Dallas County

BRIEFING / COURT ORDER

Commissioners Court - Aug 16 2022

☐ Resolution
☐ Solicitation/Contract
☐ Executive Session
☐ Addendum

Authorize the provision of a five-year, 40% abatement on real business personal property increases to Zobele USA Inc. for the construction of improvements to increase manufacturing and packing capacity of household care products in Dallas County, specifically in the City of Garland, effective no later than January 1, 2024.

Briefing Date:	Aug 16 2022
Funding Source:	
Originating Department:	Planning and Development
Prepared by:	Luis Tamayo, Planning and Development Director
Recommended by:	Luis Tamayo, Planning and Development Director

BACKGROUND INFORMATION:

Zobele USA Inc. is considering expanding their manufacturing and packing capacity at their existing Garland facility. This expansion would involve the construction of a mezzanine level within the building and adding additional equipment and staff to operate it. In order to help facilitate this expansion, Dallas County has proposed providing a five-year, 40% tax abatement on increases in business personal property at the site. As Zobele is now prepared to undertake this facility improvement, it has requested that the County formally authorize the proposed abatement.

Under this abatement request, Zobele would improve the existing manufacturing and packing facility located in City of Garland at 3502 Regency Crest Drive, located just west of Jupiter Road and South of Miller Road. The project would create and maintain 150 new jobs with an average salary of $54,000. Additionally, this project will increase the County's tax base by at least $18.8 million.

OPERATIONAL IMPACT:

The improvements at Zobele's facility project must, under the County's abatement policy, increase the County's tax base by at least $8 million and employ 100 people within three years to be eligible. This project is anticipated to increase the County's tax base by $18.8 million by January 1, 2024, and employ at least 150 people.

FINANCIAL IMPACT:

It is estimated the County would abate, during this 5-year period, approximately $17,142 a year in tax revenue that does not presently exist. Likewise, during the 5 years of the abatement, the County would receive about $42,854 a year in new revenue.

In so doing, the project would increase, in total, the estimated total amount of property that the County would abate in tax year 2024 from approximately $655 million to $674 million. The impact of increase will not significantly change the estimated total percentage of the County's tax base that would be abated in 2024, currently projected to remain below 0.2%. This percentage is below the historical average, and on the low end of the range of a high of 1% in 2006 to a low 0.1% in 2021.

SBE PARTICIPATION:

SBE information pertaining to Zobele USA Inc. is provided to the Court under separate cover.

ADMINISTRATIVE PLAN COMPLIANCE:

The County's administrative plan recommends the County undertake activities which will allow it to become the destination of choice for businesses and residents. Facilitating the expansion of manufacturing and the manufacturing employment base is consistent with this plan.

RECOMMENDATION:

Authorize the provision of a five-year 40% abatement on business personal property to Zobele USA Inc. for the construction of improvements to increase manufacturing and packing capacity in Dallas County.

MOTION:

On a motion made by TBD, and seconded by TBD, the following order will be voted on by the Commissioners Court of Dallas County, State of Texas:

Be it resolved and ordered that the Dallas County Commissioners Court does hereby authorize the provision of a five-year, 40% abatement on business personal property increases to Zobele USA Inc. for the construction of improvements to increase manufacturing and packing capacity in Dallas County, effective no later than January 1, 2024. This authorization is subject to the firm creating at least 150 new full-time-equivalent jobs starting in 2024, with the average salary of these jobs being at least $54,000; and increasing the County's tax base by at least $18.8 million. It is further resolved and ordered that the County Judge is authorized to sign the related tax abatement agreement which shall govern the provision of this abatement.

ATTACHMENTS:

Zobele Tax Abatement Agreement FINAL EXECUTION VERSION with Exhibits signed by vendor, Luis, DACiv

ZOBELE USA, INC. TAX ABATEMENT AGREEMENT

STATE OF TEXAS §

COUNTY OF DALLAS §

This Tax Abatement Agreement ("*Agreement*") is made and entered into as of the _____ day of _____, 2022, by and between Dallas County, a political subdivision of the State of Texas duly acting by and through its Commissioners Court ("*County*"), and Zobele USA, Inc. a Texas corporation, hereinafter referred to as ("*Owner/Lessee*") and Owner of Business Personal Property (hereafter defined), located at 3502 Regency Crest Drive, Garland, Texas 75041. The County and Owner/Lessee may be referred to individually as a "*Party*" or collectively as "*Parties*".

WITNESSETH:

WHEREAS, the County has adopted a Tax Abatement Policy ("*Policy*"), by the passage of Dallas County Commissioners Court Order 2022-0126 on the 1st day of February, 2022, that contains the guidelines and criteria used to determine the provision of tax abatement assistance from the County authorized under the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended, and Chapter 381 of the Texas Local Government Code;

WHEREAS, the County's current Tax Abatement Policy is attached as **Exhibit "A"** hereto;

WHEREAS, the Owner/Lessee leases and maintains certain Property (hereafter defined) and Improvements (hereafter defined) within Dallas County, Texas located at 3502 Regency Crest Drive, Garland, Texas 75041 pursuant to a binding lease agreement entered into between Owner/Lessee, as tenant and STAG TX HOLDINGS, LP, a Delaware limited partnership, as landlord and owner of the Property and Improvements effective October 30, 2017 (the "Lease Agreement"), which is attached as **Exhibit "B"** hereto and incorporated into this Agreement for all intent and purposes;

WHEREAS, Owner/Lessee anticipates undertaking certain Economic Activity (as hereafter defined) on or about the Property (as hereinafter defined), including, without limitation, (i) construction of Improvements (as hereinafter defined) to the Property for the purpose of increasing manufacturing and packing capacity of household products; (ii) generation and retention of employment opportunities at or related to the Property as more particularly described herein; and (iii) making certain Improvements and Business Personal Property (hereinafter defined) investments with respect to the Property, and the County finds that the other terms hereof are consistent with encouraging development in accordance with Court Order 2022-0126 and 2022-_____ , Chapter 381 of the Texas Local Government Code, and all other applicable laws; and

WHEREAS, the County finds that the Owner/Lessee's contemplated construction of the Improvements on the Property and Owner/Lessee's anticipated use of the Property, the contemplated generation and retention of employment opportunities at or related to the Property, and the contemplated real property Improvements and Business Personal Property investments on or about the Property are feasible and practical and will be of significant benefit to the County and its citizens; and

WHEREAS, the County finds that the terms of this Agreement and the Property and proposed investments, as hereinafter described, meet the applicable guidelines and criteria of the Policy; and

WHEREAS, Court Orders 2022-0126 and 2022-_____ authorize the County to enter into this Agreement with the Owner/Lessee.

NOW THEREFORE, the County, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of new investment and increased job generation that contributes to the economic development of the County and the enhancement of the County's tax base; and the Owner/Lessee, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Court Orders 2022-0126 and 2022-_____ do hereby contract, covenant, and agree as follows:

SECTION I.
DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings set forth below:

1. "*Affiliates*" shall mean any other entity directly or indirectly controlled by or under direct or indirect common control of the Owner/Lessee. As used in this definition, the term "control", "controlling" or "controlled by" shall mean the possession, directly or indirectly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of such entity or (b) direct or cause the direction of management or policies of such entity, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of such entity or any affiliate of such lender.

2. "*Base Value"* shall mean the appraised value of the Property and the Business Personal Property as determined by Dallas Central Appraisal District ("DCAD") as of January 1, 2021.

3. *"Business Personal Property"* shall include all personal property, including any equipment or machinery characterized as fixtures, owned or leased by Owner/Lessee located on or re-located to the Property used in connection with operation of the Improvements and for which Owner/Lessee is responsible for paying any applicable property taxes, but excluding any business personal property that is exempt from ad valorem taxation as Freeport goods pursuant to Section 11.251 of the Texas Tax Code and Article VIII, Section 1-j of the Texas Constitution.

4. "*Economic Activity*" shall mean the following acts undertaken by or on behalf of Owner/Lessee: (i) construction of the Improvements on the Property and use of the Improvements and Property to increase manufacturing and packing capacity of household products; (ii) Owner/Lessee's creation of 150 Full-Time Permanent Positions (as hereinafter defined) and/or Full-Time Equivalent Permanent Positions (as hereinafter defined) to be located on the Property, such creation of employment opportunities being more particularly described in the Job Creation Requirement set forth below; (iii) the retention of 120 Full-Time Permanent positions that already existed within the County at the Property as of January 1, 2022, such retention being more particularly described in the Job Retention Requirement (defined below) and (iv) the investment

of funds with regard to certain real property Improvements and Business Personal Property located on or relocated to the Property or used in connection with the Owner/Lessee's operations on the Property.

5. *"Eligible Business Personal Property Value"* shall mean the value, as annually established by DCAD, of all of Owner/Lessee's Business Personal Property, excluding any Freeport-eligible inventory, within the Property less the Business Personal Property's Base Value, as defined herein and as established by DCAD.

6. "*Eligible Real Property Value*" shall mean the value, as annually established by DCAD of all Property and Improvements within the Property less the Property's Base Value, as defined herein and as established by DCAD.

7. *"Improvements"* shall mean those certain improvements constructed or to be constructed on or about the Property. The Improvements shall be used in connection with the Economic Activity undertaken by Owner/Lessee.

8. "*Job Creation Requirement*" shall refer to the Owner/Lessee's agreement to (i) annually employ an aggregate number of a minimum of 150 persons in Full-Time Permanent Positions (as defined herein) and/or Full-Time Equivalent Permanent Positions (as defined herein), ("Total Job Creation Requirement") to be located at the Property (in addition to the 120 positions required for the Job Retention Requirement) with the average annual salary of these 150 positions counted for purposes of the Total Job Creation Requirement and 120 positions counted for the purposes of the Job Retention Requirement being at least $54,000.00 beginning as of January 1, 2024; and being maintained thereafter for the remainder of the Tax Abatement Period.

9. "*Job Retention Requirement*" shall refer to Owner/Lessee's agreement to annually retain or cause the retention of at least 120 Full-Time Permanent Positions and/or Full-Time Equivalent Permanent Positions that it already had within the County on January 1, 2022.

10. "*Owner/Lessee*" shall mean and refer to the parties to this Agreement who are the respective lessees of the Property and Improvements and owners of the Business Personal Property that is subject to tax abatement hereunder and any Successor Entity.

11. "*Property*" shall mean that land physically located at 3502 Regency Crest Drive in Garland, Texas and legally described and generally depicted in **Exhibit "C",** attached hereto and incorporated by reference. The County relies on the attached Exhibit "C", provided by Owner/Lessee to be a full, complete and accurate legal description of said parcel, and to the extent that said description might exceed said parcel, it is excluded from any abatement provided for hereunder.

12. "*Successor Entity*" shall mean (i) any entity which is a successor or assign to the Owner/Lessee by merger, consolidation, assignment reorganization or otherwise; or (ii) a purchaser of all or substantially all of the Owner/Lessee's assets.

SECTION II.
GENERAL PROVISIONS

1. The County has adopted guidelines and criteria governing tax abatement agreements such that it is authorized to enter into this Agreement.

2. The Property is not located in an improvement project financed by tax increment bonds.

3. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the County.

4. The Property is not owned or leased by any member of the Dallas County Commissioners Court.

5. The Owner/Lessee represents that it is occupying and operating the Property and Improvements under a legally binding lease agreement entered into between Owner/Lessee, as tenant and STAG TX HOLDINGS, LP, a Delaware limited partnership, as landlord and owner of the Property and Improvements effective October 30, 2017 (the "Lease Agreement"). Pursuant to the Lease Agreement, the Owner/Lessee per Section 2.4 and Article 13 has the authority to construct the Improvements.

6. Owner/Lessee covenants and agrees that the construction of the Improvements and use of the Property and Business Personal Property subject to this Agreement will be in accordance with and will comply with all applicable federal, state, and local laws, statutes, ordinances, and regulations including all federal and state laws relating to nondiscrimination, including but not limited to, Title VI of the Civil Rights Act of 1964, as amended.

7. During the Tax Abatement Period (hereinafter defined), Owner/Lessee shall be subject to all County taxation not specifically abated or exempted.

8. Owner/Lessee, as applicable, shall have the right to protest and/or contest DCAD appraisals of the Property, the Improvements located upon the Property and/or Business Personal Property over and above the respective Base Value of the Property, the Improvements located upon the Property and/or the Business Personal Property, as the case may be, under the procedures in place by the Tax Code of the State of Texas. The Tax Abatement (as hereinafter defined) shall be applied to the amount of taxes finally determined by DCAD to be due as a result of any such protest and/or contest by Owner/Lessee.

SECTION III.
RATE AND CONDITIONS OF TAX ABATEMENT

1. Owner/Lessee, as applicable, shall receive the Business Personal Property Tax Abatement (hereinafter defined) upon satisfaction of the conditions set forth in Section III(1)(a)-(d) below. For purposes of this Agreement, the Business Personal Property Tax Abatement shall be referred to herein as the "*Tax Abatement*". Owner/Lessee shall receive a forty percent (40%) abatement of the taxes assessed on the Eligible Business Personal Property Value (the "*Business Personal Property Tax Abatement*") from the County for each qualifying year during the Tax Abatement Period subject to the terms of this Agreement.

