortgagee as an additional insured, as its interest may appear.

#### **Section 7.02. Proceeds; Miscellaneous.**

(a) The proceeds under all policies required by any provision of this Lease (including, without limitation, the amount of any deductible or self-insurance permitted under this Section), insuring against damage or destruction of the Premises by fire or other casualty,

including Rental insurance, shall be payable to Landlord and/or its mortgagee, subject to the provisions of this Lease, and all policies shall contain a provision to such effect. All insurance required by any provision of this Lease shall be in such form and shall be issued by responsible insurance companies licensed to do business in the State of New York, as are reasonably acceptable to Landlord. All policies referred to in this Lease shall be procured, or caused to be procured, for periods of not less than one (1) year. Such insurance may be carried under blanket policies; provided, however, that coverage for the Premises is separately stated and will not be diminished or depleted through occurrences at other locations. Duplicate originals of all such policies and endorsements thereto and evidence that the premiums therefor have been paid in full shall be delivered to all parties required hereby to be insured thereunder prior to the Commencement Date, and such duplicate originals or renewal policies replacing any policies expiring during the Term shall be delivered to said parties at least thirty (30) days before the date of expiration of any policy, together with proof that the full premiums therefor have been paid. If either party fails to give the required certificate within ten (10) days after notice of demand for it, the other party may obtain and pay for that insurance and receive reimbursement from the party required to have the insurance. Such policies may have deductibles or self-insurance retentions not greater than (i) with the respect to Landlord's insurance: One Hundred Thousand Dollars (\$100,000.00); and (ii) with respect to Tenant's insurance: One Hundred Thousand Dollars (\$100,000.00). Premiums on policies shall not be financed without Landlord's consent in each instance.

(b) Tenant shall not carry any additional or separate insurance (other than liability insurance) concurrent in form or contributing in the event of loss with that required by this Lease to be furnished by or at Tenant's cost and expense, or in excess of the amounts required by this Lease, unless Landlord, Tenant and any mortgagee are included therein as insureds with loss payable as provided in this Lease (and any such policy that fails to have such inclusion shall, as between Landlord and Tenant, be deemed to have same). Tenant shall promptly notify Landlord if such additional or separate insurance is carried and shall cause originals or copies of the same to be delivered as required in this Lease.

(c) Tenant shall not violate or permit to be violated any of the conditions or provisions of any policies procured by Landlord with respect to the Premises and Tenant shall timely perform and satisfy or cause to be performed and satisfied the requirements and recommendations of the companies writing such policies (collectively, "**Insurance Requirements**") so that at all times companies of good standing shall be willing to write and/or continue such insurance.

(d) Every policy of insurance required to be obtained by Tenant hereunder shall provide that no cancellation, material change or reduction thereof shall be effective until at least thirty (30) days after receipt of written notice thereof by all parties insured thereunder.

(e) Each Premises and casualty insurance policy and every policy insuring an economic loss resulting from any risks covered by any such Premises and casualty insurance (whether or not required to be carried hereunder), and each certificate or memorandum thereof, shall contain a clause or endorsement, if obtainable (whether or not additional premium shall be charged therefor) whereby the insurance company waives all rights of subrogation against Landlord and Tenant, whether or not insured parties thereunder, or consents to the release of

liability among all such parties. The parties hereby release each other from any and all liability for loss or damage covered by such insurance under a policy containing such a clause or endorsement to the extent of any proceeds paid thereunder.

**Section 7.03. Reimbursement of Landlord.** Tenant shall pay to Landlord (or, at Landlord's election, directly to the insurer), as Additional Rent, the costs of the insurance coverage required to be maintained by Landlord pursuant to Section 7.01, such payment to be made within thirty (30) days after receipt by Tenant of invoices. Such payments shall include the cost to Landlord of self-insurance deductibles permitted hereunder or otherwise approved from time to time by Tenant and the amount of any deductible or self-insurance retention pursuant to Section 8.04.

## **ARTICLE 8**

### **DAMAGE OR DESTRUCTION AND USE OF CASUALTY INSURANCE PROCEEDS**

**Section 8.01. Casualty.** If the Building should be damaged or destroyed by fire or other casualty, Tenant shall give immediate notice to Landlord. Within thirty (30) days after receipt from Tenant of each such notice, Landlord shall notify Tenant whether the necessary repairs can reasonably be made within two hundred ten (210) days after the date of the issuance of permits for the necessary repair or reconstruction of the portion of the Building which was damaged or destroyed (the "**Permit Date**") and provide Tenant with Landlord's estimate of the costs of necessary repairs and the amount of insurance proceeds that will be available.

**Section 8.02. Less Than 210 Days.** If the Building should be damaged only to such extent that rebuilding or repairs can reasonably be completed within two hundred and ten (210) days after the Permit Date, this Lease shall not terminate and, provided that insurance proceeds are available to fully repair the damage, Landlord shall repair the Premises, except that Landlord shall not be required to rebuild, repair or replace Tenant's Property which may have been placed in, or about the Premises by or for the benefit of Tenant. If the Building is unfit for Tenant's use and occupancy during Landlord's repair thereof, the Base Rent shall be abated proportionately on the basis of the size of the floor area of the Building that is damaged (e.g., the number of square feet of floor area of the Building that is damaged compared to the total square footage of the floor area of the Building) from the date of the casualty, but only during the period the Building is unfit for occupancy, and only to the extent that Landlord actually receives proceeds of rent or business interruption insurance with respect to such damage.

**Section 8.03. Greater Than 210 Days.** If the Building should be so damaged that rebuilding or repairs cannot be completed within two hundred ten (210) days after the Permit Date, (i) Landlord may terminate this Lease by giving notice within ten (10) days after notice from Landlord specifying such time period of repair or (ii) Tenant may terminate this Lease by (a) giving notice within ten (10) days after notice from Landlord specifying such time period of repair and (b) agreeing to purchase the Premises within thirty (30) days of providing such notice at the original purchase price paid by Landlord upon terms and conditions reasonably acceptable to both parties. Upon the exercise of such option by either Landlord or Tenant, this Lease shall terminate and the Rent shall be abated from the date of the casualty. In the event that Landlord

elects not to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building, provided insurance proceeds are available to fully repair the damage (except that Landlord shall not be required to rebuild, repair or replace Tenant's Property which may have been placed in, on or about the Premises by or for the benefit of Tenant). If the Building is unfit for Tenant's use and occupancy during Landlord's repair thereof, the Base Rent payable hereunder shall be abated proportionately on the basis of the size of the floor area of the Building that is damaged (e.g., the number of square feet of floor area of the Building that is damaged compared to the total square footage of the floor area of the Building), from the date of the casualty, but only during the period that the Building is unfit for occupancy.

**Section 8.04. Insurance Proceeds.** For purposes of Sections 8.02 and 8.03, "insurance proceeds" shall include (a) the amount of any deductible or self-insurance retention permitted under Section 7.02 which shall be the obligation of and paid by Tenant, and (b) the amount, if any, which Tenant, without obligation to do so, agrees to and does pay after notice from Landlord of the amount of any deficiency of proceeds otherwise available (or deemed to be available) for repairs.

**Section 8.05. Tenant's Fault.** If the Premises or any portion thereof is damaged as a direct result of the negligence or breach of this Lease by Tenant or any of Tenant's Parties, Rent shall not be reduced during the repair of such damage and Tenant shall be liable to Landlord for the cost of the repair caused thereby except to the extent that Rent which would be lost and/or such cost are covered by insurance proceeds available from policies of insurance required to be maintained pursuant to the provisions of this Lease.

## ARTICLE 9

### CONDEMNATION

**Section 9.01. Total Condemnation.** If all of the Premises are condemned by eminent domain, or sold under threat of condemnation for any public or quasi-public use or purpose ("**Condemned**" or "**Condemnation**"), this Lease shall terminate as of the earlier of the date the condemning authority takes title to or possession of the Premises, and Rent shall be adjusted to the date of termination.

**Section 9.02. Partial Condemnation.** If any portion of the Premises is Condemned and Tenant's ability to use the balance of the Premises for Tenant's business is no longer feasible, as reasonably determined by Landlord and Tenant, Landlord and Tenant shall each have the option of either (a) keeping this Lease in force and effect or (b) terminating this Lease as of the earlier of the date title vests in the condemning authority or as of the date an order of immediate possession is issued and Rent shall be adjusted to the date of termination. If such partial condemnation and Tenant's ability to use the balance of the Premises for the business of Tenant is feasible, or if neither party elects to terminate this Lease pursuant to subsection (b) above, Landlord shall promptly restore the Premises to the extent of any condemnation proceeds recovered by Landlord, excluding the portion thereof lost in such condemnation, and this Lease shall continue in full force and effect except that after the date of such title vesting, Rent shall be abated proportionately in the manner set forth in Section 8.02.

**Section 9.03. Award.** If the Premises are wholly or partially Condemned, Landlord shall be entitled to the entire award paid for such condemnation, and Tenant waives any claim to any part of the award from Landlord or the condemning authority; provided, however, that Tenant shall have the right to recover from the condemning authority such compensation as may be separately awarded to Tenant in connection with costs in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment to a new location, provided that the same shall not reduce the amount of the award or other compensation otherwise recoverable by Landlord.

**Section 9.04. Temporary Condemnation.** In the event of a temporary condemnation not extending beyond the Term, this Lease shall remain in effect, Tenant shall continue to pay Rent and Tenant shall receive any award made for such condemnation except damages to any of Landlord's property. If a temporary condemnation is for a period which extends beyond the Term, this Lease shall terminate as of the date of initial occupancy by the condemning authority and any such award shall be distributed in accordance with the preceding section.