(a) Owner/Lessee shall construct and/or have constructed the Improvements on the Property for the purpose of operating a facility to manufacture and package household products and shall use the Property for such purposes.

(b) The aggregate of the Eligible Real Property Value and the Eligible Business Personal Property Value by January 1 of each year during the Tax Abatement Period, as determined by DCAD, shall be at least equal to eighteen million eight hundred-thousand-Dollars ($18.8 million) ("*Aggregate Value Condition*").

(c) The Owner/Lessee shall file or cause to be filed the annual exemption application (the "*Exemption Application*") forms with DCAD for the Business Personal Property Tax Abatement that the Owner/Lessee believes it is eligible to receive under this Agreement.

(d) Owner/Lessee shall comply with the Job Creation Requirement and the Job Retention Requirement. Employment positions applied toward satisfaction of the Job Creation Requirement and the Job Retention Requirement shall include Full-Time Permanent Positions or Full-Time Equivalent Permanent Positions (as such terms are hereinafter defined). A Full-Time Permanent Position means a "position for which an individual is scheduled to work at least 1800 hours in a twelve-month period for Owner/Lessee, its subsidiaries, or its affiliates as an employee." A Full-Time Equivalent Permanent Position means "two or more part-time positions filled by individuals working with or for Owner/Lessee, its subsidiaries, or its affiliates a combined total of at least 35 hours per week as an employee" which shall be counted as one Full-Time Equivalent Permanent Position.

SECTION IV.
ABATEMENT PERIODS

The Tax Abatement provided under this Agreement is for a period of five (5) years and will begin no later than January 1, 2024 (the "*Tax Abatement Period*"). Owner/Lessee and the County shall have no further obligations under this Agreement upon expiration of the Tax Abatement Period, except as otherwise provided herein.

SECTION V.
RECORDS AND AUDITS

1. No later than March 31 of the first year that this Tax Abatement goes into effect and January 31 of each applicable year thereafter during the Tax Abatement Period, Owner/Lessee shall submit to the County in writing, a certification as to the number of Full-Time Permanent Positions and Full-Time Equivalent Permanent Positions that are located on the Property as of January 1 of such year.

2. At all times throughout the Tax Abatement Period, the County shall have reasonable access during normal business hours to the Property by County employees (upon at least one-week's prior written notice to the Owner/Lessee) for the purpose of inspecting same to ensure that the Property is being used for the required Economic Activity in accordance with the specifications and conditions of this Agreement; provided that the Owner/Lessee

shall have the right to accompany County employees on any such inspection. In no event shall such inspections interfere with Owner/Lessee's ownership and operation of the Property.

3. The Property at all times during the Tax Abatement Period shall be used in a manner consistent with Court Orders 2022-0126 and 2022-_____ and shall be consistent with the general purpose of encouraging economic development within the County.

SECTION VI.
DEFAULT

1. Subject to the cure provisions of this Section VI, a default under this Agreement occurs in the event that the Owner/Lessee: (i) allows its ad valorem tangible business personal property taxes owed to the County from the Property associated with this Agreement as well as from other property the Owner/Lessee may own within the County to become delinquent during the Tax Abatement Period and fail to timely and properly follow the legal procedures for protest and/or contest of any such taxes; (ii) fails to file an annual Exemption Application; (iii) fails to meet the Aggregate Value Condition for each relevant year; (iv) fails to comply with both the Job Creation Requirement and Job Retention Requirement during the Tax Abatement Period; (v) is convicted of a violation under 8 USC Section 1324a(f); or (vi) fails to comply with any of the terms or conditions set forth in this Agreement. In the event that the Owner/Lessee defaults in its performance as set forth in any of (i), (ii), or (vi) above, the County or DCAD shall give Owner/Lessee written notice of such default and Owner/Lessee shall have the right to cure such default. If Owner/Lessee has not cured a default under (i), (ii), or (vi) within ninety (90) days of said written notice or if a default under (iii) or (iv) occurs, an event of default (an "*Event of Default*") shall exist and this Agreement shall terminate (and Owner/Lessee shall not receive any Tax Abatements for years after such Event of Default, it being expressly understood that, except as set forth in Section VI (2) below, an Event of Default shall not entitle County to reclaim or receive a repayment right with respect to any Tax Abatement for any year before the Event of Default occurs, and that the sole remedy by the County for an Event of Default which results from a failure by the Owner/Lessee to meet a condition is the termination of this Agreement and not damages or specific performance or any other remedy). In the event that Owner/Lessee cures any such default within the applicable cure period or prior to termination of this Agreement, no Event of Default shall exist and this Agreement shall continue in full force and effect, without penalty to Owner/Lessee.

2. Upon the occurrence of a court finding a violation of Section VI (1)(v) set forth above, all taxes which otherwise would have been paid by the Owner/Lessee to the County without the benefit of the Tax Abatement, including interest and penalties thereon ("Recapture Liability"), will become a debt to the County and shall be due, owing, and paid to the County within one hundred twenty (120) calendar days of a final determination by a court of competent jurisdiction that the Owner/Lessee has violated 8 USC 1324a(f) as the sole remedy of the County, subject to any and all lawful offsets, settlements, deductions, or credits to which the Owner/Lessee may be entitled, and subject to the rights of the Owner/Lessee under applicable law to contest an assertion that a violation of Section VI(1)(v) has occurred. The Recapture Liability interest and penalties shall be charged at

the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas.

3. This Agreement inures to the benefit of and is enforceable by the County. The County has the right to prosecute or take appropriate action, at law or in equity, against the Owner/Lessee to enforce any other covenant or provision (but not a condition) contained within this Agreement. If the County substantially prevails in a legal proceeding to enforce this Agreement against the Owner/Lessee, the County is further entitled to recover damages (to the extent the County's remedies are not expressly limited herein), reasonable attorney's fees, and court costs from the Owner/Lessee. Any payment due to the County under this Agreement will automatically become a lien which attaches to the Property on January 1 of each year to enforce the payment of all taxes, penalties, and interest ultimately imposed for the year on the Property.

SECTION VII.
EFFECT OF SALE, ASSIGNMENT, OR LEASE OF PROPERTY

The terms and conditions of this Agreement are binding upon the successors and assigns of all Parties hereto. The Owner/Lessee, including any Successor Entity, may assign its rights and responsibilities under this Agreement including the right to receive the Tax Abatement to a parent, subsidiary, or an affiliate entity of an Owner/Lessee or Successor Entity, or any new entity created as a result of a merger, acquisition or other corporate restructure or reorganization of the Owner/Lessee or Successor Entity acquiring title to the Property without the prior approval of the County so long as the entity that will succeed to Owner/Lessee's or Successor Entity's rights and responsibilities under this Agreement enters into a written agreement with the County agreeing to assume, perform, and be bound by all of the covenants, obligations, and agreements contained within this Agreement. Should the Owner/Lessee or Successor Entity assign such rights and responsibilities under this Agreement, the Owner/Lessee or Successor Entity shall give County prior written notice of such assignment at least sixty (60) calendar days prior to such assignment. Owner/Lessee agrees that such an assignment will in no way relieve it from any obligation created under this Agreement attributable to the period prior to the assignment.

SECTION VIII.
NOTICE

All notices called for or required by this Agreement shall be reduced to writing and shall be given by (a) electronic mail; and (b) at least one of the following: (i) U.S. mail postage prepaid, by certified or registered mail, return receipt requested; (ii) a nationally recognized overnight delivery service; or (iii) personal delivery, with signed acceptance by the person designated below. In order to be effective, notice shall be addressed to the person shown at the respective addresses set forth below, or such other party or address as a party designates in writing, and shall be deemed properly given: (i) on the third (3rd) business day after being deposited in the U.S. mail postage prepaid, by certified or registered mail, return receipt requested; (ii) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service; or (iii) on the date personally delivered, with signed acceptance thereof by the person designated below.

OWNER/LESSEE:

Zobele USA Inc.
3502 Regency Crest Drive
Garland, Texas 75041
Attn: Eduardo Gonzalez
EGonzalez@kdc-one.com

COUNTY:

Director of Planning & Development
Dallas County Commissioners Court
411 Elm Street, 3rd Floor
Dallas, Texas 75202
Luis.Tamayo@dallascounty.org

Copies to:

Dallas County District Attorney's Office
Chief, Civil Division
Records Building
500 Elm Street, Suite 6300
Dallas, Texas 75202
Russell.Roden@dallascounty.org

SECTION IX.
COUNTY AUTHORIZATION

This Agreement is authorized by Court Orders 2022-0126 and 2022-_____ approved at the Commissioners Court meetings of the 1st day of February, 2022 and the ____ day of _____, 2022, respectively.

SECTION X.
OWNER AUTHORIZATION

The execution and performance of this Agreement by Owner/Lessee has been duly authorized by their governing authority and does not require the consent or approval of any other person which has not been obtained. Additionally, the person or persons executing this Agreement on behalf of the Owner/Lessee represents, warrants, assures and guarantees that he, she or they have full legal authority to execute this Agreement on behalf of the Owner/Lessee and to bind Owner/Lessee to all terms, performances, and provisions herein contained.

SECTION XI.
SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

SECTION XII
ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate from the other party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which, if requested, will be addressed to a subsequent purchaser, assignee or Successor Entity of the Owner/Lessee, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party to receive the certificate.

SECTION XIII.
APPLICABLE LAW AND VENUE

The validity and interpretation of this Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws of the State of Texas. This Agreement is performable and enforceable in Dallas County, Texas where the principal office of County is located and the federal and state courts physically located in Dallas County, Texas shall be the sole and exclusive venue for any litigation, special proceeding, or other proceeding as between the Parties that may be brought, or arise out of, in connection with, or by reason of this Agreement.

SECTION XIV.
SOVEREIGN IMMUNITY

THIS AGREEMENT IS EXPRESSLY MADE SUBJECT TO THE COUNTY'S SOVEREIGN IMMUNITY, TITLE 5 OF THE TEXAS CIVIL PRACTICES AND REMEDIES CODE, AND ALL APPLICABLE FEDERAL AND STATE LAW. THE PARTIES EXPRESSLY AGREE THAT NO PROVISION OF THIS AGREEMENT IS IN ANY WAY INTENDED TO CONSTITUTE A WAIVER OF ANY IMMUNITIES FROM SUIT OR FROM LIABILITY THAT THE COUNTY HAS BY OPERATION OF LAW. NOTHING IN THIS AGREEMENT IS INTENDED TO BENEFIT ANY THIRD-PARTY BENEFICIARY.

SECTION XV.
AMENDMENTS AND CHANGES IN THE LAW

No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and signed by both Owner/Lessee and County with formal approval by the Dallas County Commissioners Court. Any alteration, addition, or deletion to the terms of this Agreement which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by said law.

SECTION XVI.
INDEMNIFICATION

OWNER/LESSEE, INCLUDING ITS ASSIGNS, SUCCESSORS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUBCONTRACTORS AND REPRESENTATIVES, (COLLECTIVELY "INDEMNIFYING PARTY") AGREES TO DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE COUNTY, INCLUDING ITS COMMISSIONERS, ELECTED OFFICIALS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ASSIGNS AND REPRESENTATIVES (COLLECTIVELY "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LIENS, SUITS, LOSSES, COSTS, DAMAGES, JUDGMENTS, AND EXPENSES, (INCLUDING WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEY'S FEES AND COSTS OF INVESTIGATION) OR OTHERWISE OF ANY NATURE, KIND OR DESCRIPTION DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO (IN WHOLE OR IN PART), INDEMNIFYING PARTY'S PERFORMANCE, FAILURE TO PERFORM OR COMPLY OR BREACH OF ANY OF THE REQUIREMENTS AND PROVISIONS OF THIS AGREEMENT.

NO INDEMNIFICATION BY COUNTY: OWNER/LESSEE ACKNOWLEDGES AND AGREES THAT COUNTY DOES NOT HAVE THE ABILITY UNDER ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION TO INDEMNIFY OWNER/LESSEE OR ANY OTHER THIRD PARTY FOR DAMAGES ARISING UNDER THIS AGREEMENT.

SURVIVAL: THESE PROVISIONS IN SECTION XVI SHALL SURVIVE TERMINATION, EXPIRATION, OR CANCELLATION OF THIS AGREEMENT, OR ANY DETERMINATION THAT THIS AGREEMENT OR ANY PORTION HEREOF, EXCEPT FOR THIS SECTION XVI, IS VOID, VOIDABLE, INVALID, OR UNENFORCEABLE.

SECTION XVII.
CONTRA PROFERENTUM

The doctrine of contra proferentum shall not apply to this Agreement. If an ambiguity exists in this Agreement, this Agreement shall not be construed against the party who drafted this Agreement, and such party shall not be responsible for the language used.

SECTION XVIII.
ENTIRE AGREEMENT

This Agreement, including all Exhibits, Attachments, and determinations recited and declared in the preamble to this Agreement are hereby incorporated as part of this Agreement and together constitutes the entire agreement between the Parties hereto and supersedes any other agreement concerning the subject matter of this transaction, whether oral or written, by and between Owner/Lessee and the County.