## **ARTICLE 10**

### **REPAIRS AND MAINTENANCE**

**Section 10.01. Tenant Repairs.** Tenant, at its sole cost and expense, shall keep, repair and maintain the Premises (interior and exterior, structural and non-structural), including, without limitation, passage ways and parking areas, loading docks, doors and ramps, floors (including any passage ways, floor or wall repair or replacement necessitated by defects in the foundation or cracks or fissures in the passageways, floors or walls caused by soil conditions or similar conditions), roof (and roof membrane), wall coverings, doors, windows, glass, plate glass, ceilings, skylights, lighting systems, plumbing, electrical and all other mechanical systems and wiring, appliances and devices using or containing refrigerants, fixtures and equipment in good repair and in a clean and safe condition. In addition, Tenant, at its sole cost and expense, shall make such repairs in and to the Premises as may be necessary as the result of any act, occurrence or omission for which Tenant would have the obligation to indemnify Landlord, pursuant to the terms of this Lease. Tenant warrants, covenants and agrees to install any health and/or sanitary facilities as may be required by the municipal authorities having jurisdiction either presently or in the future, whether such requirement is imposed upon Landlord or Tenant, and to engage an exterminating service on a monthly basis, or more often if necessary, at its own cost and expense throughout the term of this Lease. Tenant also warrants, covenants and agrees that it will at all times fully and completely comply with all the conservation, sanitation and health laws of the state in which the Premises is located, the rules, regulations, ordinances and directives of the Sanitary Code of the state in which the Premises is located, and such other municipal departments, special divisions, etc., having jurisdiction and control over environmental control, sanitation and health and as may now or hereinafter be organized and/or enacted. In the event that Tenant fails to commence and proceed with its maintenance and repair obligations under this Lease, which failure continues beyond thirty (30) days following Tenant's receipt of notice from Landlord stating with particularity the nature of the failure or in the event of an emergency, Landlord shall have the right, after notice (if practicable under the circumstances) to Tenant, to enter the Premises and perform such maintenance, repairs or refurbishing at Tenant's sole cost and expense. Tenant shall maintain written records of

maintenance and repairs, as required by any applicable law, ordinance or regulation, and shall use certified technicians to perform such maintenance and repairs, as so required. Tenant shall deliver full and complete copies of all service or maintenance contracts entered into by Tenant for the Premises to Landlord.

**Section 10.02. Repairs.** When used in this Lease, the term “repairs” shall include (without limitation) all necessary replacements, renewals, alterations and additions. All repairs to be made by Tenant shall be performed in a first-class, good and workmanlike manner, and shall be made in compliance with all Governmental Requirements, Insurance Requirements and the then applicable building code.

**Section 10.03. Landlord’s Self-Help Right.** In the event that Tenant fails to commence and proceed with the repair of the Premises as required in Section 10.01, which failure to commence and proceed continues beyond thirty (30) days following Tenant’s receipt of notice from Landlord stating with particularity the nature of the failure (a “Repair Action”), then Landlord may proceed with taking such Repair Action. Landlord shall be entitled to be reimbursed by Tenant for the reasonable cost of any such Repair Action within fifteen (15) days after delivery to Tenant of an invoice for the costs of taking the action which Landlord claims should have been taken by Tenant, which sets forth a reasonably particularized breakdown of the costs and expenses in connection with taking such Repair Action (the “**Landlord Invoice**”). However, if Tenant delivers to Landlord, within fifteen (15) days after receipt of the Landlord Invoice, an objection to the payment of such Landlord Invoice, setting forth with reasonable particularity Tenant’s reasons for its claim that such action did not have to be taken by Tenant pursuant to the terms of this Lease or that the charges are excessive (in which case Tenant shall pay the amount it contends would not have been excessive), then Landlord may proceed to claim a Tenant Default and, if elected by either Landlord or Tenant, the matter shall proceed to resolution by arbitration pursuant to the arbitration procedures set forth in Attached as **Exhibit E**. The costs of such arbitration (if any) shall be paid to the prevailing party in the arbitration if and to the extent awarded by the arbitrator.

## ARTICLE 11

### **CHANGES, ALTERATIONS AND IMPROVEMENTS**

**Section 11.01. Trade Fixtures; Alterations.** Tenant may install trade fixtures, equipment and furniture in the Premises; provided, however, that such items are installed and are removable without structural or material damage to the Premises. Tenant shall not construct, nor allow to be constructed, any alterations or physical additions (“**Improvements**”) in, about or to the Premises without obtaining the prior consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, but will be conditioned upon Tenant’s compliance with Landlord’s reasonable requirements for preservation of structural and functional integrity and quality of the Premises. No Improvements may be undertaken unless and until there shall have been delivered to Landlord insurance or certificates thereof issued by insurers complying with Section 7.01(c). Tenant shall submit plans and specifications to Landlord with Tenant’s request for approval and shall reimburse Landlord for all reasonable third-party costs which Landlord actually incurs in connection with granting approval to Tenant for any such improvements and additions, including any costs or expenses which Landlord actually incurs in

electing to have outside architects and engineers review said matters; provided, however, that Landlord shall not be entitled to any review fees or internal costs of any kind. If Landlord does not respond to a request from Tenant within fifteen (15) days, then Landlord shall be deemed to approve such request. In the event Tenant makes any Improvements that trigger or give rise to a requirement that the Building or the Premises come into compliance with any governmental laws, ordinances, statutes, orders and/or regulations (such as ADA requirements), Tenant shall be fully responsible for complying, at its sole cost and expense, with same. Tenant shall provide Landlord with a set of "as-built" drawings for any such work. Unless Landlord and Tenant agree that specific Improvements which have been approved by Landlord as herein provided will be constructed and installed by Landlord for Tenant's benefit, Tenant may proceed with such construction and installation utilizing contractors chosen by Tenant. The costs of any such Improvements, including any reimbursements to Landlord for third party costs in connection with the approval process as provided above, whether such work is performed by Landlord or Tenant, are herein referred to as "Improvement Costs."

**Section 11.02. Damage; Removal.** Tenant shall repair all damage to the Premises and/or the Building caused by the installation or removal of Tenant's fixtures, equipment, furniture and alterations. Upon the expiration or earlier termination of this Lease, Tenant shall remove any or all trade fixtures, alterations, additions, improvements and partitions made or installed by or for Tenant (other than) any alterations, additions or improvements made by or for the benefit of Tenant after the Commencement Date that Tenant requested Landlord to identify as ones that do not need to be removed upon the expiration or earlier termination of this Lease and that Landlord consented, at the time Landlord granted its consent to the making of such Improvement(s), that such alterations, additions or improvements need not be removed) and restore the Premises to its condition existing prior to the construction of any such items ordinary wear and tear excepted; provided, however, that Landlord has the right to require Tenant to have all or any portion of such items designated by Landlord to remain on the Premises, in which event they shall be and become the property of Landlord upon the expiration or earlier termination of this Lease without further compensation therefor. All such removals and restoration shall be accomplished in a good and workmanlike manner and so as not to cause any damage to the Premises.

**Section 11.03. INTENTIONALLY OMITTED.**

**Section 11.04. Standard of Work.** All work to be performed by or for Tenant pursuant hereto shall be performed diligently and in a good and workmanlike manner, and in compliance with all applicable Governmental Requirements and Insurance Requirements. Landlord shall have the right, but not the obligation, to inspect periodically the work on the Premises and Landlord may require reasonable changes in the method or quality of the work.

**Section 11.05. Title to Improvements.** Subject to the provisions of Section 11.02, title to all Improvements made by or on behalf of Tenant to the Premises, shall forthwith vest in Landlord, without any obligation by Landlord to pay any compensation therefor to Tenant.



## ARTICLE 12

### **GOVERNMENTAL REQUIREMENTS AND INSURANCE REQUIREMENTS**

**Section 12.01. Governmental and Insurance Requirements.** Tenant, at Tenant's sole cost and expense, shall promptly comply with: (a) any and all present and future laws, rules, orders, ordinances (including, without limitation, zoning ordinances), regulations, requirements and building codes applicable to the Premises, or any part thereof, now or hereafter enacted or promulgated by any Federal, state or municipal governmental or quasi-governmental authority having jurisdiction over the Premises (collectively, "**Governmental Requirements**") without regard to the nature of the work required to be done, extraordinary as well as ordinary, affecting the maintenance, use or occupation of the Premises, including, without limitation, any street or sidewalk in front of or adjoining the same and/or any passage way in or under the same, and also including, without limitation, all work and/or matters necessary to comply with the Americans with Disabilities Acts of 1991 ("**ADA**"), as amended or supplemented from time to time; and (b) all Insurance Requirements, without regard to whether such changes or additions are required on account of any particular use (whether or not permitted hereunder) or manner of use to which the Premises, or any part thereof may be put, and whether or not now in the contemplation of the parties.

## ARTICLE 13

### **BUILDING EQUIPMENT**

**Section 13.01. Building Equipment.** Tenant shall not have the right, power or authority to, and shall not, without the prior consent of Landlord in each instance, remove or permit the removal of any Building machinery, equipment or fixtures related to the general Building infrastructure and support system located at the Premises, including, but not limited to, the HVAC system, sprinklers or boiler (collectively, "**Building Equipment**") from the Premises, except for repairs, cleaning or other servicing, or unless the same is promptly replaced by Building Equipment of like or better kind and quality, free of any and all liens, encumbrances or security interests, and Tenant shall, in any event, maintain such Building Equipment on the Premises as shall be necessary and sufficient, in the reasonable judgment of Landlord, to enable Tenant to perform all of its obligations under this Lease.

**Section 13.02. Building Equipment Maintenance.** Tenant agrees to keep and maintain all Building Equipment, at Tenant's sole cost and expense, in good, safe and lawful order, condition and repair and whenever necessary shall make all required replacements thereof with items of similar or better utility, quality and value.

## ARTICLE 14

### **DISCHARGE OF LIENS; BONDS**

**Section 14.01. No Liens.** Tenant shall not create, suffer or permit to be created or to remain, any lien, encumbrance or charge upon the Premises, or any part thereof or interest

therein, or this Lease, and Tenant shall not suffer any other matter or thing whereby the estate, rights or interests of Landlord in the Premises, or any part thereof or interest therein, or in this Lease might be impaired. In any event, Tenant shall have no power to do any act or make any contract which may create or be the foundation of any lien, mortgage or other encumbrance upon the reversion or other estate of Landlord, or upon any interest of Landlord in the Premises; it being agreed that any Improvements made to or at the Premises by Tenant (and all labor or material costs related thereto) shall be wholly and solely Tenant's obligation and neither Landlord nor the Premises shall be liable therefor to any extent whatsoever.