SECTION XIX.
NUMBER/GENDER AND HEADINGS

Words of any gender used in this Agreement shall be held and construed to include any other gender and any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

SECTION XX.
EFFECTIVE DATE OF AGREEMENT

This Agreement shall become effective on the date on which the last of the two parties signs this Agreement (the "*Effective Date*") and shall continue until the expiration of the Tax Abatement Period (the "*Term*") unless this Agreement is terminated sooner as provided hereunder. Either Party may terminate this Agreement for any reason and without cause prior to the beginning of the Tax Abatement Period with sixty (60) days prior written notice to the other Party, upon such termination this Agreement shall be null and void and the Parties shall have no further rights or obligations with respect hereto. The termination of this Agreement shall be in writing and signed by both Owner/Lessee and County with formal approval by the Dallas County Commissioners Court.

SECTION XXI.
FORCE MAJEURE

It is expressly understood and agreed by the Parties to this Agreement that if a Party's ability to satisfy any obligation under this Agreement including, but not limited to the substantial completion of the Improvements is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by franchised utilities or their contractors, fire or other casualty, court injunction, necessary condemnation proceedings, or any circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance, including without limitation, the Tax Abatement Period shall be extended for a period of time equal to the period such Party was delayed, but in no event shall the abatement of taxes exceed more than five years.

SECTION XXII.
OWNER CERTIFICATIONS

TEXAS GOVERNMENT CODE CHAPTER 2264 CERTIFICATION. Owner/Lessee, by execution of this Agreement and in accordance with Chapter 2264 of the Texas Government Code, certifies that they do not and will not knowingly employ any undocumented workers at the Property during the term of this Agreement and that if the Owner/Lessee is convicted of a violation under 8 U.S.C. Section 1324a(f), Owner/Lessee shall repay all taxes which otherwise would have been paid to the County without the benefit of the tax abatement, including interest and penalties thereon within the time period set forth in Section VI (2) of this Agreement.

SECTION XXIII.
NON-WAIVER OF DEFAULT

Failure of any Party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way affect the validity of this Agreement, any part hereof, or the right of the Party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived or breach excused unless the waiver shall be in writing and signed by the Party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach. It is not a waiver of default if the non-defaulting Party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either Party's use of any right or remedy will not preclude or waive its right to use any other remedy at law or in equity. These rights and remedies are in addition to any other rights the Parties may have by law, statute, ordinance or otherwise. Parties have a duty to mitigate damages.

SECTION XXIV.
PROHIBITION ON CONTRACT WITH CERTAIN COMPANIES PROVISION

In accordance with Section 2252.152 of the Texas Government Code, the Owner/Lessee covenants and agrees that Owner/Lessee is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

SECTION XXV.
NOTICE TO OTHER GOVERNING BODIES

At least seven (7) days prior to the execution of this Agreement, notice of the County's intention to enter into this Agreement shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real property that is the subject of this Agreement.

SECTION XXVI.
COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement may be signed and executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. The Parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS HEREOF, the Parties hereto have executed this Tax Abatement Agreement as of the date set forth below.

DALLAS COUNTY:

By: _____

Name: Clay Lewis Jenkins

Title: County Judge

Date: _____

ZOBELE USA INC. (OWNER/LESSEE):

By: _____

Name: Eduardo Gonzalez

Title: Plant Manager

Date: 08/02/2022

RECOMMENDED BY:

Luis Tamayo 8/3/2022

Luis Tamayo
Director of Planning & Development

APPROVED AS TO FORM:*

JOHN CREUZOT
DALLAS COUNTY CRIMINAL DISTRICT ATTORNEY

RUSSELL RODEN
CHIEF, CIVIL DIVISION

Tina R. Patel

Digitally signed by Tina R. Patel
DN: cn=Tina R. Patel, o=Dallas County District Attorney's Office, ou=Civil Division, email=Tina.Patel@dallascounty.org, c=US
Date: 2022.08.03 12:20:26 -05'00'

By: _____
Tina R. Patel, Assistant District Attorney

*BY LAW, THE DISTRICT ATTORNEY'S OFFICE MAY ONLY ADVISE OR APPROVE CONTRACTS OR LEGAL DOCUMENTS ON BEHALF OF ITS CLIENTS. IT MAY NOT ADVISE OR APPROVE A LEASE, CONTRACT, OR LEGAL DOCUMENT ON BEHALF OF OTHER PARTIES. OUR REVIEW OF THIS DOCUMENT WAS CONDUCTED SOLELY FROM THE LEGAL PERSPECTIVE OF OUR CLIENT. OUR APPROVAL OF THIS DOCUMENT WAS OFFERED SOLELY FOR THE BENEFIT OF OUR CLIENT. OTHER PARTIES SHOULD NOT RELY ON THIS APPROVAL, AND SHOULD SEEK REVIEW AND APPROVAL BY THEIR OWN RESPECTIVE ATTORNEY(S).

EXHIBIT A

(Dallas County Tax Abatement Policy - Commissioners Court Order 2022-0126)

EXHIBIT B
(Lease Agreement between Zobele and STAG TX HOLDINGS LP)

EXHIBIT C
(Legal Description of Property)

COURT ORDER 2022-0126

Amend and reauthorize for a period of two years the Dallas County Tax Abatement Policy, replacing the policy previously authorized under Court Order 2019-0129.

On a motion made by Commissioner Dr. Elba Garcia, and seconded by Commissioner John Wiley Price, the following order was passed and adopted by the Commissioners Court of Dallas County, State of Texas:

BRIEFING DATE: February 1, 2022

Be it resolved and ordered that the Dallas County Commissioners Court does hereby adopt the attached tax abatement policy, that it shall replace the policy previously authorized under Court Order 2019-0129, and that it shall be used for a period of two years, unless otherwise repealed, amended, or extended, to evaluate all tax abatement requests received by Dallas County.

Done in open Court February 1, 2022 by the following vote:

IN FAVOR:	County Judge Clay Jenkins, Commissioner Dr. Theresa Daniel, Commissioner JJ Koch, Commissioner John Wiley Price, and Commissioner Dr. Elba Garcia
OPPOSED:	None
ABSTAINED:	None
ABSENT:	None

DALLAS COUNTY TAX ABATEMENT POLICY

I. INTRODUCTION

Counties in Texas are authorized under Chapter 381 of the Local Government Code and Section 11.24 and Chapter 312 of the Tax Code to provide tax abatements for historic preservation, housing, and economic development projects. To help ensure that all tax abatement requests are consistently reviewed and that only the most effective and appropriate projects are undertaken, the following policy has been developed. It shall govern the consideration of all tax abatement requests received by the Dallas County Commissioners Court. It shall not apply to requests for abatements from other entities like the Dallas County Community College District which the Commissioners Court has no jurisdiction over nor shall it apply to the Dallas County Hospital District which does not provide tax abatement assistance.

II. DEFINITIONS

Affordable Housing: Housing is deemed to be affordable if its monthly cost does not exceed 30% of the monthly income of a household earning 80% of the Dallas area's median income.

Applicant: The firm, party, entity, or organization that would be receiving the tax abatement if granted.

Dallas CBD: The area bounded by Woodall Rodgers Freeway, I-30, I-35, and I-45.

Dallas County City: The portion of any city located within Dallas County.

Distribution Center Project: An economic development project involving the operation of a warehouse used for the temporary storage of goods that will subsequently be shipped and/or redistributed to retailers, wholesalers, or consumers.

Economic Development Project: One of five general tax abatement project categories under this policy. Projects falling within this category generate new jobs, increase the local property tax base, involve the modernization/addition of equipment, and/or the expansion, construction, or leasing of business facilities.

Established Area: A census tract whose median owner-occupied home value is in excess of the County median value.

Facility Expansion/Modernization Project: An economic development project involving the modernization/addition of equipment/inventory and/or the physical expansion or modernization of an existing facility or the construction of a new/additional building within the same city where the firm's major Dallas County facility is located.

Fortune 1000 Corporate HQ Project: An economic development project involving the relocation of a Fortune 1000 firm's corporate headquarters. Said project must involve the location of the principle office of the firm's chief executive officer, the office must be designated as the firm's corporate headquarters in the firm's news releases, corporate reports, letterhead, website, etc., and the average salary of all of the jobs associated with the project must be at least $100,000.

Economically Significant Project: An economic development project that either creates at least 1,000 new full-time permanent jobs or increases the County's tax base by at least $100 million through the addition of new equipment, the expansion of inventory, the construction of a new facility, and/or the renovation/expansion of an existing facility.

Higher Education Facilities Project: One of five general tax abatement project categories under this policy. Projects falling within this category involve the construction/renovation/expansion of facilities that primarily consist of classrooms, distance learning centers, libraries, and/or laboratories that are exclusively used by accredited universities and colleges.

Historic Preservation Project: One of five general tax abatement project categories under this policy. Projects falling within this category involve the utilization of a structure that is either listed in the National Register of Historic Places, is eligible for such listing, or is located within a district that is listed in the National Register and any new improvements that are economically critical to the renovation, use, or preservation of the structure as long as the new improvements are located on the same parcel as the structure or an adjacent parcel.

Housing Project: One of five general tax abatement project categories under this policy. Projects falling within this category must involve the construction, development, or rehabilitation of housing or the conversion of an existing structure into housing.

New Construction/Relocation Project: An economic development project involving the construction of a new facility or the utilization of an existing building (including its inventory and equipment) for a new business or an existing firm that is relocating from outside of Dallas County; the construction of another facility or the utilization of an existing building (including its inventory and equipment) for an existing business if the construction/building utilization will occur in a city other than where its major Dallas County facility is located; or the construction of another facility or the utilization of an existing building (including its inventory and equipment) for an existing business if the new facility/utilization of an existing building, while it will occur in the city where the firm's major Dallas County facility is located, will replace an existing facility in another Dallas County city.

Priority Area: A census tract whose median owner-occupied home value is 75% or less than the County median.

Retail Shopping Area Redevelopment: One of five general tax abatement project categories under this policy. Projects falling within this category involve the conversion,

replacement, or substantial improvement of those existing retail shopping areas that are largely characterized by the presence of such items as obsolete physical lay-outs, high vacancies, declining property values, low economic-value tenants, and/or dated signage/storefronts.

Strategic Area: Either the Dallas CBD or a census tract whose median owner-occupied home value is greater than 75% of the County median, but does not exceed the County median.

Strategic Investment Project: An economic development project involving the new construction of a hotel, home improvement center, movie theater, or grocery store in a either a strategic or priority area.

Tax Abatement: A form of tax incentive that is authorized under either Chapter 381 of the Local Government Code, Section 11.24 of the Tax Code, or Chapter 312 of the Tax Code and that reduces, in part, applicable ad valorem taxes so that a particular type of economic activity can be undertaken. For the purpose of this policy, this term is also interchangeable with such terms as "exemption," "tax reduction," "tax deferral," and "tax rebate."

III. GENERAL REQUIREMENTS/CONSIDERATIONS

All requests for tax abatement must meet the terms and criteria contained within this policy if they are to be eligible for consideration. In no situation does meeting the terms and criteria of this policy obligate the County to provide any abatement to an applicant.

All applicants seeking tax abatement must, at the time of the application and before their requests can be reviewed, demonstrate that they regularly provide some type of medical coverage/health insurance for all full-time permanent non-contract employees, certify that they are equal opportunity employers, and certify that they do not and will not knowingly employ an undocumented worker and that if they are convicted of such a violation, shall repay any abatement (with interest) that the County may have provided.

Abatements will only be awarded when the city in which the project is located has formally approved the provision of either a generally comparable abatement or another form of economic development assistance of comparable value and when the applicant and the County have entered into a formal tax abatement agreement.

Evaluation Criteria

In determining whether to provide an abatement for a project and, if so, at what level, the County will consider a number of related factors. Such factors shall include, but not be limited to, the degree to which the project surpasses the County's investment requirements, the short-term/long-term impact of the project on the County's tax base, the location of the proposed project, its impact on its surrounding area, the type and

durability of the proposed investment, the existence of any environmental problems, the background and past performance of the applicant, the potential for the project to be successfully implemented, the need for the requested abatement, the degree to which the project utilizes or is served by alternative forms of transportation, the project's impact on the provision of County services, and current economic conditions. In addition, to the extent that they are applicable, other factors that will be considered shall include the project's ability to provide meaningful employment to the chronically unemployed, the type and quality of any jobs that will be produced, the number of affordable housing units that will be produced, the number and type of jobs that will be retained, the type of higher education facilities that will be produced, and the number of students that will utilize the proposed facilities.

Maximum Abatement Period

The maximum term for an abatement that can be provided under this policy is ten years. However, in the event a subsequent project will utilize a site that already has a real property abatement, then the existing real property abatement may be extended to provide a total abatement of up to fifteen years if the subsequent project will be conducted by a party not affiliated with the existing abatement's recipient and the subsequent project constitutes either an economically significant project or a priority area project that meets the job generation and tax base increase requirements of an established area project.