**Section 14.02. Discharge of Liens.** If any mechanic's, laborer's, materialman's or other lien at any time shall be filed or permitted to exist against the Premises by reason of any work, labor or services performed or materials furnished, or claimed to have been performed or furnished, to or on behalf of Tenant or those claiming under Tenant, Tenant, within ten (10) days after the filing thereof, shall cause the same to be vacated or discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be vacated or discharged within such period, Landlord, in addition to any other right or remedy of Landlord hereunder, may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, or otherwise. Any amount so paid by Landlord, and all costs and expenses, including, but not limited to, reasonable attorneys' fees and disbursements, incurred by Landlord in connection therewith, together with interest thereon at Prime (the interest rate per annum announced from time to time by Citibank of New York to be its base rate), plus 3% from the respective dates of Landlord's making of the payment or incurring of the costs and expenses, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand.

**Section 14.03. No Lien Rights.** Nothing contained in this Lease shall grant or be deemed to have granted to Tenant any authority to bind Landlord to any contract or to create any other obligation binding on Landlord regardless of whether such contract or obligation may be the foundation for any lien, mortgage or other encumbrance upon the estate of Landlord in the Premises.

## **ARTICLE 15**

### **ASSIGNMENT AND SUBLETTING**

**Section 15.01. Assignment.** Tenant shall not assign or otherwise transfer its interest in this Lease, whether voluntarily or involuntarily or by operation of law, without Landlord's prior approval. The merger of Tenant with any other entity or the transfer of any controlling or managing ownership or beneficial interest in Tenant, or the assignment of a substantial portion of the assets of Tenant whether or not located at the Premises, shall constitute an assignment hereunder.

**Section 15.02. Subleases.** If Tenant is not in default hereunder, Tenant shall be entitled to sublet the Premises, in part or in whole, without Landlord's consent, subject to each subtenant's compliance with the terms of this Lease (including, without limitation, the provisions of Section 18.02), and all applicable Governmental and Insurance Requirements relative to the

use of the Premises. Tenant shall give Landlord notice of any subletting of the Premises, together with a copy of all documentation related thereto, thirty (30) days prior to the effectiveness of any such sublease. Tenant shall pay to Landlord any excess rent it receives in connection with any such permitted subletting of the Premises. Tenant shall remain full liable for the performance of all of Tenant's obligations hereunder notwithstanding such subletting.

**Section 15.03. Permitted Assignments and Subleases.** Notwithstanding the above, Tenant may, without the consent of, but with notice to, Landlord, assign this Lease, or sublease the Premises, in whole or in part, to any of the following (collectively, "intracorporate transfers"): (a) any corporation which has the power to direct Tenant's management and operation, or any corporation whose management and operation is controlled by Tenant; or (b) any corporation a majority of whose voting stock is owned by Tenant; or (c) any corporation in which or with which Tenant, its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation of corporations, so long as the liabilities of the corporations participating in such merger or consolidation are assumed by the corporation surviving such merger or created by such consolidation; or (d) any corporate successor to a successor corporation becoming such by the methods described in subsection (c); or (e) any entity (or member of a group of affiliated entities) which is a division of Tenant then occupying the Premises; and further provided, however, that in such event, Tenant shall notify Landlord and the assignment or subletting shall not become effective until Tenant has provided Landlord with such corporate resolutions and corporate documentation evidencing the existence of, the authority of and the assumption of lease obligations by such assignee or subtenant; provided, however, that the credit rating of any such assignee or subtenant shall at the time of such assignment or sublease, is at least equal to that of Tenant at such time.

**Section 15.04. Other Provisions Relating to Assignments and/or Subleases.** If Landlord's consent is required with respect to an assignment under this Article 15, Tenant shall give Landlord copies of all related documents and agreements, including, without limitation, the financial statements of any proposed assignee, thirty (30) days prior to the anticipated effective date of the assignment. Landlord shall have a period of twenty (20) days following receipt of such notice and all related documents and agreements to notify Tenant of Landlord's approval or disapproval of the proposed assignment. If Landlord fails to notify Tenant of such election within the twenty (20)-day period, Landlord shall be deemed to have approved such assignment. Any purported assignment or subletting contrary to the provisions hereof shall be void and shall constitute an Event of Default (as hereinafter defined). Landlord may, without waiving any rights or remedies, collect rent from the assignee or subtenant, and apply the amount collected to the Rent herein reserved. Such acceptance of Rent shall in no event be deemed to imply that Landlord is approving an assignee which Landlord has not approved pursuant to the requirements of this Article 15. Tenant shall continue to be liable as a principal and not as a guarantor or surety to the same extent as though no assignment or subletting had been made, including, without limitation, pursuant to one or more intercorporate transfers, regardless of whether Landlord's consent is required or given for such assignment. Landlord may consent to subsequent assignments of this Lease or amendments or modifications to this Lease by assignees of Tenant without notifying Tenant or any successor of Tenant and without obtaining their consent. If Tenant receives consent to an assignment under this Article 15, Tenant and the assignee shall promptly execute and deliver, an agreement prepared by Landlord and on terms reasonably acceptable to Tenant which shall provide: (a) that the assignee shall be directly bound

to Landlord to perform all obligations of Tenant hereunder including, without limitation, the obligation to pay all Rent and other amounts provided for herein; (b) that there shall be no subsequent transfer of this Lease or of the Premises or of any interest therein without the prior consent of Landlord pursuant to this Article 15; (c) that Tenant as originally named herein shall remain fully liable for all obligations of Tenant hereunder, including the obligation to pay all Rent provided herein; jointly and severally with the assignee; and (d) such other provisions as Landlord shall reasonably require.

**Section 15.05. Recapture.** If Tenant desires to assign more than fifty percent (50%) of the Premises, Landlord has the right to recapture the area being assigned. In the event of a recapture by Landlord, Tenant will be relieved of its obligations under the lease for the area being recaptured. Upon written notice of the Tenant expressing interest to assign more than fifty percent (50%) of the space associated with this Lease, Landlord shall have one hundred and twenty (120) days to respond in writing to Tenant as to whether it will exercise its right of recapture. In the event Landlord exercises its right of recapture, this Lease shall terminate as to the portion of the Premises Landlord recaptures. In the event that the rent reserved in any assignment exceeds the rental or the pro rata rental, as the case may be, reserved to Landlord hereunder for any portion of the Premises, Tenant shall pay to Landlord as additional rent at the same time as the such rent is received by Tenant an amount equal to one hundred percent (100%) of the excess rent reserved in the assignment or sublease over the rental reserved to Landlord hereunder applicable to such assigned or subleased Premises.

## ARTICLE 16

### **ESTOPPEL, ATTORNMENT AND SUBORDINATION**

**Section 16.01. Estoppel.** Within fifteen (15) days after request by Landlord, Tenant shall deliver an estoppel certificate duly executed (and acknowledged if required by any lender or purchaser), substantially in the form attached hereto as **Exhibit F**, or in such other form as may be acceptable to the lender or purchaser and Tenant (in each party's reasonable judgment), which form may include some or all of the provisions contained in **Exhibit F**, to any proposed mortgagee, purchaser or Landlord. Tenant's failure to deliver said statement in such time period shall be conclusive upon Tenant that (a) this Lease is in full force and effect, without modification except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's performance and Tenant has no right of offset counterclaim or deduction against Rent hereunder; and (c) no more than one month's Base Rent has been paid in advance.

**Section 16.02. Subordination.** Subject to Tenant receiving a fully executed Subordination, Non-Disturbance and Attornment Agreement substantially in a form attached hereto as **Exhibit G**, this Lease shall be subject and subordinate to all ground leases and the lien of all mortgages and deeds of trust which now or hereafter affect the Premises or Landlord's interest therein, and all amendments thereto, all without the necessity of Tenant's executing further instruments to effect such subordination. Tenant shall execute and deliver to Landlord within thirty (30) days after Landlord's request whatever documentation that may reasonably be required to further effect the provisions of this Section including a Subordination, Nondisturbance and Attornment Agreement substantially in the form attached hereto as **Exhibit**

**G**, or in such other form as may be reasonably acceptable to the lender and Tenant, which form may include some or all of the provisions contained in **Exhibit G**.

**Section 16.03. Attornment.** In the event of a foreclosure proceeding, the exercise of the power of sale under any mortgage or deed of trust or the termination of a ground lease, Tenant shall, if requested, attorn to the purchaser thereupon and recognize such purchaser as landlord under this Lease; provided, however, that Tenant's obligation to attorn to such purchaser shall be conditioned upon Tenant's receipt of a Subordination, Non-Disturbance and Attornment Agreement substantially in a form attached hereto as **Exhibit G**, or in such other form as may be reasonably acceptable to the lender and Tenant, which form may include some or all of the provisions contained in **Exhibit G**.

## ARTICLE 17

### **INDEMNIFICATION OF LANDLORD**

**Section 17.01. Tenant's Indemnity.** Subject to the provisions of Section 17.04, Tenant shall indemnify, protect, defend (by counsel reasonably acceptable to Landlord) and hold harmless Landlord (as hereinafter defined) and each of their successors and assigns from and against any and all claims, liabilities, judgments, demands, causes of action, losses, damages, costs and expenses, including reasonable attorneys' fees, for damage to any property or injury to or death of any person arising from or out of (a) the negligence or willful misconduct of Tenant, or the Tenant's partners, members, shareholders, officers, directors, employees, agents, contractors, invitees and lenders (the "**Tenant's Parties**") in, upon or about the Premises, (b) any default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or (c) Tenant's use or occupancy of the Premises, except to the extent caused by the negligence or willful misconduct of the party to be indemnified or its agents, employees, contractors or invitees. The obligations of Tenant under this Section 17.01 shall survive the expiration or early termination of this Lease.

#### **Section 17.02. INTENTIONALLY OMITTED.**

**Section 17.03. Joint Responsibility.** When the liability is caused by the joint negligence or willful misconduct of the indemnifying party and the indemnified party or the indemnifying party and a third party which is not an agent, employee or invitee of the indemnifying party, the indemnifying party's duty to defend, indemnify, and hold harmless under either Section 17.01, shall be in proportion to the indemnifying party's allocable share of the joint negligence or willful misconduct.

**Section 17.04. Release of Claims.** Notwithstanding the provisions of Section 17.01, the parties release each other from any claims either party has against the other hereunder; such release being limited, however, to the extent the claim is covered by the indemnified party's insurance or the insurance required hereunder.

**Section 17.05. Limitation of Landlord's Liability.** If the Premises are conveyed by Landlord or the Landlord's Parties, voluntarily or involuntarily, Landlord's obligations and liabilities under this Lease accruing after the conveyance shall be the sole responsibility of the

new owner. It is agreed that Landlord or a successor in interest (which as used herein includes aggregates of individuals, including joint ventures, general or limited partnerships or associations making up Landlord or a mortgagee in possession) shall be under no personal liability with respect to any of the provisions of this Lease, and if there is a breach or default with respect to its obligations or otherwise under this Lease, Tenant shall look solely to the equity of Landlord in the Premises for the satisfaction of Tenant's remedies. Notwithstanding any other provisions of this Lease to the contrary, in no event shall Landlord be responsible or liable on any theory for any injury to Tenant's business, loss of profit, loss of income or any other form of consequential damage. Nothing in this Section 17.05 shall be interpreted to mean that Tenant cannot be awarded specific performance or injunctive relief.

## ARTICLE 18

### **PERMITTED USE; NO UNLAWFUL OCCUPANCY**

**Section 18.01. Permitted Uses.** During the Term, the Premises shall be used only for industrial manufacturing and general office use.

**Section 18.02. Prohibited Uses.** Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof, to be used or occupied for any other use except as provided in Section 18.01, or for any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable or extra-hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the certificate of occupancy (or other similar approvals of applicable governmental authorities), or of any present or future Governmental Requirements (including, but not limited to, zoning ordinances) or Insurance Requirements, or which may make void or voidable any insurance then in force on the Premises ("**Prohibited Uses**").

## ARTICLE 19

### **ENVIRONMENTAL MATTERS**

**Section 19.01. Hazardous Materials; Environmental Laws.** As used herein, "**Hazardous Materials**" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation petroleum and petroleum products, asbestos, asbestos containing materials, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "**Environmental Laws**" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and

as amended, enacted, issued or adopted in the future which are or become applicable to Tenant or the Premises.

**Section 19.02. Tenant's Obligations and Indemnity.** Tenant shall be responsible for compliance with all Environmental Laws and for any Hazardous Materials or condition found to exist on the Premises, regardless of whether such condition existed prior to the Commencement Date. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's Parties from any and all claims, damages, fines, judgments, penalties, costs expenses or liabilities (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Term from or in connection with the use, storage, generation, presence, disposal or release of Hazardous Materials in, on or about the Premises either (x) by Tenant or any of Tenant's parties, or any prior owner or occupant, at any time, or (y) by any other persons, except to the extent that such presence or release of Hazardous Materials are a result of acts of Landlord or any of Landlord's Parties occurring at any time, occurring during the Term. Tenant understands and agrees that the foregoing indemnity includes, but is not limited to, all costs of removal, remediation of any kind, detoxification, clean up and disposal of such Hazardous Materials and the preparation of any closure or other required plans, all costs determining whether the Premises is in compliance and causing the Premises to be in compliance with all applicable Environmental Laws, all costs and fees associated with claims for damages to persons, property, or natural resources, and Landlord's attorneys' fees and consultants' fees and court costs in respect thereto whether or not litigation or administrative proceedings shall occur, including all costs and expenses incurred or suffered by Landlord by reason of any violation of any applicable Environmental Law which occurs, or has occurred, upon the Premises during the Term of this Lease, or by reason of the imposition of any governmental lien for the recovery of environmental clean-up costs expended by reason of such violation, it being expressly understood and agreed that to the extent Landlord and Landlord's officers, directors, shareholders, managers, members, agents and employees, or any of them are strictly liable under any applicable statute or regulation pertaining to the protection of the environment, this indemnity shall likewise be without regard to fault on the part of Tenant with respect to the violation of law which results in such liability.

Tenant hereby covenants and agrees that all obligations of Tenant under this Section 19.02 shall survive any termination of the Lease, it being further understood and agreed that the rights of Landlord under this Section 19.02 shall be in addition to any other rights and remedies under this Lease or at law or in equity.

**Section 19.03. Tenant's Conduct.** Tenant shall not cause nor permit, nor allow any of Tenant's Parties to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, released, recycled, treated, disposed or used on, under or about the Premises, except routine office and janitorial supplies, and fuels and lubricants used for warehouse machinery and equipment in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. Tenant and Tenant's Parties shall comply with all Environmental Laws and promptly notify Landlord of the violation of any Environmental Law or presence of any Hazardous Materials, other than office and janitorial supplies as permitted above, on the Premises. Tenant, at its sole cost and expense, shall be responsible for obtaining all permits, license or approvals required by Environmental Laws for Tenant's use of the Premises and shall make all notifications and registrations required

by any applicable Environmental Laws in connection therewith, and Tenant shall provide copies thereof to Landlord. Tenant shall at all times comply with such permits, licenses, approvals, notifications and registrations.

## **ARTICLE 20**

### **EVENTS OF DEFAULT, CONDITIONAL LIMITATION, REMEDIES, ETC.**

**Section 20.01.** This Lease and the term and estate hereby granted are subject to the limitations that:

(A) if Tenant shall file a voluntary petition seeking an order for relief under Title 11 of the United States Code, or Tenant shall be adjudicated a debtor, bankrupt or insolvent, or shall file any petition or answer seeking, consenting to or acquiescing in any order for relief, reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law (foreign or domestic), or shall file an answer admitting or failing to deny the material allegations of a petition against it for any such relief or shall generally not, or shall be unable to, pay its debts as they become due or shall admit its insolvency or its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors or shall seek or consent or acquiesce in the appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or any part of Tenant's personal property or if Tenant shall take any action in furtherance of or authorizing any of the foregoing; or if Tenant shall call a meeting of, or propose any form of arrangement, composition, extension or adjustment with, its creditors holding a majority in amount of Tenant's outstanding indebtedness; or

(B) if any case, proceeding or other action shall be commenced or instituted against Tenant, seeking to adjudicate Tenant a bankrupt or insolvent, or seeking an order for relief against Tenant as debtor, or reorganization, arrangement, composition, adjustment, winding-up, liquidation, dissolution or similar relief with respect to Tenant or its debts under any present or future federal bankruptcy act or any other present or future applicable federal, state or other statute or law (foreign or domestic), or seeking appointment of any trustee, receiver, examiner, assignee, sequestrator, custodian or liquidator or similar official of Tenant or of all or any part of Tenant's property, which either (i) results in the entry of an order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of ninety (90) days; or if any case, proceeding or other action shall be commenced or instituted against Tenant seeking issuance of a warrant of execution, attachment, distraint or similar process against Tenant or any of Tenant's property which results in either (x) the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days after the entry thereof or (y) the taking or occupancy of the Premises; or



(C) if Tenant shall default in the payment when due of any installment of Rent or in the payment when due of any Additional Rent and any such default shall continue for a period of ten (10) days after written notice by Landlord to Tenant that such is due; or

(D) if Tenant shall default in the performance of any term of this Lease on Tenant's part to be performed (other than the payment of Rent and Additional Rent) and Tenant shall fail to remedy such default as soon as practicable and in any event within thirty (30) days after written notice by Landlord to Tenant of such default, or if such default is of such a nature that it can be remedied, but cannot be completely remedied within said period of thirty (30) days, if Tenant shall not (i) promptly upon the giving by Landlord of such notice, advise Landlord of Tenant's intention to institute all steps necessary to remedy such situation, (ii) promptly institute and thereafter diligently prosecute to completion all steps necessary to remedy the same, and (iii) complete such remedy within a reasonable time after the date of the giving of said notice by Landlord and in any event prior to such time as would either (x) subject Landlord, Landlord's agents, superior lessor or superior mortgagee to prosecution for a crime or (y) cause a default under any superior lease or any superior mortgage; or

(E) except as may otherwise be provided hereunder, if any event shall occur or any contingency shall arise whereby this Lease or the estate hereby granted or the unexpired balance of the term of this Lease would, by operation of law or otherwise, devolve upon or pass to any person other than Tenant; or

then in any of said events Landlord may give to Tenant notice of intention to terminate this Lease and to end the term and the estate hereby granted at the expiration of three (3) days from the date of the giving of such notice, and, in the event such notice is given, this Lease and the term and estate hereby granted shall terminate upon the expiration of said three (3) days with the same effect as if that day were the Expiration Date, but Tenant shall remain liable as provided in Articles 21 and 22. However, if Tenant shall default (i) in the "timely payment", as hereinafter defined, of Rent or Additional Rent, and any such default shall occur in three (3) consecutive months or for a total of four (4) months in any period of twelve (12) months or (ii) in the performance of any other term of this Lease to be performed by Tenant more than three (3) times in any period of six (6) months, then, notwithstanding that such defaults shall have each been cured within the applicable period, if any, as above provided, any further similar default shall be deemed to be deliberate and Landlord thereafter may serve the said three (3) days' notice of termination upon Tenant without affording to Tenant an opportunity to cure such further default. For the purposes of this provision, "timely payment" shall be deemed to mean that any such payments were made on or before the expiration of any applicable notice and cure periods granted hereunder.

**Section 20.02.** Nothing in this Article 20 shall be deemed to require Landlord to give the notices therein provided for prior to the commencement of a summary proceeding for non-payment of Rent or a plenary action for the recovery of Rent on account of any default in the payment of the same, it being intended that such notices are for the sole purpose of creating a conditional limitation hereunder pursuant to which this Lease shall terminate and if Tenant thereafter remains in possession or occupancy, it shall become a holdover tenant.