Minimum Salaries and Wages

The minimum salary of any jobs created or retained must be above the equivalent of the living wage rate for Dallas County as determined through the Massachusetts Institute of Technology's Living Wage Calculator (https://livingwage.mit.edu/counties/48113). For 2021, the living wage for an individual in Dallas County is $15.21 per hour. Requests for abatements will not be considered if wages are below the living wage rate and additional consideration will be given to higher wages.

Authorization and "Offer" Letters

Abatements can only be authorized by formal action of a majority of the Commissioners Court in open session after the required abatement application information has been submitted to the County. Because the availability of abatement assistance can facilitate the selection of a specific site when numerous sites are under consideration, a Court member in whose district a project is considering locating to and the County Judge may, in some limited instances, jointly issue a non-binding "offer" letter (or instruct staff to issue such a letter on their behalf) in which they propose terms for a particular abatement. Such letters may only be issued when a site outside of the County is also under consideration, when the project and the proposed terms are consistent with this policy, when the magnitude of the project warrants such action, and when requested by the potential applicant or its representative. Such letters shall clearly note that they are non-binding

and that the proposed abatement can only be authorized by formal action of the Commissioners Court.

Abatement agreements shall contain specific provisions that tie the abatement to actual increases in the tax base, housing production, and/or job creation for housing and economic development projects and to actual increases in the tax base and preservation/ maintenance for historic preservation projects. The agreements may also include requirements pertaining to the use of Small Business Enterprises, Disadvantaged Business Enterprises, and/or Minority/Woman-Owned Business Enterprises. Any year that the agreed-upon tax base increases, renovation, housing production, payroll, job generation amounts, etc. are not reached, then the abatement will be discontinued unless otherwise revised to reflect both the performance that actually took place and a corresponding reduction in the percentage abated.

"Substantially Underway" Provisions

Requests for abatements will not be considered if, prior to the submission of an application, the project is already substantially underway or completed. A project will be considered to be substantially underway if actions such as, but not limited to, the following have occurred: (1) demolition, site preparation, or the installation of infrastructure has begun; (2) a building permit has been issued for construction not associated with mitigating an environmental hazard; (3) construction (including renovations or tenant finish-out) has begun; (4) equipment, inventory, or employees have been relocated to the new site; or (5) the initial contact with the County about the project was more than ninety days after the host city had executed an abatement agreement for the project.

However, having had demolition and/or site preparation occur for a project that solely utilizes property that has been tax-exempt for at least the past fifty years and that is now taxable because of the proposed tax abatement project does not constitute the project being substantially underway. Also, the execution of a lease, the mitigation of environmental problems, the purchase of land, the completion of an environmental assessment, or the preparation of architectural and engineering plans does not constitute a project being substantially underway nor does the prior preparation of an historic building for demolition (if the building is to now be preserved with an abatement) or the stabilization of an historic building.

Future Phases

For tax abatement projects with multiple phases, once the initial abatement has been approved, additional abatement requests associated with any successive phase shall be evaluated under the terms of the tax abatement policy that was in effect at the time the project's initial request was approved, provided these successive requests are submitted within twelve months of the initial phase's approval.

Prohibited Projects

Requests for an abatement will not be considered for an establishment that derives more than 25% of its revenue from the on-site sale of alcoholic beverages and/or tobacco products. Requests will also not be considered for property that will be used in whole or in part for a sexually-oriented business, including, but not limited to, condoning, legitimizing, or promoting obscene materials, nude or topless modeling or dancing, adult motel operations, escort services, sexual encounter centers, sex phone centers, or any other sexually-oriented business activity. Similarly, property receiving an existing abatement for another use cannot convert this property for use as a sexually-oriented business or an establishment that would derive more than 25% of its revenue from the on-site sale of alcohol and tobacco and still retain this abatement.

Requests for an abatement will also not be considered if the abatement will be utilized by a firm in which the County is currently involved in litigation or a pending claim or in which the County has experienced unsatisfactory contractual performance (including previous abatements) within the past thirty-six months.

IV. ECONOMIC DEVELOPMENT REQUIREMENTS

Project Types and Requirements

For purposes of Dallas County's tax abatement policy, there are six types of economic development projects. These are Economically Significant, Distribution Center, Fortune 1000 corporate headquarters (HQ), Strategic Investment, Facility Expansion / Modernization, and New Construction / Relocation projects. These project types can occur in three types of areas – Priority, Strategic, and Established areas.

Economically Significant Projects

To be eligible for an abatement, economically significant projects must, within three years of the date in which the abatement is approved for any first phase, either create 1,000 new full-time permanent jobs or increase the County's tax base by $100 million.

The maximum abatement that will be provided to an Economically Significant project, regardless of the area type it is located, is 90% of the increase in assessed valuation that occurs. Notwithstanding this maximum, the percentage of abatement provided during any specific year may exceed the limit if the project is with an Established or Strategic area as long as the average percent abated over the life of the abatement does not exceed the limit.

Distribution Center Projects

To be eligible for an abatement, distribution center projects must, within three years of the date in which the abatement is approved, meet the following requirements:

Minimum Distribution Center Requirements

PROJECT TYPE	FOR PRIORITY AREA		FOR STRATEGIC AREA		FOR ESTABLISHED AREA	
	JOBS	TAX BASE	JOBS	TAX BASE	JOBS	TAX BASE
New Construction/ Relocation	150	$35 million	150	$35 million	600	$48 million
Facility Expansion/ Modernization	100	$25 million	100	$25 million	400	$32 million

In addition, the average salary of the new jobs created by such projects must be equal to at least 80% of the median salary/wage for the Dallas area (as determined by the Bureau of Labor Statistics).

The maximum abatement that will be provided to a distribution center project is 50% if located in an established area or 75% if located in a priority or strategic area. Notwithstanding these maximums, the percentage of abatement provided during a specific year may exceed the limits for established and Strategic area projects as long as the average percent abated over the life of the abatement does not exceed these limits.

Fortune 1000 Requirements

To be eligible for an abatement, Fortune 1000 corporate HQ projects must, within three years of the date in which the abatement is approved, employ at least 100 full-time high-paying jobs **and** increase the County's tax base by at least $2.5 million.

The maximum abatement that will be provided to a Fortune 1000 corporate HQ project is 75%. Notwithstanding this maximum, the percentage of abatement provided during a specific year may exceed this limit for Established and Strategic area projects as long as the average percent abated over the life of the abatement does not exceed the maximum abatement limit.

Strategic Investment Projects

To be eligible for an abatement, strategic investment projects must be located within either a priority area or a strategic area and must, within three years of the date in which the abatement is approved, meet the following requirements:

Minimum Strategic Investment Requirements

PROJECT TYPE	TAX BASE INCREASE	JOBS CREATED	OTHER REQUIREMENTS
Hotel	$5 million	25	contain 150 rooms
Home Improvement Center	$10 million	130	create 100,000-square-foot store
Grocery Store	$4 million	100	create 50,000-square-foot store
Movie Theater	$5 million	20	n/a

Expansion / Modernization Projects

To be eligible for an abatement, facility expansion / modernization projects must, within three years of the date in which the abatement is approved, increase the County's property tax base **and** increase the number of full-time permanent jobs within the County by the amounts listed below.

Minimum Facility Expansion / Modernization Requirements

PROJECT TYPE	FOR PRIORITY AREA		FOR STRATEGIC AREA		FOR ESTABLISHED AREA	
	JOBS	TAX BASE	JOBS	TAX BASE	JOBS	TAX BASE
Facility Expansion/ Modernization	50	$4 million	100	$8 million	400	$32 million

The maximum abatement that will be provided to a Facility Expansion / Modernization project that is located in a priority area 90% of the increase in assessed valuation that occurs. The maximum abatement is 50% if the project is located in an established area and is 75% of the increase in assessed valuation that occurs if the project is located in a strategic area. Notwithstanding these maximums, the percentage of abatement provided during a specific year may exceed the limits for established and Strategic area projects as long as the average percent abated over the life of the abatement does not exceed these limits.

New Construction / Relocation Projects

To be eligible for an abatement, facility expansion / modernization projects must, within three years of the date in which the abatement is approved, increase the County's property tax base **and** increase the number of full-time permanent jobs within the County by the amounts listed below.

Minimum New Construction / Relocation

PROJECT TYPE	FOR PRIORITY AREA		FOR STRATEGIC AREA		FOR ESTABLISHED AREA	
	JOBS	TAX BASE	JOBS	TAX BASE	JOBS	TAX BASE
New Construction/ Relocation	100	$8 million	200	$16 million	600	$48 million

The maximum abatement that will be provided to a new construction / relocation project, that is located in a priority area 90% of the increase in assessed valuation that occurs. The maximum abatement is 50% if the project is located in an established area and is 75% of the increase in assessed valuation that occurs if the project is located in a strategic area. Notwithstanding these maximums, the percentage of abatement provided during a specific year may exceed the limits for established and Strategic area projects as long as the average percent abated over the life of the abatement does not exceed these limits.

Consideration of Freeport-Eligible Property

In meeting the tax base increase requirements, no freeport-eligible property that a project may possess can be utilized.

Job Retention Provisions

Except for distribution center projects, the County may, at its discretion, consider the retention of existing jobs to satisfy some portion of the job generation requirements if:

- The average salary/wage of the jobs retained are at least equal to the median salary/wage (as determined by the Bureau of Labor Statistics) for the Dallas area,
- There is tangible evidence of the possibility that these existing jobs may relocate to a new site outside of the County, and
- The project, depending upon its location, retains the following number of jobs and possesses the following amounts of existing taxable property:

Minimum Job Retention Requirements

	PRIORITY AREA	STRATEGIC AREA	ESTABLISHED AREA
NUMBER OF JOBS TO BE RETAINED	100	200	400
REQUIRED AMOUNT OF NEW TAXABLE VALUE	$8 million	$16 million	$32 million

Whether the County chooses to allow job retention to satisfy all or a portion of the standard job generation requirement will be dependent upon a number of factors,

including the location of the project, the condition of the local economy, the type of jobs and industry involved, and the extent to which the project exceeds the job retention, average salary, tax base increase, and existing taxable property requirements.

Anti-Pirating Provisions

Economic development projects cannot involve an outside firm seeking or being offered a tax abatement from more than one Dallas County city unless that firm is also considering locating its operations outside of Dallas County. Also, incentive requests cannot be made if a present Dallas County firm is considering **primarily** relocating its operations from one Dallas County city to another Dallas County city unless it can be demonstrated that it is not possible for the firm to continue its operations within the present city or the firm is considering relocating to a site outside of the County that is not in a county contiguous to Dallas County.

Maximum Abatement Percentages

Each project type has a maximum abatement percentage by location type. In no case will the abatement percentage exceed 90 percent, on average, over the life of an abatement agreement.

V. HOUSING REQUIREMENTS

Under this policy, Dallas County will consider providing tax abatements for housing projects. Housing projects examples include new construction of single or multifamily homes, the conversion of non-residential structures to residential use, and the rehabilitation of residential units to extend their useful life.

Housing Projects in Priority Areas

To be eligible for an abatement, a housing project located within a priority area must produce at least 30 units of housing and increase the County's property tax base within three years of the date in which an abatement is approved for any first phase and within three years of the effective date for any subsequent phase by $1.5 million. The maximum abatement that will be provided to a housing project in a priority area is 90% of the increase in assessed valuation that occurs.

Housing Projects in the CBD

For a project located within the Dallas CBD, a project must produce at least 100 units of housing and increase the County's property tax base within three years by $5 million. In this area the maximum abatement that will be provided is 75%.

Housing Projects in an Established Area

For a project located within an established area, a project must produce at least 100 units of housing and increase the County's property tax base within three years by $5 million.

For projects located in an established area, at least 40% of the housing that is produced must be affordable. In this area the maximum abatement that will be provided is 75%.

Housing Projects in a Strategic Area

For a project located within a strategic area, a project must produce at least 100 units of housing and increase the County's property tax base within three years by $5 million. For projects involving the new construction of housing in a strategic area, at least 10% of the housing that is produced must be affordable. In this area the maximum abatement that will be provided is 75%.

VI. RETAIL SHOPPING AREA REDEVELOPMENT REQUIREMENTS

To be eligible for a retail shopping area redevelopment abatement, a project must involve the redevelopment of at least five acres of contiguous property that currently consists of a group of stores and other commercial establishments built around a shared parking area. If a project involves either substantially improving or replacing an existing retail shopping area with a new retail shopping development, then the project must increase the County's tax base by at least $2.5 million within three years of the date that any abatement is approved.

If a project involves the demolition and replacement of an existing retail shopping area with a residential development, then the project must produce at least thirty new units of housing and increase the County's tax base by at least $1.5 million within three years of the date that any abatement is approved.

The maximum abatement that will be provided to a retail shopping area redevelopment project is 75% of the increase in assessed valuation that occurs if the project is located in either a strategic or established area or 90% of any increase if the project is located in a priority area.