**Section 20.03.** If, at any time (a) Tenant shall be comprised of two or more persons, or (b) there is a guarantor of any of Tenant's obligations under this Lease, or (c) Tenant's interest in this Lease shall have been assigned, the word "Tenant", as used in this Article, shall mean any one or more of the persons primarily or secondarily liable for Tenant's obligations under this Lease. Any sums received by Landlord from or on behalf of Tenant during the pendency of any proceeding of the types referred to in Subsections A. and B. of Section 20.01 hereof shall be deemed paid as compensation for the use and occupancy of the Premises and the acceptance of any such compensation by Landlord shall not be deemed an acceptance of Rent or a waiver on the part of Landlord of any rights contained in this Lease.

**Section 20.04.** Notwithstanding anything contained in this Lease to the contrary, if Tenant shall (a) default in the payment when due of any installment of Rent or in the payment when due of any Additional Rent, and any such default shall continue for a period of three (3) business days after notice by Landlord to Tenant that such Rent is due, or (b) fail to perform any obligation required to be performed by it under the terms of this Lease after the expiration of any applicable notice or grace period provided for hereunder, or (c) make an assignment for the benefit of, or composition with, creditors, or shall become insolvent or be unable or generally fail to pay its debts when due or (d) become in any jurisdiction a party or subject to (voluntarily or involuntarily) any liquidation or dissolution action or proceeding with respect to itself or any bankruptcy, insolvency or other proceeding for the relief of financially distressed debtors, or (e) if a custodian or trustee shall be appointed for Tenant or a substantial part of its assets, or (f) if Tenant shall take any action to effect, or which indicates its acquiescence in, any of the foregoing except that, with respect to involuntary petitions in bankruptcy filed against Tenant, there shall be no event of default unless and until sixty (60) days after such filing if such petition has not then been dismissed, stayed or discharged, then, and in any such event, and at any time thereafter if any such event shall be continuing, in addition to any other remedies available to Landlord, Landlord may, by written notice to Tenant, without terminating this Lease, declare all of the Rent and Additional Rent payable hereunder for the unexpired portion of the term due, whereupon the same shall forthwith become due and payable without demand, protest or other notice of any kind.

## **ARTICLE 21**

### **RE-ENTRY BY LANDLORD**

**Section 21.01.** If Tenant shall default in the payment of any installment of Rent or Additional Rent, on any date upon which the same ought to be paid, and if such default shall continue for three (3) business days after Landlord shall have given to Tenant a notice specifying such default, or if this Lease shall terminate as in Article 20 provided, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter the Premises, or any part thereof, either by summary dispossession proceedings or by any suitable action or proceeding at law, or by force or otherwise, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any persons therefrom, to the end that Landlord may have, hold and enjoy the Premises again as and of its first estate and interest therein. The word re-enter, as herein used, is not restricted to its technical legal meaning. In the event of any termination of this Lease under the provisions of Article 20 or if Landlord shall re-enter the Premises under the provisions of this Article 21 or in the event of the termination of this

Lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall thereupon pay to Landlord the Rent and Additional Rent payable by Tenant to Landlord up to the time of such termination of this Lease, or of such recovery of possession of the Premises by Landlord, as the case may be, and shall also pay to Landlord damages as provided in Article 22 hereof.

**Section 21.02.** In the event of a breach by Tenant of any of its obligations under this Lease, Landlord shall also have the right of injunction. The special remedies to which Landlord may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled at any time and Landlord may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

## **ARTICLE 22**

### **DAMAGES**

**Section 22.01.** If this Lease is terminated under the provisions of Article 20, or if Landlord shall re-enter the Premises under the provisions of Article 21, or in the event of the termination of this Lease, or of re-entry, by or under any summary dispossession or other proceeding or action or any provision of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord as damages, at the election of Landlord either:

A. a sum which at the time of such termination of this Lease or at the time of any such re-entry by Landlord, as the case may be, represents the then value of the excess, if any, of:

- (i) the aggregate of the Rent and the Additional Rent payable hereunder which would have been payable by Tenant (conclusively presuming the Additional Rent to be the same as was payable for the year immediately preceding such termination) for the period commencing with such earlier termination of this Lease or the date of any such re-entry, as the case may be, and ending with the Expiration Date, had this Lease not so terminated or had Landlord not so re-entered the Premises; over
- (ii) the aggregate market rental value of the Premises for the same period; or

B. all sums equal to the Rent and the Additional Rent (as above presumed) payable hereunder which would have been payable by Tenant had this Lease not so terminated, or had Landlord not so re-entered the Premises, payable upon the due dates therefor specified herein following such termination or such re-entry and until the Expiration Date. Notwithstanding the foregoing, if Landlord shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, which net rents shall be determined by first deducting from the gross rents, as and when received by Landlord from such reletting, the reasonable expenses incurred or paid by Landlord in terminating this

Lease or in re-entering the Premises and in securing possession thereof, as well as the expenses of reletting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Premises and the rental therefrom; it being understood that any such reletting may be for a period shorter or longer than the remaining term of this Lease. In no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder. If the Premises or any part thereof is relet by Landlord for the unexpired portion of the term of this Lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such reletting shall, prima facie, be the fair and reasonable rental value for the Premises, or part thereof, so relet during the term of the reletting.

Suit or suits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the term of this Lease would have expired if it had not been so terminated under the provisions of this Lease, or under any provision of law, or had Landlord not re-entered the Premises. Nothing herein contained shall be construed to limit or preclude recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. Nothing herein contained shall be construed to limit or prejudice the right of Landlord to prove for and obtain as liquidated damages by reason of the termination of this Lease or re-entry on the Premises for the default of Tenant under this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved whether or not such amount be greater, equal to, or less than any of the sums referred to in this Article.

## ARTICLE 23

### NOTICES

**Section 23.01. Notices.** Whenever it is provided herein or prescribed by law that notice, demand, request, consent, approval, assertion, claim, election or other communication (each a "notice") shall or may be given to or served upon either of the parties hereto, such notice, shall be in writing and, unless otherwise prescribed by law or governmental regulation, shall be effective for any purpose only if given by mailing the same by registered or certified mail, postage prepaid, return receipt requested, or by overnight courier, such as Federal Express or sent by facsimile (immediately followed by one of the preceding methods), in each case addressed to the parties at the respective addresses set forth below, or to such other addresses as either party may from time to time designate by like notice given to the other.

- (a) If to Tenant: U.S.C. Acquisition Corp.  
115 Stevens Avenue  
Valhalla, New York 10595  
Attention: Dennis Mehiel

With a copy to: Paul, Hastings, Janofsky & Walker LLP  
600 Peachtree Street, NE, Suite 2400  
Atlanta, Georgia 30308-2222  
Attention: Wayne Bradley, Esq.

(b) If to Landlord: DLL – [City Name], LLC  
115 Stevens Avenue  
Valhalla, New York 10595  
Attention: Bruce Berg

With a copy to: DelBello Donnellan Weingarten Wise & Wiederkehr, LLP  
One North Lexington Avenue – 11th Floor  
White Plains, New York 10601  
Attention: Alfred Donnellan, Esq.

**Section 23.02. Effective Date.** Every notice, when mailed, shall be deemed to have been given or served three (3) days after the date that the same shall have been deposited in the United States mails postage prepaid, in the manner aforesaid, except that a notice of change of address shall be deemed to have been given only when received by the addressee, or if sent by overnight courier or by facsimile, the same shall be deemed given or served when received by the addressee.

## ARTICLE 24

### INTENTIONALLY DELETED

## ARTICLE 25

### HOLDING OVER; SURRENDER

**Section 25.01. Holding Over.** If Tenant holds over the Premises or any part thereof after the expiration or earlier termination of the Term, such holding over shall, constitute a month-to-month tenancy and shall be on all the other terms and conditions of this Lease, provided that if the holding over continues for a period in excess of thirty (30) days, the Rent shall, without notice, increase to a rent equal to one hundred fifty (150%) percent of the Rent in effect immediately prior to such holding over. Acceptance of Rent by Landlord following expiration or earlier termination shall not constitute a renewal of this Lease or extension of the Term except as specifically set forth above, and Tenant shall be subject to removal and eviction as otherwise set forth herein.

**Section 25.02. Surrender.** Upon the expiration or earlier termination of the Term or Tenant's right to possession of the Premises, Tenant will surrender the Premises broom clean, together with all keys, and restored to its original condition. In no event may Tenant remove from the Premises any mechanical or electrical systems or any wiring or any other aspect of any systems within the Premises.

## ARTICLE 26

### **WAIVER OF LANDLORD'S LIEN**

**Section 26.01. Waiver of Landlord's Lien.** Landlord hereby waives any statutory liens and any rights of distress with respect to the personal property (trade fixtures, equipment and merchandise) of Tenant from time to time located within the Premises ("**Tenant's Property**"). Landlord hereby waives and releases (i) any contractual landlord's lien and any other landlord's lien which it may be entitled to at law or in equity against Tenant's Property, (ii) any and all rights granted by or under any present or future laws to levy or distrain for rent or any other charges which may be due under the Lease to the Landlord against Tenant's Property and (iii) any and all claims, liens and demands of every kind which it has or may hereafter have against Tenant's Property (including, without limitation, any right to include Tenant's Property in any secured financing Landlord may become party to). Landlord acknowledges that Tenant's Property is and will remain personal property and not fixtures even though it may be affixed to or placed on the real property. This Lease does not grant a lien or any other security interest to Landlord or in favor of Landlord with respect to Tenant's Property. Landlord further agrees to execute and deliver such instruments reasonably requested by any Lender of Tenant in form and content reasonably satisfactory to Landlord, from time to time to evidence or effect the aforesaid waiver and agreements of Landlord.

## ARTICLE 27

### **NO BROKER**

**Section 27.01. No Broker.** Landlord and Tenant acknowledge that no broker has acted as an intermediary in connection with the transactions contemplated by this Lease. Landlord and Tenant each represents and warrants to the other that it has not dealt with any broker, finder or other intermediary in connection with the transactions contemplated hereby and that no such fees or commissions are due or payable to any third party by reason of any of the said transactions. Landlord and Tenant each agrees further to indemnify, defend and hold the other harmless of, from and against any and all costs, losses, claims, damages, liabilities, expenses and other obligations (including, without limitation, reasonable attorneys' fees and costs) arising from or in connection with or otherwise resulting from a breach of their respective representations and warranties contained in this Article 27 or any claim by any broker, finder, intermediary or other third party claiming to have been employed by or at the direction of the indemnifying party. The provisions of this Article 27 shall survive the expiration or earlier termination of this Lease.

## ARTICLE 28

### **NO REPRESENTATIONS**

**Section 28.01. No Representations.** Tenant hereby expressly acknowledges and agrees that, except as otherwise expressly set forth in this Lease, no representations, statements, or warranties of any kind, express or implied, as to merchantability, fitness for a particular purpose or use, or otherwise, have been made by or on behalf of Landlord or its representatives in respect of the Premises, the status of title, the physical condition or state of repair thereof, the income,

profit potential or expenses of operation thereof, the zoning or other laws, regulations, rules and/or orders applicable thereto or any construction work or alterations intended or required to be made thereto, the Impositions, or any other matter or thing affecting or relating to the Premises, and that Tenant has relied on no such representations, statements or warranties, but solely on its own examination and inspection of the Premises and other investigations pertaining to the alteration or use thereof, and that Landlord shall not in any event whatsoever be liable for any latent or patent defects in the Premises, or any claimed misrepresentations or breach of warranties.

## ARTICLE 29

### OPTIONS TO EXTEND

**Section 29.01. Terms of Options.** Subject to the terms of this Article 29, and if Tenant is then in possession of the Premises, Tenant shall have two (2) consecutive options to extend the Term for additional periods of five (5) years each (collectively, the “**Extension Terms**” and individually, the “**Extension Term**”). The Extension Terms shall be on all the terms and conditions of this Lease, except that Landlord shall have no additional obligation for leasehold improvements or for any other tenant inducements for the Extension Terms and, effective as of the first day of each Extension Term, the Base Rent in effect immediately prior to the commencement of such Extension Term shall be increased (but not decreased) to an amount equal to ninety-five percent (95%) of the Fair Market Rental (as hereinafter defined). There shall be no additional extension terms beyond the Extension Terms set forth herein. Tenant may exercise its option to extend the Term only by giving Landlord notice of its election to do so (“**Extension Notice**”) no later than two hundred seventy (270) days and no earlier than three hundred sixty (360) days prior to the end of the Term or the first Extension Term, as applicable; provided, however, that if an Event of Default has occurred and is continuing at the time of the giving of such notices, or at the commencement of the applicable Extension Term, at Landlord’s election, the applicable Extension Notice shall be deemed null and void and of no force or effect. Any notice not given in a timely manner shall be void, and Tenant shall be deemed to have waived its extension rights.

### **Section 29.02. Determination of Base Rent During Extension Term.**

(a) Landlord and Tenant shall have thirty (30) days after Landlord receives the Exercise Notice in which to agree on the Base Rent during the applicable Extension Term. Notwithstanding anything in this Article 29 to the contrary, in no event shall the Base Rent for the applicable Extension Term be less than the Base Rent in effect immediately prior to the commencement of the applicable Extension Term (“**Prior Rent**”).

(b) If Landlord and Tenant are unable to agree upon the Fair Market Rental for the applicable Extension Term within such thirty (30) day period, then within fifteen (15) days after the expiration of such thirty-day (30) period, each party, by giving notice to the other party, shall appoint a real estate appraiser who is a current member of the American Institute of Real Estate Appraisers, with at least five (5) years of experience appraising building space comparable to the Premises in Seward, Nebraska to determine the Fair Market Rent. “**Fair Market Rent**” and “**Fair Market Rental**” shall mean, as of the date of applicable Exercise Notice, the net monthly

rent per square foot that a willing, non-equity (lease renewal) tenant would pay and a willing landlord of comparable property in the marketplace would accept at arm's length for comparable space in a comparable building or buildings, with comparable tenant improvements, in a comparable location, giving appropriate consideration to then-current months net rental rates per rentable square foot, the presence or absence of rent escalation clauses such as operating expense and tax pass-throughs, abatement provisions, length of lease term, size and location of premises being leased, tenant improvement allowances, if any, and other generally applicable terms and conditions of tenancy for a similar building or buildings. If the two (2) appraisers are unable to agree on the Fair Market Rent for the Extension Term within twenty (20) days, they shall select a third appraiser meeting the qualifications stated in this Section within five (5) days after the last day the two (2) appraisers are given to set the Fair Market Rent for the applicable Extension Term. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for either party. Within twenty (20) days after the selection of the third appraiser, a majority of the appraisers shall set the Fair Market Rent of the applicable Extension Term. If a majority of the appraisers is unable to set the Fair Market Rent within twenty (20) days the two (2) closest appraisals shall be added together and their total divided by two (2). The resulting quotient shall be the Fair Market Rent for the applicable Extension Term. Each party shall be responsible for the costs, charges and fees of the appraiser appointed by that party and shall share equally in the costs of the third appraiser.

**Section 29.03. Amendment of Lease.** Immediately after the applicable Fair Market Rent is determined pursuant to this Article 29, Landlord and Tenant shall execute an amendment to this Lease stating the new Base Rent in effect for the applicable Extension Term.

## **ARTICLE 30**

### **MISCELLANEOUS**

**Section 30.01. Entire Agreement.** This Lease sets forth all agreements between Landlord and Tenant concerning the Premises; and there are no agreements either oral or written other than as set forth herein.

**Section 30.02. Time of Essence.** Time is of the essence of this Lease.

**Section 30.03. Attorneys' Fees.** In any action or proceeding (including **arbitration**) which either party brings against the other to enforce its rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party, including, without limitation, reasonable attorneys' fees, which amounts shall be a part of the judgment in said action or proceeding.

**Section 30.04. Severability.** If any provision of this Lease or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void or unenforceable to any extent, the remaining provisions of this Lease and the application thereof shall remain in full force and effect and shall not be affected, impaired or invalidated.

**Section 30.05. Law.** This Lease shall be construed and enforced in accordance with the laws of the State of New York.



**Section 30.06. No Option.** Submission of this Lease to Tenant for examination or negotiation does not constitute an option to lease, offer to lease or a reservation of, or option for, the Premises and this document shall become effective and binding only upon the execution and delivery hereof by Landlord and Tenant.

**Section 30.07. No Third Party Benefit.** Nothing herein is intended to create any third party benefit.

**Section 30.08. Recordation.** Each of Landlord and Tenant shall execute and deliver a written memorandum of this Lease in form attached hereto as **Exhibit H** to be recorded in the appropriate land records of the jurisdiction in which the Premises is located, in order to give public notice and protect the validity of this Lease. In the event of any discrepancy between the provisions of such recorded memorandum of this Lease and the provisions of this Lease, the provisions of this Lease shall prevail.

**Section 30.09. Agency, Partnership or Joint Venture.** Nothing contained in this Lease nor any acts of the parties hereto shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture by the parties hereto or any relationship other than the relationship of landlord and tenant.

**Section 30.10. Surrender of Lease.** The voluntary or other surrender of this Lease by Tenant or a mutual cancellation thereof or a termination by Landlord shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

**Section 30.11. Headings.** Article and Section headings have been inserted solely as a matter of convenience and are not intended to define or limit the scope of any of the provisions contained therein and references to Articles or Sections shall refer to the corresponding Article or Section appearing herein.

**Section 30.12. Waiver.** No waiver of any default or breach hereunder shall be implied from any omission to take action on account thereof, notwithstanding any custom and practice or course of dealing. No waiver by either party of any provision under this Lease shall be effective unless in writing and signed by such party. No waiver shall affect any default other than the default specified in the waiver and then such waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant shall not be construed as a waiver of any subsequent breach of the same.

**Section 30.13. Financial Statements.** . Annually, within 120 days of Tenant's year end, Tenant shall provide to Landlord's mortgagee, at an address to be provided to Tenant by Landlord's mortgagee, audited financial statements of Tenant. In the event that Tenant has affiliates doing business in the same industry as Tenant, such financial statements shall be prepared on a consolidated basis.

In addition, Tenant shall provide any lender (including potential lenders), purchaser (including potential purchasers) or Landlord, within thirty (30) days after request, such financial information and reports relating to Tenant and/or the guarantor(s) under any Guaranty, now or hereafter existing, of Tenant's obligations under this Lease as such party may reasonably request.

**Section 30.14. Consents.** Except as otherwise provided elsewhere in this Lease, Landlord's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants, fees) incurred in the consideration of, or response to, a request by Tenant for any Landlord consent, including, without limitation, consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Tenant upon receipt of a reasonably detailed invoice and supporting documentation therefor. Landlord's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Event of Default or breach by Tenant of this Lease exists, nor shall such consent be deemed a waiver of any then existing Event of Default or breach, except as may be otherwise specifically stated in writing by Landlord at the time of such consent. Except as otherwise set forth in this Lease, the failure to specify herein any particular condition to Landlord's consent shall not preclude the imposition by Landlord at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given.

**Section 30.15. Authorization.** Each individual executing this Lease on behalf of Landlord or Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord or Tenant and that such execution is binding upon such party.

**Section 30.16. Right to Show Premises.** Landlord may show the Premises to prospective purchasers and mortgagees, during business hours on reasonable notice to Tenant.

**Section 30.17. Covenant of Quiet Enjoyment.** Landlord covenants that, following the Commencement Date, Tenant shall quietly and peaceably hold, possess and enjoy the Premises for the Term upon and subject to the terms, covenants and conditions contained herein.

**Section 30.18. Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the successors and assigns of Landlord and, subject to compliance with the terms of Article 15, Tenant.

[EXECUTION ON FOLLOWING PAGE]

EXECUTED as a sealed instrument as of the day and year first above written.