VII. HISTORIC PRESERVATION REQUIREMENTS

To be eligible for an historic preservation tax abatement, the project must utilize a structure that is either listed in the National Register of Historic Places, is eligible for such listing, or is located within a district that is listed in the National Register, and the project must increase the County's tax base by at least $2 million within three years of the date that any abatement is approved for any first phase and within three years of the effective date for any subsequent phase. New improvements that are not historic, but that are economically critical to the renovation, preservation, or use of the structure, may also be included in such projects and incentive requests as long as the improvements are located either on the same parcel as the structure or an adjacent parcel. Also, the

renovation/restoration work must be appropriate and consistent with the structure's historical significance, as should the building's general maintenance.

All historic preservation projects will initially be eligible for a maximum abatement of up to 50% of any increase in assessed valuation. Additional "bonus" abatements may be awarded if the project develops housing, if it is located in a priority area, if it utilizes a structure with extraordinary historical significance, if the structure is in serious danger of being demolished (i.e., there are no likely alternative uses, the building has been vacant for some time, etc.), and/or if the project will generate significant economic activity (i.e., the amount of investment to be undertaken greatly exceeds the County's requirements, it will assist tourism, increase retail sales, etc.). The maximum abatement that can be received for an historic preservation project is 90% of the increase in assessed real property valuation that occurs.

VIII. HIGHER EDUCATION FACILITIES

Dallas County will consider providing a tax abatement for the construction/ renovation/expansion of higher education facilities that will be exclusively used by an accredited college or university if the assessed valuation of the new improvements is at least $2.5 million within three years of the date in which an abatement is approved for any first phase and within three years of the effective date for any subsequent phase. The maximum abatement that will be provided for a higher education facility is 100% of the increase in assessed real property that occurs.

IX. APPLICATION PROCESS

Requests for tax abatement from the Dallas County Commissioners Court must be made in writing and submitted to Dallas County's Director of Planning and Development, 500 Elm Street, Dallas, Texas 75202. These requests must also be accompanied with the following information:

REQUIRED APPLICATION INFORMATION	ECONOMIC DEVELOP-MENT PROJECTS	HOUSING PROJECTS	RETAIL REDEVELOP-MENT PROJECTS	HISTORIC PRESER-VATION PROJECTS	HIGHER EDUCATION FACILITIES
Description of requested abatement for each year (amount and duration)	X	X	X	X	X
Current assessed valuation of property/firm	X	X	X	X	X
Projected annual assessed valuation of applicable proposed improvements/ business personal property **(PLEASE NOTE THAT THESE FIGURES WILL BE**	X	X	X	X	X

REQUIRED APPLICATION INFORMATION	ECONOMIC DEVELOP-MENT PROJECTS	HOUSING PROJECTS	RETAIL REDEVELOP-MENT PROJECTS	HISTORIC PRESER-VATION PROJECTS	HIGHER EDUCATION FACILITIES
USED AS THE QUALIFYING BENCHMARKS IN THE ABATEMENT AGREEMENT)					
Description of proposed project (including, where applicable, the amount/type of investment involved, increase in local payroll, number/types of jobs created/ retained, how much of projected tax base increase is attributable to Freeport-eligible inventory, number of housing units to be produced/% afford-able, average rent/sales price, type of renovations/ improvements to be made, square footage of retail space that will be demolished/replaced/improved, type of educational facilities to be constructed, number of students involved, etc.)	X	X	X	X	X
Detailed schedule for implementing project (including, where applicable, when property will be acquired, when financing will be obtained, when demolition/ construction/renovation will begin/be completed, when new equipment will be installed, when facility will be fully operational, when new positions are filled, when jobs will be relocated, etc.)	X	X	X	X	X
Financial pro forma showing impact of abatement on operating expenses		X		X	
Explanation of why abatement Is needed	X	X	X	X	X
Map/location of proposed project	X	X	X	X	X
Date retail area was constructed			X		
Current occupancy rate for retail area			X		
Description of how project is served by such alternative forms of transportation as light rail, bus, car pool programs, HOV lanes, hike/bike trails, etc. or is immediately located within the area it will serve/ from which its employees will reside	X	X	X	X	X
Description of applicant's business history (including location of firm's other Dallas County projects/facilities)	X	X	X	X	X
Description of firm's relocation history over the past fifteen years	X	X	X	X	X
Identification of any displacement or environmental issues and discussion of how these issues will be addressed	X	X	X	X	X
Status of tax abatement/economic development assistance requests with other jurisdictions	X	X	X	X	X

REQUIRED APPLICATION INFORMATION	ECONOMIC DEVELOP-MENT PROJECTS	HOUSING PROJECTS	RETAIL REDEVELOP-MENT PROJECTS	HISTORIC PRESER-VATION PROJECTS	HIGHER EDUCATION FACILITIES
Preliminary architectural sketches			X	X	
Explanation, if applicable, of how project will revitalize priority areas or employ the chronically unemployed	X	X	X	X	X
Current use of building/average occupancy rate over past twelve months				X	
Description/documentation of building's historic significance				X	
Documentation/description of medical coverage/health insurance provided to all full-time, permanent non-contract employees	X	X	X	X	X
Statement that firm does not and will not knowingly employ an undocumented worker and that if convicted of doing so, it shall repay any abatement (with interest) that may have been provided	X	X	X	X	X
Copy of most recent EEO-1 or equivalent work force composition report	X	X	X	X	X
Name, telephone number, email address, and mailing address of contact person	X	X	X	X	X

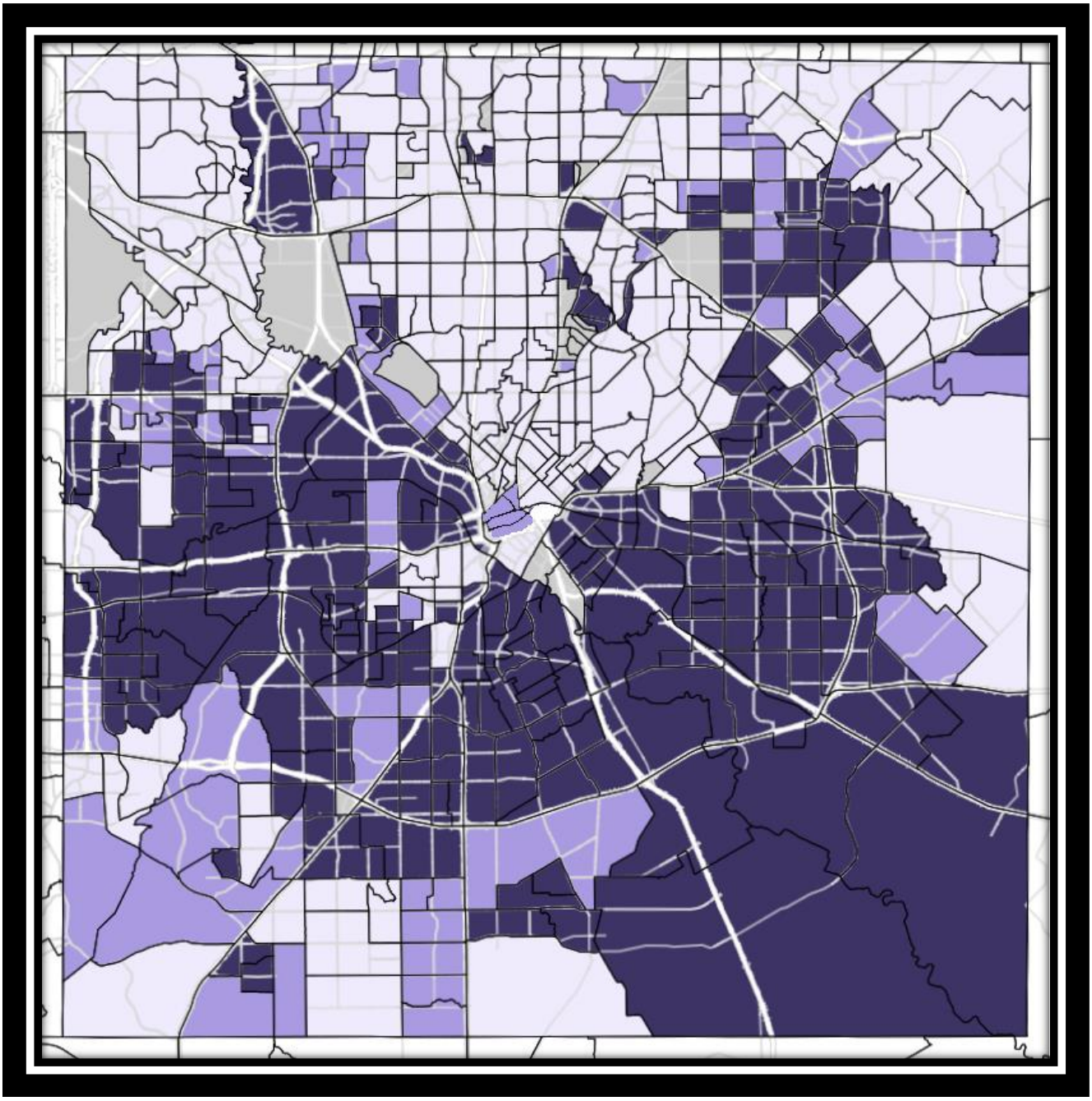
Besides the information outlined above, additional information may be requested by the County at a later date.

So as to help facilitate the consideration of any tax abatement request, potential applicants are strongly encouraged to contact the County's Director of Planning & Development at (214) 653-7601 as early in the project formulation process as possible.

X. REVIEW AND APPROVAL

The Dallas County Commissioners Court will review all eligible tax abatement requests submitted to the County and determine to what degree the County will provide such assistance.

Location of Priority and Strategic Areas



Priority Areas (census tracts whose median owner-occupied home value is 75% or less than the County median.

Strategic Area: Either the Dallas CBD or a census tract whose median owner-occupied home value is greater than 75% of the County median, but does not exceed the County median.

LEASE

STAG TX HOLDINGS, LP,
a Delaware limited partnership,

as Landlord,

and

ZOBELE USA, INC.,
a Texas corporation,

as Tenant

with respect to certain premises comprised of
a parcel of land and the improvements thereon
(containing approximately 164,914 square feet of space)

at

3502 Regency Crest Drive
in
Garland, Dallas County, Texas

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ARTICLE I: BASIC TERMS

1.1. Reference Subjects. The following terms used in this Lease shall have the meanings set forth below.

Date of Lease:	October 30, 2017
Landlord:	STAG TX Holdings, LP, a Delaware limited partnership
Tenant:	Zobele USA, Inc., a Texas corporation
Land:	that certain parcel of land located in Garland, Dallas County, Texas owned by Landlord and more particularly described in Exhibit A attached to and hereby made a part of this Lease
Building:	that certain building that as of the Date of Lease is located on the Land, consisting of approximately **164,914 square feet** of space and known as **3502 Regency Crest Drive**, as more particularly shown as Exhibit A-1 attached to and made a part of this Lease
Premises:	the Land, the Building, and all other improvements (if any) located on the Land
Landlord's Work:	the alterations and/or improvements to the Premises to be constructed and/or installed by Landlord in accordance with the terms and conditions of Article XIV of this Lease, as generally described in Exhibit I attached to and hereby made a part of this Lease
Substantial Completion Target Date:	February 28, 2018
Tenant Work:	the alterations and/or improvements to the Premises to be constructed and/or installed by Tenant in accordance with the terms and conditions of Article XIII of this Lease, as generally described in Exhibit C attached to and hereby made a part of this Lease
Work:	collectively, the Landlord's Work and the Tenant Work. The Work does not include the Expansion Space Work.
Work Allowance:	$1,731,597.00
Expansion Space	certain rights of Tenant with regard to Expansion Space are set forth in Section 2.4 of this Lease

Term Commencement Date:	March 1, 2018; provided, however, that if Tenant shall commence business operations at the Premises prior to March 1, 2018, then and in such event, the Term Commencement Date shall be that date sooner than March 1, 2018 as of which Tenant shall commence such business operations at the Premises
Rent Commencement Date:	September 1, 2018
Term Expiration Date:	August 31, 2026
Original Term:	that period of eight (8) years and six (6) months commencing on the Term Commencement Date and ending on the Term Expiration Date; provided, however, that if the Term Commencement Date shall occur on a date that is sooner than March 1, 2018, then and in such event, the Original Term shall be a period of eight (8) years and six (6) months plus the number of days commencing on the Term Commencement Date and ending on February 28, 2018
Renewal Term:	one (1) option period of five (5) years, as more particularly described in Section 2.3 of this Lease
Term:	the Original Term, together with the Renewal Term (if becoming effective in accordance with Section 2.3 of this Lease).
Permitted Uses:	manufacturing, warehouse, and distribution uses and office and other uses ancillary to such uses
Security Deposit:	$75,448.16
Guarantor:	Zobele Holding S.p.A., the joint stock company formed in Italy that is the parent company of Tenant
Guaranty:	that certain Guaranty executed and delivered by Guarantor to and for the benefit of Landlord on the Date of Lease in the form of Exhibit E attached to and hereby made a part of this Lease
Annual Fixed Rent for Original Term:	see chart below

Period of Time During Original Term	**Annual Amount**	**Rate of Annual Fixed Rate Per Square Foot Per Annum (rounded)**	**Monthly Payment**
March 1, 2018 to August 31, 2018	$0.00	$0.00	$0.00

Period of Time During Original Term	Annual Amount	Rate of Annual Fixed Rate Per Square Foot Per Annum (rounded)	Monthly Payment
September 1, 2018 to August 31, 2019	$659,656.00	$4.00	$54,971.33
September 1, 2019 to August 31, 2020	$672,849.12	$4.08	$56,070.76
September 1, 2020 to August 31, 2021	$686,306.10	$4.16	$57,192.18
September 1, 2021 to August 31, 2022	$700,032.22	$4.24	$58,336.02
September 1, 2022 to August 31 , 2023	$714,032.87	$4.33	$59,502.74
September 1, 2023 to August 31, 2024	$728,313.53	$4.42	$60,692.79
September 1, 2024 to August 31, 2025	$742,879.80	$4.51	$61,989.98
September 1, 2025 to August 31 , 2026	$757,737.39	$4.59	$63,144.78

If the Term Commencement Date shall in accordance with the terms and conditions of this Lease commence on a date that is sooner than March 1, 2018, then and in such event and in addition to the payments of Annual Fixed Rent described in the chart preceding this paragraph, Tenant shall also pay to Landlord, as Annual Fixed Rent for that portion of the Original Term commencing on the Term Commencement Date and ending on February 28, 2018 that amount equal to (a) the number of calendar days occurring during that period of time commencing on the Term Commencement Date and ending on February 28, 2018 and (b) $1,832.38.