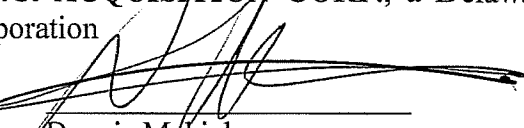

LANDLORD	TENANT
<b>DLL – SEWARD, LLC</b> , a Delaware limited liability company	<b>U.S.C. ACQUISITION CORP.</b> , a Delaware corporation
By: DL-6 Associates, LLC, a New York limited liability company	By: 
Its: Sole Member	Name: Dennis Mehiel
	Its: President
By: Louis R. Cappelli Family Limited Partnership II	
By: 	
Name: Louis R. Cappelli	
Its: General Partner	

Exhibit A  
DESCRIPTION OF LAND  
[ATTACHED]

Exhibit B  
SITE PLAN  
[ATTACHED]

Exhibit C

COMMENCEMENT DATE MEMORANDUM

**THIS COMMENCEMENT DATE MEMORANDUM** made as of the \_\_\_\_ day of April, 2007 between **DLL – SEWARD, LLC**, a Delaware limited liability company, having an office c/o Cappelli Enterprises, 115 Stevens Avenue, Valhalla, New York 10595 (“**Landlord**”), and **U.S.C. Acquisition Corp.** a Delaware corporation having an office at c/o U.S. Corrugated, Inc, Atlanta, Georgia (“**Tenant**”).

WHEREAS, Landlord and Tenant entered into that certain Industrial Triple Net Lease dated as of April \_\_, 2007 (the “**Lease**”), pursuant to which Landlord agreed to lease certain premises to Tenant; and

WHEREAS, pursuant to Section 1.02 of the Lease, Landlord and Tenant agreed to memorialize the commencement date and certain other matters.

NOW, THEREFORE, in consideration of the covenants contained in the Lease and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Commencement.** Landlord and Tenant agree and acknowledge that the “Commencement Date”, as such term is used in the Lease, shall mean April \_\_, 2007.

2. **Square Footage.** Landlord and Tenant agree and acknowledge that the square footage of the “Premises”, as such term is used in the Lease, shall be \_\_\_\_\_.

3. **Tenant’s Acceptance of the Premises.** Tenant acknowledges that it accepts the Premises in its “As-Is” condition.

[Execution on Following Page]

LANDLORD	TENANT
<p><b>DLL – SEWARD, LLC</b>, a Delaware limited liability company</p> <p>By: DL-6 Associates, LLC, a New York limited liability company  Its: Sole Member</p> <p>By: Louis R. Cappelli Family Limited Partnership II</p> <p>By: _____  Name: _____  Its: _____</p>	<p><b>U.S.C. ACQUISITION CORP.</b>, a Delaware corporation</p> <p>By: _____  Name: Dennis Mehiel  Its: _____</p>

# Exhibit D

## RENT SCHEDULE

Year	Rent
1	\$161,674
2	\$161,674
3	\$161,674
4	\$161,674
5	\$161,674
6	\$164,907
7	\$168,206
8	\$171,570
9	\$175,001
10	\$178,501
11	\$182,071
12	\$185,713
13	\$189,427
14	\$193,215
15	\$197,080
16	\$201,021
17	\$205,042
18	\$209,143
19	\$213,325
20	\$217,592



## Exhibit E

### ARBITRATION PROCEDURES

In the event of a dispute between the parties, either party shall have the right to initiate such arbitration by giving notice thereof to the other party. Upon the initiation of such arbitration, Landlord and Tenant shall promptly select a reputable, disinterested arbitrator having at least ten (10) years experience in arbitrating disputes relating to industrial/manufacturing buildings in State where the Premises is located. If Landlord and Tenant fail to agree upon the selection of such arbitrator within twenty (20) days after the initiation of the arbitration, either Landlord or Tenant, upon notice to the other, may request the appointment of the aforesaid arbitrator by the local office of the American Arbitration Association for the appointment of the arbitrator. The arbitration shall be conducted, to the extent consistent with the Lease, in accordance with the then prevailing rules of the American Arbitration Association (or any successor organization). The arbitrator shall render his or her decision in writing, and such decision shall be final, conclusive and binding on the parties, and the counterpart copies thereof shall be delivered to each of the parties. It is understood and agreed that in rendering such decision, the arbitrator shall not add to, subtract from or otherwise modify the provisions of this Lease

Exhibit F

**TENANT ESTOPPEL CERTIFICATE**

U.S. Corrugated, Inc., successor by merger to U.S.C. Acquisition Corp. (the "**Tenant**") is the tenant under that certain lease dated April 27, 2007, together with all amendments to such lease, each of which is listed below (such lease, together with all amendments listed below, the "**Lease**") with respect to Tenant's occupancy of approximately \_\_\_\_\_ square feet (the "**Leased Premises**") of the property located in \_\_\_\_\_, \_\_\_\_\_ (the "**Property**"). Tenant has been informed that **CIBC INC.**, a Delaware corporation (the "**Lender**") is contemplating making a loan (the "**Loan**") to the owner of the Property (the "**Landlord**"), which Loan will be secured by, among other things, a first mortgage, deed of trust or security deed in respect of the Property and an assignment of leases and rents (collectively, the "**First Mortgage**").

Tenant hereby certifies and represents to Lender and to Landlord that, as of the date set forth by its signature below:

1. The Lease has not been amended, modified, or supplemented by any letter agreement or other written instrument.
2. The Lease is in full force and effect. Tenant is the holder of the lessee's interest under the Lease. The Lease constitutes the only agreement to which Tenant is a party, or for the benefit of Tenant, with respect to the Property. Tenant is in sole possession of the Leased Premises, and has not subleased any portion of the Leased Premises.
3. The term of the Lease commenced on April 27, 2007. The current expiration date of the Lease is April 26, 2027. Pursuant to the Lease, Tenant has remaining two (2) options to extend the term of the Lease, each for five (5) years.
4. The current monthly Base Rent under the Lease is \$\_\_\_\_\_ per month. Tenant is currently obligated to pay said Base Rent, and has paid such Base Rent through and including the last day of the calendar month in which this Certificate is dated. Tenant is obligated to pay all real property taxes assessed against the property.
4. Tenant is not currently entitled to any future rent rebate, free rent, or other rental concession. Except as set forth in the Lease, Tenant has no right to terminate the Lease prior to the expiration date noted in Paragraph 3 above.
5. Tenant has accepted and taken possession of the Leased Premises. Tenant is open for business in the Leased Premises, and doing business therefrom with the public.
6. To the best of Tenant's knowledge, neither Landlord nor Tenant is in breach of, or in default under, the Lease, and Tenant knows of no event or condition which, with the passage of time or the giving of notice or both, would constitute such a breach or default by Tenant or Landlord under the Lease. Neither Tenant nor, to the best of Tenant's knowledge, Landlord has exercised any option to terminate the Lease, or taken any other action, or received any notice, with respect to the termination of the Lease.
7. The amount of the security deposit retained by Landlord under the Lease is \$0. To Tenant's knowledge, no portion of the security deposit has been applied by Landlord against rents under the Lease.
8. To the best of Tenant's knowledge, there are no actions, whether voluntary or otherwise, pending against the Tenant and/or any guarantor of the Tenant's obligations under the Lease pursuant to the bankruptcy or insolvency laws of the United States or any state.

9. No commission or other payment is due any real estate broker by Tenant in connection with the leasing of the Leased Premises to Tenant, and to Tenant's knowledge there are no agreements, oral or written, under which any real estate broker is entitled to any future payment or commission by Tenant in connection with the leasing of the Leased Premises to Tenant.

10. Neither Tenant nor, to Tenant's knowledge, Landlord, is in violation of any exclusive use, radius or non-competition clause in the Lease or in any other lease of any other portion of the Property.

Tenant acknowledges that Lender, in making the Loan, is relying upon the accuracy of the statements of Tenant in this Certificate. This Certificate shall be binding upon Tenant and its successors and assigns, and shall inure to the benefit of and be enforceable by Lender and its successors, assigns and designees.

**IN WITNESS WHEREOF**, Tenant has duly executed and delivered this Certificate as of the date set forth below.

Dated:

**U.S. CORRUGATED, INC.**

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

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

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

Exhibit G

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

\_\_\_\_\_,  
**Tenant**

**AND**

**CIBC INC.,  
Lender**

**Section:**

**Block:**

**Lot:**

**County:**

**State:**

**Premises:** \_\_\_\_\_

**Dated: as of \_\_\_\_\_, 200\_\_**

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**Record and return by mail to:**

**WINSTON & STRAWN LLP  
200 Park Avenue  
New York, New York 10166  
Attention: William C. Seligman, Esq.**

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## **SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**THIS AGREEMENT** made as of this \_\_\_ day of \_\_\_\_\_, 200 \_\_, by and among \_\_\_\_\_ ("Landlord"), **CIBC INC.**, a Delaware corporation ("**Lender**"), and \_\_\_\_\_ ("**Tenant**").

### **RECITALS:**

A. Tenant has executed that certain lease dated \_\_\_\_\_ [**IF APPLICABLE:** as amended by written agreements dated \_\_\_\_\_ and \_\_\_\_\_] (the foregoing, the "**Lease**"), with [\_\_\_\_\_, predecessor-in-title to] Landlord, as lessor, covering the premises described in the Lease consisting of approximately a \_\_\_\_\_ square foot space (the "**Premises**") in that certain building located at \_\_\_\_\_ (the "**Property**") and more particularly described in Exhibit A attached hereto and made a part hereof by this reference; and

B. Lender has made (or agreed to make) a loan to Landlord secured by a mortgage or deed of trust encumbering the Property and an assignment of Landlord's interest in the Lease (said mortgage or deed of trust and assignment of leases, together with any amendments, renewals, increases, modifications, substitutions or consolidations of either of them, collectively, the "**Security Instrument**"); and

C. Tenant and Lender desire to confirm their understanding with respect to the Lease and the Security Instrument, and to have Landlord confirm its agreement therewith.

**NOW, THEREFORE**, in consideration of the covenants, terms, conditions, and agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications or renewals thereof, including but not limited to any option to purchase, right of first refusal to purchase or right of first offer to purchase the Property or any portion thereof, if any, is and shall continue to be subject and subordinate in all respects to the Security Instrument and the lien created thereby.