Additional Rent:	see Article V of this Lease
Initial Monthly Payment for Annual Fixed Rent and Estimated Operating Expenses:	$75,448.15
Broker(s):	Landlord's Broker: Stream Realty Tenant's Broker: Jones Lang LaSalle Brokerage Services, LLC
Address for Rent Payments:	**STAG TX Holdings, LP** **c/o STAG Industrial, Inc.** **One Federal Street, 23rd Floor** **Boston, Massachusetts 02110**

Exhibits:

A:	Legal Description of the Land
A-1:	Drawing Depicting the Land and the Building
B:	Rules and Regulations
C:	Description of the Tenant Work
D:	Form of Confirmation of Term Commencement Date and Rent Commencement Date Agreement
E:	Form of Guaranty
F:	Form of Confidentiality Agreement
G:	List of Permitted Hazardous Materials
H:	Drawing Depicting Location of the Expansion Space
I:	Description of the Landlord's Work

ARTICLE II: LEASE OF PREMISES

2.1. Premises. Subject to, and with the benefit of, the terms, covenants, and conditions of this Lease, and provided that Tenant shall perform and observe insofar as the same are applicable to the Premises all applicable Laws (herein defined) and all rights, agreements, easements and restrictions of record, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term. Tenant shall have the right to the exclusive use of all portions of the Land at and above grade level as part of the Premises, but Tenant shall not have any right of access, control over or other ability to use any portion of the Land below grade level, all of which is hereby reserved to Landlord. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Landlord shall have the right to use (a) the roof of the Building and any and all portions thereof at any time or times during the Term for the installation and/or operation of solar equipment, antennae and other communication equipment, water collection facilities, and/or such other equipment as Landlord shall deem necessary or appropriate and (b) the Land and any and all portions thereof at any time or times during the Term for the installation and/or operation of solar panels, wind turbines, communication equipment, billboards, and/or such other ground-based equipment as Landlord shall deem necessary or appropriate. Subject to (i) the prior written approval of Landlord, (ii) compliance by Tenant with all applicable federal, state and local laws, ordinances, rules, regulations, orders, and directives (as amended and in effect from time to time, collectively, the "Laws") and such conditions and restrictions pertaining thereto as Landlord may impose, in the sole but reasonable judgment of Landlord, and (iii) non-interference by Tenant with the installation and/or operation on the roof of the Building of any equipment installed and/or operated thereon (or contemplated to be installed and/or operated thereon) by Landlord pursuant to the preceding sentence of this paragraph, Tenant may install and/or operate on the roof of the Building communications equipment necessary to the operations of Tenant's business at the Premises. Any installation on the roof of the Building by Tenant of any communication equipment in accordance with the preceding terms and conditions of this Lease shall be undertaken in compliance with all Laws, in a manner not causing any warranty or guaranty then in effect covering the roof of the Building to be voided or breached, and by using contractors acceptable to Landlord, in Landlord's sole discretion.

2.2. Term. The Term shall begin on the Term Commencement Date and shall end on the Term Expiration Date. At Landlord's option, promptly following the occurrence of the Term Commencement Date, Tenant shall execute a confirmation of Term Commencement Date, Rent Commencement Date and Term Expiration Date substantially in the form attached to and hereby made a part of this Lease as Exhibit D.

2.3. Renewal Term.

(a) Definitions. For purposes of this Lease, "Fair Market Rent" means the annual fair market rent for the Premises, determined as though the Premises were in the condition then existing or in such better condition as the Premises is required to be maintained pursuant to the terms and conditions of this Lease.

(b) Exercise of Rights. Subject to the terms and conditions of Section 2.3 of this Lease, Tenant shall have the right to extend the Original Term for one (1) period of five (5) years (the "Renewal Term") by giving notice thereof to Landlord not later than nine (9) months (and not earlier than twelve (12) months) prior to the last day of the Original Term. Any failure by Tenant to timely deliver notice of its exercise of rights with respect to the Renewal Term shall be deemed an irrevocable election by Tenant not to extend the Original Term for the Renewal Term. If Tenant timely delivers to Landlord notice of its exercise of rights with respect to the Renewal Term, then and in such event, all of the terms and conditions of this Lease in effect immediately prior to the Renewal Term shall also apply to the leasing of the Premises by Landlord to Tenant for the Renewal Term except that (i) Tenant shall have no right to extend the Term beyond the last day of the Renewal Term, (ii) Landlord shall have no obligation whatsoever to construct and/or install on behalf of Tenant any alterations or improvements to the Premises with respect to the Renewal Term or to extend to Tenant with regard to the Renewal Term any rent concessions or any allowances on account of leasehold improvements, and (iii) the Annual Fixed Rent required to be paid by Tenant to Landlord for the Premises with respect to the Renewal Term shall be determined in accordance with the succeeding terms and conditions of Section 2.3 of this Lease. If Tenant shall exercise its rights to elect the Renewal Term in accordance with Section 2.3 of this Lease, the extension of the Term of this Lease shall be self-operative, but upon request made by either of Landlord and Tenant, the parties shall execute an agreement specifying the Annual Fixed Rent for the Premises for the Renewal Term and acknowledging the extension of the Term for the Renewal Term.

(c) Fair Market Rent. Not later than eight (8) months prior to the commencement of the Renewal Term, Landlord shall notify Tenant (a "Landlord's FMR Notice") as to Landlord's determination of the Fair Market Rent for the Premises for the Renewal Term. Within thirty (30) days after receipt of such Landlord's FMR Notice, Tenant shall notify Landlord (a "Tenant's FMR Notice") whether Tenant accepts or disputes Landlord's determination of Fair Market Rent, which Tenant's FMR Notice shall (in the case of a dispute by Tenant) include Tenant's determination of Fair Market Rent for the Premises for the Renewal Term (the failure to timely dispute shall be deemed to be Tenant's acceptance of Landlord's determination of the Fair Market Rent for the Premises for the Renewal Term).

(d) Fair Market Rent Dispute Resolution. If Tenant timely disputes Landlord's determination as to the Fair Market Rent for the Premises for the Renewal Term in accordance with the terms and conditions of Section 2.3(c) of this Lease, such dispute shall be resolved in accordance with the procedures set forth herein. Within thirty (30) days after receipt of Tenant's FMR Notice disputing Landlord's Fair Market Rent determination, Landlord and Tenant shall mutually appoint as an arbitrator a licensed real estate broker with at least ten (10) years' experience as a broker of comparable properties in the Garland, Dallas County, Texas area (the "Market Area"), or if Landlord and Tenant cannot agree upon any such arbitrator, either of Landlord and Tenant may apply to the office of the American Arbitration Association ("AAA") for appointment of such an arbitrator. The arbitrator shall determine the Fair Market Rent within sixty (60) days after the arbitrator is appointed by selecting either of the Landlord's FMR Notice or Tenant's FMR Notice. The arbitrator shall have no authority or jurisdiction to make any other determination of such amount. The cost of the arbitrator shall be borne equally by Landlord and Tenant. If the AAA shall cease to provide arbitration for commercial disputes in the Market Area, the arbitrator shall be appointed by any successor organization providing substantially the same services, and in the absence of any such organization, by a court of competent jurisdiction in Dallas County, Texas

under the arbitration act of Texas. If the Fair Market Rent for the Renewal Term shall be in dispute, Tenant shall make payment to Landlord on account of Annual Fixed Rent at the rate payable with respect to the last month of the Original Term, and Landlord and Tenant shall adjust for overpayments or underpayments with thirty (30) days after the decision of the arbitrator is announced.

(e) Limitations. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Tenant's exercise pursuant to Section 2.3 of this Lease of its rights with respect to the Renewal Term shall be void, at Landlord's election, if either at the time the Renewal Term is exercised or at the time the Renewal Term is to commence: (i) an Event of Default shall exist under this Lease; (ii) there have been two (2) or more Events of Default occurrences during the Term; or (iii) the originally named Tenant under this Lease, Zobele USA, Inc., shall have sublet, other than to affiliated entities described in clause (b) of Section 8.1 of this Lease as Excluded Transactions, portions of the Premises (A) pursuant to more than two (2) subleases or (B) constituting more than twenty-five percent (25%) of the square footage of the Premises, in the aggregate.

2.4. Expansion Space.

(a) Definitions. For purposes of this Lease, "Expansion Space" means that certain addition to the Building to be constructed by Landlord in accordance with the terms and conditions of Section 2.4 of this Lease on that portion of the Premises that is more particularly shown on Exhibit H attached to and hereby made a part of this Lease. Landlord and Tenant hereby agree that the Expansion Space shall be: (i) not less than 30,000 square feet in size and not more than 60,000 square feet in size; and (ii) consistent, in all material respects, with the design of, and the specifications for materials used in connection with the construction of, the Building being a part of the premises originally demised pursuant to this Lease (the "Existing Premises Design and Specifications"). For purposes of this Lease, "Expansion Space Work" means the construction and/or installation of the Expansion Space on the Land by Landlord in accordance with the terms and conditions of Section 2.4 of this Lease. For purposes of this Lease, "Cost of Expansion Space Work" means, collectively, all the following costs and/or expenses, if and as incurred by Landlord in connection with the construction and/or installation of the Expansion Space Work: (A) all hard or direct costs; (B) all soft costs, including, without limitation, the costs of all architectural, planning and engineering services; (C) the cost of all building permits and other governmental approvals; and (D) the cost of the construction management supervision fee payable in accordance with the terms and conditions of Section 2.4(g) of this Lease. For purposes of this Lease, "Expansion Space Option Exercise Period" means that period of time during the Original Term commencing on the Term Commencement Date and ending on that day which is the last day of the thirty-sixth (36th) full calendar month occurring during the Original Term. For purposes of this Lease, "Expansion Space Option Exercise Notice" means a notice given by Tenant to Landlord in accordance with the terms and conditions of Section 2.4(b) of this Lease pursuant to which Tenant shall notify Landlord that Tenant has determined to proceed, irrevocably, with the construction and/or installation of the Expansion Space.

(b) Exercise of Option. Subject to the terms and conditions of Section 2.4 of this Lease, Tenant shall have the right, at Tenant's option, to be exercised by giving an Expansion Space Option Exercise Notice to Landlord at any time during the Expansion Space Option Exercise Period, to cause Landlord to construct the Expansion Space on the Land. The size of the Expansion Space, being not less than 30,000 square feet and not more than 60,000 square feet, shall be determined by Tenant, in its sole but reasonable discretion, and set forth in any Expansion Space Option Exercise Notice given by Tenant to Landlord.

(c) Expansion Space Work Plans. Not later than fifteen (15) days after Tenant shall give an Expansion Space Option Exercise Notice to Landlord, representatives of Tenant and Landlord

shall meet with the architect engaged by Landlord to design the Expansion Space Work ("Expansion Space Work Architect") to discuss Tenant's requirements with respect to the Expansion Space. Not later than thirty (30) days after the date of such meeting with the representatives of Landlord and Tenant, Expansion Space Work Architect shall provide to each of Landlord and Tenant preliminary drawings, plans and specifications describing the Expansion Space Work (the "Preliminary Expansion Space Work Plans"). Each of Landlord and Tenant shall have the right to give comments in writing to Expansion Space Work Architect regarding the Preliminary Expansion Space Work Plans within fifteen (15) days after receipt thereof from Expansion Space Work Architect. Not later than fifteen (15) days after receipt of comments with regard to the Preliminary Expansion Space Work Plans from Landlord and Tenant, Expansion Space Work Architect shall prepare revised plans, drawings and specifications describing the Expansion Space Work (the "Revised Expansion Space Work Plans") and circulate the same for written approval to each of Landlord and Tenant. As finally approved in writing by Landlord and Tenant, the plans, drawings and specifications describing the Expansion Space Work are sometimes hereinafter in this Lease referred to, collectively, as the "Expansion Space Work Plans". Notwithstanding anything to the contrary set forth elsewhere in this Lease, the Expansion Space Work Plans shall be consistent in all material respects, in terms of design, scope of work, and specifications, with the Existing Premises Design and Specifications.

(d) Prosecution of Expansion Space Work. Landlord hereby agrees to use commercially reasonable efforts to Substantially Complete (herein defined) the Expansion Space Work as soon as reasonably practicable after: (i) the Expansion Space Work Plans are approved in writing in all respects by each of Landlord and Tenant; (ii) Landlord has obtained all building permits and other governmental approvals deemed by Landlord to be necessary in connection with, and as a condition to, the commencement of construction and/or installation of the Expansion Space Work; and (iii) Landlord shall be satisfied, in Landlord's sole but reasonable judgment, that the improvements comprising the Expansion Space Work, as more particularly described in the Expansion Space Work Plans, will comply in all respects with all applicable federal, state, and local building codes and other Laws. For purposes of this Lease, the Expansion Space Work shall be deemed to be "Substantially Complete" as of the date on which the Expansion Space Work Contractor and the Expansion Space Work Architect shall certify to Landlord that the Expansion Space Work has been completed in all material respects and substantially in accordance with the Expansion Space Work Plans.

(e) Expansion Space Work Contractor. The Expansion Space Work shall be constructed and/or installed by Landlord using a general contractor ("Expansion Space Work Contractor") and such subcontractors as deemed necessary and selected by Landlord, in Landlord's sole and absolute discretion, as having experience in connection with the construction and/or installation of alterations and improvements similar in nature to the Expansion Space Work. The Expansion Space Work shall be constructed and/or installed (i) in a good and workmanlike manner, (ii) in accordance with all applicable Laws, (iii) in accordance with the Expansion Space Work Plans, and (iv) otherwise in such manner and in such order as determined by Landlord, in its sole but reasonable discretion. All of the materials, equipment and components of the Expansion Space Work, as well as the style, color, brand and specifications thereof and the location of installation thereof within the Premises, shall (except to the extent expressly set forth to the contrary in the Expansion Space Work Plans) be selected by Landlord, in Landlord's sole but reasonable discretion.

(f) Open Book Review. The construction and/or installation of the Expansion Space Work by Landlord shall be on an "open book basis", meaning that Landlord shall share with Tenant copies of all bids and pricing proposals relating to the Expansion Space Work. Landlord shall solicit from different qualified contractors no fewer than three (3) competitive bids with respect to various elements of the Expansion Space Work, as and if deemed appropriate and practical by Landlord, in Landlord's sole but reasonable judgment. Tenant shall have a fair and reasonable opportunity to

participate with Landlord in decisions regarding the pricing and acceptance of bids submitted with regard to the Expansion Space Work. Notwithstanding the foregoing or anything to the contrary set forth elsewhere in this Lease, all determinations as to pricing, selection of bids, and choice of contractors and subcontractors to perform the Expansion Space Work or any portion thereof shall be made by Landlord, in Landlord's sole judgment.

(g) Costs of Construction and/or Installation of Expansion Space Work. Notwithstanding anything to the contrary set forth elsewhere in Section 2.4 of this Lease, except to the extent set forth in Section 2.4(h) of this Lease, all costs and expenses incurred by Landlord in connection with the construction and/or installation of the Expansion Space Work (including all costs constituting a Cost of Expansion Space Work) shall be paid by Landlord, at Landlord's sole cost and expense.

(h) Construction Management Supervision. In connection with the construction and/or installation of the Expansion Space Work, Tenant shall pay to Landlord a construction management fee in that amount equal to three percent (3.00%) of the Cost of Expansion Space Work. Any construction management supervisor employed by Landlord in connection with the terms and conditions of this paragraph may be an affiliate or employee of Landlord. At the option of Landlord, Tenant shall make payments to Landlord of such construction management fee in a lump sum or on a monthly basis, in each case, within ten (10) days after written demand shall be made therefor by Landlord of Tenant.

(i) Leasing of Expansion Space.

(i) Subject to the terms and conditions of Section 2.4 of this Lease, Landlord shall lease the Expansion Space to Tenant, and Tenant shall rent the Expansion Space from Landlord, for a term commencing on the day after the date as of which the Expansion Space Work is Substantially Complete (the "Expansion Space Occupancy Date") and ending on that date which is the later to occur of (A) the Term Expiration Date, as described in Section 1.1 of this Lease, and (B) that date which is the fifth (5th) anniversary of the date as of which the Expansion Space Work shall be Substantially Complete. In the event that the fifth (5th) anniversary of the date of Substantial Completion of the Expansion Space Work shall be a date that is later than the Term Expiration Date, as described in Section 1.1 of this Lease, then and in such event, the Original Term shall be extended, automatically, so as to end on that date which is the fifth (5th) anniversary of the date of Substantial Completion of the Expansion Space Work rather than on the date specified in Section 1.1 of this Lease as the Term Expiration Date (that period of time for which the Original Term shall be extended, if occurring in accordance with the preceding sentence of this paragraph, commencing on the day after the Term Expiration Date as described in Section 1.1 of this Lease and ending on the Term Expiration Date as so extended, is sometimes hereinafter in Section 2.4 of this Lease referred to as the "Original Term Extension Period").

(ii) If the Original Term Extension Period shall become effective in accordance with the preceding provisions of this paragraph, Landlord shall lease the premises originally demised by Landlord to Tenant pursuant to this Lease during the Original Term Extension Period on all of the terms and conditions set forth in this Lease, except that Tenant shall pay to Landlord, as Annual Fixed Rent with respect to each of the months occurring during the Original Term Extension Period, the monthly installment of Annual Fixed Rent payable by Tenant to Landlord for such premises with respect to the month in which the Term Expiration Date, as described in Section 1.1 of this Lease, shall occur, adjusted upwards by two percent (2.00%) on an annual basis in a manner corresponding to the two percent (2.00%) annual increases applicable with regard to the Original Term shown in Section 1.1 of this Lease.

(iii) The Expansion Space shall be leased by Landlord to Tenant for and with respect to that portion of the Original Term (including, if applicable, the Original Term Extension Period) commencing on the Expansion Space Occupancy Date upon all the terms and conditions set forth in this Lease, except that: (A) Landlord shall have no obligation to make any alterations or improvements of any kind with respect to the Expansion Space other than the Expansion Space Work; (B) Landlord shall have no obligation of any kind to extend any periods of "free rent" or other rent concessions to Tenant in connection with the leasing of the Expansion Space by Landlord to Tenant; (C) the monthly installments of Annual Fixed Rent payable by Tenant to Landlord for the Expansion Space with respect to that portion of the Lease Year in which the Expansion Space Occupancy Date shall occur and commencing on the Expansion Space Occupancy Date shall be equal to one twelfth (1/12) of that amount equal to the product of (I) the Return Rate (herein defined) and (II) the actual, final Cost of Expansion Space Work; and (D) the monthly installments of Annual Fixed Rent required to be paid by Tenant to Landlord pursuant to this Lease with respect to the Expansion Space during the second (2nd) and any succeeding Lease Year or portion thereof occurring during that portion of the Original Term (as extended, if applicable, for the Original Term Expansion Period) commencing on the Expansion Space Occupancy Date shall increase by a factor of two percent (2.00%) per annum as of the first (1st) day of each such Lease Year (it being intended by Landlord and Tenant that increases in Annual Fixed Rent shall occur with respect to the Expansion Space and the premises originally demised by Landlord to Tenant pursuant to this Lease on a contemporaneous basis). For purposes of this Lease, "Return Rate" means that percentage equal to the sum of (x) four and one-half percent (4.50%) plus (y) the per annum rate payable (or "yield"), as officially determined from time to time by the United States Department of the Treasury, with respect to United States Treasury Notes having a maturity date that is ten (10) years after the date of Substantial Completion of the Expansion Space Work (or as close thereto as possible given then current maturity dates); provided, however, the Return Rate shall under no circumstances exceed eight percent (8.00%) nor be less than seven and one-half percent (7.50%).

(j) Expansion Space Work Construction Period. For purposes of this Lease, "Expansion Space Work Construction Period" means that period of time during the Original Term commencing on the day after the date on which Tenant shall give the Expansion Space Option Exercise Notice to Landlord and ending on the date as of which Landlord shall deem the Expansion Space Work to have been completed in all respects. Landlord and the agents, employees and contractors shall have the right to enter upon the Premises pursuant to this Lease at any time or times during the Expansion Space Work Construction Period (including, without limitation, on weekends and at hours other than the normal business hours of Tenant) for the purposes of completing the Expansion Space Work. Neither Landlord nor any of the agents, employees or contractors of Landlord shall have any liability to Tenant (including, without limitation, for any damages that Tenant may suffer or incur) as a result of, or in connection with, any disruption to, or interference with, the business operations of Tenant being conducted at the Premises during the Expansion Space Work Construction Period because of the construction and/or installation of the Expansion Space Work. At Tenant's sole cost and expense, Tenant shall cooperate, and cause its agents and employees to cooperate, fully and in all respects, with Landlord and the agents, employees and contractors of Landlord in the Premises during the Expansion Space Work Construction Period for the purposes of completing the Expansion Space Work. In furtherance of the foregoing, upon request made at any time or times during the Expansion Space Work Construction Period by Landlord or any of the agents, employees or contractors of Landlord so as to facilitate the completion of the Expansion Space Work, at Tenant's sole cost and expense, Tenant shall move, remove and/or relocate, or cause to be moved, removed and/or relocated, to, from or within the Premises, any machinery, equipment, furniture, furnishings, inventory or other personal property of Tenant that may at such time be located in, on or about the Premises.

(k) Determinations. Notwithstanding anything to the contrary set forth elsewhere in this Lease, all determinations as to the actual, final Cost of Expansion Space Work, as well as whether

any particular cost or expense shall constitute a Cost of Expansion Space Work, shall be made by Landlord, in Landlord's sole but reasonable judgement, and shall be conclusive and binding on Landlord and Tenant absent manifest error.

(l) Limitations. Notwithstanding anything to the contrary set forth elsewhere in Section 2.4 of this Lease, all the rights of Tenant with respect to the Expansion Space set forth in Section 2.4 of this Lease shall: (i) terminate immediately, automatically, and fully upon the occurrence of an Event of Default; (ii) are granted by Landlord only to the originally named Tenant under this Lease, Zobele USA, Inc., and shall not inure to the benefit of, or be assignable to, any other person or party; (iii) shall not be exercisable during the Renewal Term (if becoming effective in accordance with Section 2.3 of this Lease); and (iv) Landlord shall have no obligation or liability of any kind whatsoever to Tenant with respect to the Expansion Space pursuant to Section 2.4 of this Lease if Landlord shall determine, in its sole but reasonable judgment, subsequent to the Date of Lease that any applicable Laws will not permit the construction and/or installation of the Expansion Space on the Land or any governmental authority having jurisdiction with respect to the Premises shall refuse to issue a building permit or any other governmental approval to Landlord in order to allow construction and/or installation of the Expansion Space on the Land.

ARTICLE III: DELIVERY OF PREMISES

3.1. Delivery of Premises. The Premises are demised and leased subject to the existing state of title as of the Term Commencement Date.

3.2. Existing Conditions. Landlord hereby represents and warrants to Tenant that as of the completion of the Landlord's Work all of the heating, ventilating, air conditioning, plumbing, electrical and mechanical systems serving the Premises shall be in good working order. Tenant hereby acknowledges that it has inspected the Premises and, subject to the completion of the Landlord's Work, accepts the same in the condition they are in on the Term Commencement Date, it being expressly agreed that except to the limited extent expressly set forth in the first (1st) sentence of this paragraph, neither Landlord nor any person acting under Landlord has made or implied any representations or warranties concerning this Lease, the Premises, or their condition or suitability for Tenant's use. To the extent permitted by applicable law, Tenant waives any right or remedy otherwise accruing to Tenant on account of the condition or suitability of the Premises, or title to the Premises, and Tenant agrees that, subject to the completion of the Landlord's Work, it takes the Premises "as-is," with all faults and without any such representation or warranty (except for the representation and warranty of Landlord set forth in the first (1st) sentence of this paragraph), including any implied warranties. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Tenant hereby acknowledges and agrees that Tenant shall be responsible, at Tenant's sole cost and expense, for obtaining and/or maintaining at any time on or before the Term of all federal, state, and/or local approvals, consents, and licenses of any kind whatsoever that shall be necessary or required, or which Tenant may desire, in connection with Tenant's use and occupancy of the Premises pursuant to this Lease, including, without limitation, for the obtaining of any and all required certificates of use and/or occupancy, and that Landlord shall have no obligation of any kind whatsoever in connection therewith.