2. Tenant agrees to deliver to Lender, in the manner set forth in Paragraph 13 of this Agreement, a copy of any notice of default sent to Landlord by Tenant. If Landlord fails to cure such default within the time provided in the lease, Lender shall have the right, but not the obligation, to cure such default on behalf of Landlord within thirty (30) calendar days after the time provided for Landlord to cure such default in the Lease has expired or, if such default cannot be cured within that time, within a reasonable period provided Lender is proceeding with due diligence to cure such default. In such event, Tenant shall not terminate the Lease while such remedies are being diligently pursued by Lender. Further, Tenant shall not terminate the Lease on the basis of any default by Landlord which is incurable by Lender (such as, for example, the bankruptcy of Landlord or breach of any representation by Landlord), provided Lender is proceeding with due diligence to commence an action to appoint a receiver or to obtain title to the Property by foreclosure, deed in lieu of foreclosure, or otherwise (collectively, "**Foreclosure**"). Tenant hereby agrees that no action taken by Lender to enforce any rights under the Security Instrument or related security documents, by reason of any default thereunder (including, without limitation, the appointment of a receiver, any Foreclosure or any demand for

rent under any assignment of rents or leases) shall give rise to any right of Tenant to terminate the Lease nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. So long as Tenant is not in default under the Lease, Lender shall not disturb Tenant's possession and occupancy of the Premises during the term of the Lease.

4. If Lender or its nominee or designee, or another purchaser of the Property upon a Foreclosure (any such person or entity, a "Successor Owner") succeeds to the interest of Landlord under the Lease, subject to Tenant's performance of its obligations under the Lease, the Lease will continue in full force and effect. Thereupon, Successor Owner shall recognize the Lease and Tenant's rights thereunder and Tenant shall make full and complete attornment to Successor Owner as substitute landlord upon the same terms, covenants and conditions as provided in the Lease, including, but not limited to, any option to purchase, right of first refusal to purchase or right of first offer to purchase the Property as may be provided in the Lease. Notwithstanding the foregoing, Tenant agrees that any such option, right of first refusal or right of first offer to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to any Foreclosure, as defined herein, and shall not apply to any transfer of the Property by Successor Owner following such Foreclosure. In consideration of the foregoing, Lender agrees that any such option, right of first refusal or right of first offer shall not be terminated by any Foreclosure or conveyance of the Property by Successor Owner following such Foreclosure; rather, any such option, right of first refusal or right of first offer shall remain as an obligation of any party acquiring the Property following the conveyance of the Property by Successor Owner following such Foreclosure. Furthermore, Tenant expressly confirms to Lender that any acquisition of title to all or any portion of the Property pursuant to Tenant's exercise of any option, right of first refusal or right of first offer contained in the Lease shall result in Tenant taking title subject to the lien of the Security Instrument.

5. Tenant agrees that, if Successor Owner shall succeed to the interest of Landlord under the Lease, Successor Owner shall not be:

(a) liable for any prior act or omission of Landlord or any prior landlord or consequential damages arising therefrom; or

(b) subject to any offsets or defenses which Tenant might have as to Landlord or any prior landlord unless Lender has failed to cure any default by Landlord as herein provided; or

(c) required or obligated to credit Tenant with any rent or additional rent for any rental period beyond the then current month which tenant might have paid Landlord; or

(d) bound by any amendments or modifications of the Lease made without Lender's or Successor Owner's prior written consent; or

(e) liable for refund of all or any part of any security deposit unless such security deposit shall have been actually received by Lender.

6. Tenant agrees that, without the prior written consent of Lender in each case, Tenant shall not (a) amend, modify, terminate or cancel the Lease or any extensions or

renewals thereof, or tender a surrender of the Lease (except in each case that, upon a default by Landlord under the Lease, Tenant may exercise its rights under the Lease after giving to Lender the notice and cure period required by this Agreement), (b) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof, or (c) subordinate or permit the subordination of the Lease to any lien subordinate to the Security Instrument. Any such purported action without such consent shall be void as against the holder of the Security Instrument.

7. To the extent that the Lease shall entitle Tenant to notice of the existence of any Security Instrument and the identity of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Tenant with respect to the Security Instrument and Lender.

8. Upon and after the occurrence of a default under the Security Instrument, which is not cured after any applicable notice and/or cure periods, Lender shall be entitled, but not obligated, to require that Tenant pay all rent under the Lease as directed by Lender, which payment shall, to the extent made, satisfy the obligations of Tenant under the Lease. Landlord agrees to hold Tenant harmless with respect to any such payments made by Tenant to Lender.

9. Nothing in this Agreement shall impose upon Lender any liability for the obligations of Landlord under the Lease unless and until Lender takes title to the Property. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor Owner shall acquire title to the Property or the portion thereof containing the Premises, Successor Owner shall have no obligation, nor incur any liability, beyond Successor Owner's then interest, if any, in the Property, and Tenant shall look exclusively to such interest, if any, of Successor Owner in the Property for the payment and discharge of any obligations imposed upon Successor Owner hereunder or under the Lease, and Successor Owner is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that, with respect to any money judgment which may be obtained or secured by Tenant against Successor Owner, Tenant shall look solely to the estate or interest owned by Successor Owner in the Property, and Tenant will not collect or attempt to collect any such judgment out of any other assets of Successor Owner.

10. Except as specifically provided in this Agreement, Lender shall not, by virtue of this Agreement, the Security Instrument or any other instrument to which Lender may be party, be or become subject to any liability or obligation to Tenant under the Lease or otherwise.

11. EACH OF TENANT, LENDER AND LANDLORD HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. The provisions of the Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns. The words, "Lender", "Landlord" and "Tenant" shall include their respective heirs, legatees, executors, administrators,

beneficiaries, successors and assigns.

13. All notices and all other communication with respect to this Agreement shall be directed as follows: if to Lender, 300 Madison Avenue, 8<sup>th</sup> Floor, Attention: Real Estate Group, New York, New York 10017, or such other address as Lender may designate in writing to Tenant; and, if to Tenant, at the address set forth in the Lease or at such other address as tenant may designate in writing to Lender. All notices shall be in writing and shall be (a) hand-delivered, (b) sent by United States express mail or by private overnight courier, or (c) served by certified mail postage prepaid, return receipt requested, to the appropriate address set forth above. Notices served as provided in (a) and (b) shall be deemed to be effective upon delivery or upon refusal thereof. Any notice served by certified mail shall be deposited in the United States mail with postage thereon fully prepaid and shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three business days after the date of mailing, whichever is earlier in time.

14. This Agreement contains the entire agreement between the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

15. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

[no further text this page]



**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the day and year first above written.

**CIBC INC.**, a Delaware corporation

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

Name:

Title: Authorized Signatory

**[TENANT]**

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

Name:

Title:

AGREED AND CONSENTED TO:

**[LANDLORD]**

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

Name:

Title:

STATE OF NEW YORK  
COUNTY OF NEW YORK

On the \_\_\_\_ day of \_\_\_\_\_ in the year 200\_\_, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity as Authorized Signatory of CIBC Inc., and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_

**[Add Acknowledgments -- Landlord & Tenant]**

## **EXHIBIT A**

### **Legal Description of Property**

Exhibit H

FORM OF MEMORANDUM OF LEASE

After recording, mail to:  
Jeremy Hilsman, Esq.  
Paul, Hastings, Janofsky & Walker  
600 Peachtree Street N.E. – Suite 2400  
Atlanta, GA 30308-2222

**MEMORANDUM OF LEASE**

**(NEBRASKA)**

THIS MEMORANDUM OF LEASE (this “Memorandum”) is made this \_\_\_\_ day of April, 2007, by and between U.S.C. ACQUISITION CORP., a Delaware corporation (“Lessee”) and DLL - SEWARD, LLC, a Delaware limited liability company (“Lessor”).

**WITNESSETH:**

1. Lessor leases to Lessee and Lessee leases from Lessor certain real property located in the City of Seward, County of Seward, State of Nebraska, as described on Exhibit “A” attached hereto and by this reference incorporated herein, pursuant to that certain Industrial Triple Net Lease dated as of April \_\_\_, 2007 between Lessee and Lessor (as amended, modified or supplemented thereto, the “Lease”). Capitalized terms used in this Memorandum but not otherwise defined shall have the meaning given in the Lease.

2. The Lease provides for an initial term of twenty (20) years, commencing on April \_\_\_, 2007, and expiring on the last day of the calendar month in which the twentieth (20th) anniversary of the commencement date occurs, with two (2) options to extend the term for additional periods of five (5) years each.

3. Other terms and conditions pertaining to the Lease are set forth in the Lease and are incorporated herein by this reference.

4. This Memorandum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same agreement.

5. This Memorandum is a short form for recording purposes only, and is not a complete summary of the Lease. In the event of any inconsistency between the terms of this Memorandum and terms of the Lease, the terms of the Lease shall prevail.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the day first above written.

**“Lessor”**

DLL - SEWARD, LLC,  
a Delaware  
limited liability company

By: DLL – 6 Associates, LLC, a New York  
limited liability company, its Sole Member

By: Louis R. Cappelli Family Limited  
Partnership III

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**“Lessee”**

U.S.C. ACQUISITION CORP.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: Thomas Uleau  
Title: Vice President and CFO

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_ day of \_\_\_\_\_, 2007, before me, the undersigned, a Notary Public duly commissioned and qualified in and for \_\_\_\_\_ county, personally came the above named \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, who is personally known to me to be the identical person whose name is affixed to the above instrument as \_\_\_\_\_ of said \_\_\_\_\_, and s/he acknowledged the instrument to be his/her voluntary act and deed and the voluntary act and deed of said \_\_\_\_\_.

Witness my hand and notarial seal at \_\_\_\_\_ in \_\_\_\_\_ county, the date aforesaid.

My commission expires:

\_\_\_\_\_  
Notary Public

[NOTARY SEAL]

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_ day of April \_\_ 2007, before me, the undersigned, a Notary Public duly commissioned and qualified in and for \_\_\_\_\_ county, personally came the above named Thomas Uleau of U.S.C. Acquisition Corp., a Delaware corporation, who is personally known to me to be the identical person whose name is affixed to the above instrument as Vice President and CFO of said corporation, and he/she acknowledged the instrument to be his/her voluntary act and deed and the voluntary act and deed of said corporation.

Witness my hand and notarial seal at \_\_\_\_\_ in \_\_\_\_\_ county, the date aforesaid.

My commission expires:

\_\_\_\_\_  
Notary Public

[NOTARY SEAL]

Exhibit "A"

Legal Description