ARTICLE IV: RENT

4.1. Annual Fixed Rent. Commencing on the Rent Commencement Date and on the first (1st) day of each subsequent calendar month during the Term and any Renewal Term, Tenant shall pay to Landlord the Annual Fixed Rent set forth in Section 1.1 of this Lease in lawful money of the United States, in advance and without offset, deduction, prior notice, or prior demand, except that the first (1st) full monthly payment of Annual Fixed Rent and estimated Operating Expenses shall be paid upon

execution and delivery of this Lease by Tenant. The Annual Fixed Rent shall be payable at the address of Landlord set forth in Section 1.1 of this Lease or at such other place or to such other person as Landlord may designate in writing from time to time.

ARTICLE V: ADDITIONAL RENT

5.1. Additional Rent. All sums payable by Tenant under this Lease other than Annual Fixed Rent shall be deemed "Additional Rent." For purposes of this Lease, "Rent" means, collectively, the Annual Fixed Rent and the Additional Rent. Unless this Lease provides otherwise, Tenant shall pay all Additional Rent then due with the next monthly installment of Annual Fixed Rent. Tenant's responsibility for any payments of Additional Rent due under this Lease shall commence as of the Term Commencement Date.

5.2. Operating Expenses. In addition to Annual Fixed Rent, Tenant agrees to pay to Landlord all Operating Expenses for the Premises, as hereinafter defined, incurred by Landlord during or with respect to the Term. Commencing on the Term Commencement Date Tenant shall pay monthly estimates of Operating Expenses. Commencing on the Term Commencement Date, Operating Expenses shall be an amount equal to one-twelfth ($1/12^{th}$) of the Operating Expenses, as estimated by Landlord for the applicable calendar year. Within ninety (90) days after the end of each calendar year within the Term or such later date as is reasonably practical following the end of each calendar year within the Term, Landlord shall determine the actual amount of Operating Expenses for the expired calendar year and deliver to Tenant a written statement of such amount ("Landlord's Operating Expenses Statement"). If Tenant's total payments of estimated Operating Expenses for any calendar year are less than actual Operating Expenses for such calendar year, then Tenant shall pay the difference to Landlord within thirty (30) days after demand, and if more, then Landlord shall retain such excess and credit it against Tenant's next occurring payments on account of Operating Expenses, or if in the last year of the Term, Landlord shall refund to Tenant such excess. For purposes of calculating Tenant's payment of Operating Expenses, a year shall mean a calendar year, except the last year, which shall end on the expiration or termination of this Lease. At any time Landlord may adjust the amount of the estimated Operating Expenses to reflect Landlord's estimate of Operating Expenses for the year and, commencing on that date which is thirty (30) days after the date of such notice, Tenant shall begin to make payments to Landlord in accordance with the adjusted amounts designated by Landlord.

For purposes of this Lease, "Taxes" shall mean all taxes, assessments, betterments, excises, user fees and all other governmental charges and fees of any kind or nature, or impositions or agreed payments in lieu thereof or voluntary payments made in connection with the provision of governmental services or improvements of benefit to the Premises (including any so-called linkage, impact or voluntary betterment payments), and all penalties and interest thereon, assessed or imposed or accrue against the Premises or any part thereof (including, without limitation, any personal property taxes levied on such property or on fixtures or equipment used in connection therewith), or upon Landlord by virtue of its ownership thereof, other than a federal or state income tax of general application, during the Term. If during the Term the present system of ad valorem taxation of property shall be changed so that, in lieu of or in addition to the whole or any part of such ad valorem tax, there shall be assessed, levied or imposed on the Premises or any part thereof or on Landlord any kind or nature of federal, state, county, municipal or other governmental capital levy, income, sales, franchise, excise or similar tax, assessment, levy, charge or fee (as distinct from the federal and state income tax in effect on the Term Commencement Date) measured by or based in whole or in part upon the Premises valuation, mortgage valuation, rents or any other incidents, benefits or measures of real property or real property operations and imposed on owners of real estate generally, then any and all of such taxes, assessments, levies, charges and fees shall be included within the term Taxes, but only to the extent the same are applicable to the Premises and the rents hereunder.

If Landlord shall receive a refund of any Taxes paid by Tenant, provided that Tenant is not then in default under this Lease, Landlord shall reimburse Tenant the amount of Taxes paid by Tenant from said refund after deducting therefrom the out of pocket costs and expenses incurred by or on behalf of Landlord to obtain such refund.

For purposes of this Lease, "Operating Expenses" shall mean all sums expended or obligations incurred by Landlord with respect to the ownership, management, operation, maintenance, repair, and/or replacement of the Building and the Premises, whether or not now foreseen, determined on an accrual basis (including reasonably foreseeable expenditures not occurring annually), including, but not limited to: (i) all Taxes; (ii) all personal property taxes relating to the Premises; (iii) all costs of maintenance, security, and/or property management services (provided, however, that Landlord shall not include as a part of Operating Expenses with respect to any calendar year falling wholly or partially within the Term that portion (if any) of any fees paid for property management services with respect to the Premises that shall be greater than that amount equal to the product of (A) 1.03 and (B) the aggregate amount of Annual Fixed Rent required to be paid to Landlord with respect to the Premises in regard to such calendar year); (iv) all costs of insurance (including premiums for coverage on the Building and/or the Premises obtained in accordance with Section 7.1(d) of this Lease); (v) all license, permit, inspection and other fees paid to governmental agencies; (vi) all fees and assessments imposed by any covenants or owners' association; (vii) all costs of materials and supplies, including, but not limited to, charges for telephone, postage and supplies related exclusively to the Premises (or if not exclusively relating, then apportioned to the extent relating to the Premises); (viii) all costs of repairs, maintenance and/or replacements respecting the Building and/or the Premises (including with respect to the foundation, exterior walls, structural walls and the roof of the Building); (ix) all expenses incurred by Landlord or Landlord's agents which shall be directly related to employment of personnel, including amounts incurred for wages, salaries and other compensation for services, payroll, social security, unemployment and similar taxes, workmen's compensation insurance, disability benefits, pensions, hospitalization, retirement plans and group insurance, uniforms and working clothes and the cleaning thereof, and expenses imposed on Landlord or Landlord's agents pursuant to any collective bargaining agreement for the services of employees of Landlord or Landlord's agents; and (x) all costs relating to Title Documents (as defined below), security services, and any and all other reasonable and customary expenses related to the exterior areas located in or on the Premises. The cost of any Capital Expenditure (as hereinafter defined) shall be amortized over the useful life of such Capital Expenditure (as determined in accordance with generally accepted accounting principles, consistently applied ("GAAP")) and only the amortized portion thereof shall be included in Operating Expenses with interest at the "prime rate" as announced to be in effect from time to time, as published as the average rate in The Wall Street Journal, plus one hundred fifty (150) basis points. As used in this Lease, "Capital Expenditure" means any cost or expense that (a) is treated as a capital expenditure under GAAP and (b) exceeds $15,000. As used in this Lease, "Title Documents" means any and all easements, covenants, conditions, and restrictions, industrial park association agreements, and other agreements, encumbrances, and restrictions of record affecting all or part of the Premises, as the same may now exist, or as the same may hereafter be created or amended, but excluding any mortgage.

Notwithstanding anything herein to the contrary, Operating Expenses shall not include: (a) depreciation and amortization of debt; (b) overhead and profit paid to subsidiaries or affiliates of Landlord for management services or materials to the extent that the costs of those items would not have been paid had the services and materials been provided by unaffiliated parties on a competitive basis; (c) interest on any mortgages of Landlord and rental under any ground or underlying lease; (d) costs of repairs and other work occasioned by fire, windstorm or other casualty for which (but only to the extent that) Landlord receives reimbursement from insurance that was required to be carried under this Lease; (e) any costs, fines or penalties incurred due to violations by Landlord of any governmental rule or authority; (f) costs of correcting any code violations that occurred prior to the Term Commencement

Date; (g) wages, salaries or other compensation paid to any executive employees above the grade of building manager; and (h) costs attributable repairing items that are covered by warranties to the extent the cost of such item is actually recovered by Landlord under any such warranty.

Landlord's Operating Expenses Statement shall be binding and conclusive upon Tenant unless within ninety (90) days after the giving by Landlord of such accounting Tenant shall notify Landlord that Tenant disputes the correctness of such accounting, specifying the particular respects in which the accounting is claimed to be incorrect. If Tenant timely sends a notice to Landlord disputing the accounting received from Landlord, Tenant may, at Tenant's sole cost and expense (provided, however, that if as a result of such audit it is determined that there was an overpayment by Tenant by a factor of more than ten percent (10.00%) above the amount properly payable by Tenant, then and in such event, Landlord shall reimburse Tenant for the costs of such audit for the actual and reasonable cost of such audit incurred by Tenant in an amount not to exceed $2,500.00), undertake an audit of such of Landlord's books as are directly relevant to the Operating Expense accounting for the year in question, provided and on condition that (a) there is then no uncured default of Tenant under this Lease, (b) Tenant has made all payments of Operating Expenses billed or invoiced by Landlord as of the date of the audit, (c) the audit is performed only by Tenant's employees, internal accounting department or an independent certified public accounting firm reasonably approved by Landlord and whose fee or other compensation is fixed by contract and is in no manner computed or determined based upon the results of the audit, (d) both Tenant and its examiners execute and deliver to Landlord a confidentiality agreement in form and substance reasonably acceptable to Landlord whereby such parties expressly agree to maintain the results of such audit in strict confidence, and (e) such audit is commenced and completed and the results thereof delivered to Landlord within sixty (60) days following the date Landlord makes its books available to Tenant. If Tenant fails to timely deliver a dispute notice to Landlord, or fails to complete its audit and deliver the results thereof to Landlord within the applicable sixty (60) day period, then, in either of such events, Landlord's Operating Expenses Statement shall be binding and conclusive upon Tenant for all purposes of this Lease. If it is finally agreed by the parties that Landlord has overstated Operating Expenses, Landlord shall credit the amount of such overstatement against the monthly installments of Operating Expenses next due under this Lease (or refund such amount to Tenant if the Term has ended and Tenant has no further obligations to Landlord under this Lease). If the audit demonstrates that Landlord has not overstated Operating Expenses, then Landlord may invoice Tenant for any amount by which Tenant's Operating Expenses under Section 5.2 of this Lease was understated, which invoice shall be payable by Tenant within ten (10) business days after receipt.

As used in this Lease, "Capped Operating Expenses" means those Operating Expenses that are, in the reasonable opinion of Landlord, specifically under Landlord's control (being, specifically, property management fees and the Operating Expenses described in clauses (iii), (vii), and (viii) of the fifth (5^{th}) paragraph of Section 5.2 of this Lease) and shall not include any Operating Expenses that are not, in the reasonable opinion of Landlord, under Landlord's control (such as, for example, Taxes, utility charges, snow removal costs, and costs of insurance). As used in Section 5.2 of this Lease, "Base Costs" means all Capped Operating Expenses for calendar year 2018, as determined pursuant to final reconciliation of actual Capped Operating Expenses for such calendar year; and "Cap Amount" means, for any calendar year, the maximum amount required to be paid by Tenant on account of Capped Operating Expenses pursuant to the provisions of Section 5.2 of this Lease. If the Term Commencement Date shall occur in calendar year 2018 on a date that is other than January 1, 2018, then and in such event, and for purposes of Section 5.2 of this Lease, Base Costs shall mean all Capped Operating Expenses for calendar year 2018, determined as aforesaid, assuming the Original Term had commenced on January 1, 2018. For calendar year 2019, Tenant shall not be required to pay that portion, if any, of actual Capped Operating Expenses for such calendar year which exceeds 106.0% of the Base Costs amount (106.0% of the Base Costs amount being the Cap Amount applicable for the calendar year 2019). For each calendar year subsequent to the calendar year 2019, Tenant shall not be required to pay that portion, if any, of actual

Capped Operating Expenses for such calendar year which exceeds 106.0% of the Cap Amount applicable for the immediately preceding calendar year. Notwithstanding the foregoing, to the extent the actual Capped Operating Expenses for any calendar year exceeds the Cap Amount applicable for such calendar year (an "Excess"), such Excess shall be recoverable by Landlord from Tenant to the extent actual Capped Operating Expenses for any one or more calendar years is less than the Cap Amount applicable for any such one or more calendar years. The amount of any Excess recoverable by Landlord pursuant to Section 5.2 of this Lease shall be payable to Landlord within thirty (30) days following determination from time to time, based on final reconciliation of actual Capped Operating Expenses for any calendar year, that Landlord is entitled to recovery of any portion of such Excess.

5.3. Utilities. Tenant shall pay all charges and deposits for gas, water, sewer, electricity, telecommunications, and other energy, utilities and services used or consumed on the Premises during the Term. It is understood and agreed that Landlord (i) shall be under no obligation whatsoever to furnish any such services to the Premises and (ii) shall not be liable for (nor suffer any reduction in any Rent on account of) any interruption or failure in the supply of the same. Upon written request from time to time, Tenant shall provide Landlord with evidence that all utilities are paid current. All utilities serving the Premises shall be separately metered. Tenant shall make arrangements with appropriate utility or service companies with respect to all such utilities and Tenant shall promptly pay all costs with respect to the same, such payments to be made, to the extent possible, directly to the utility or service provider or to the appropriate party charged with collecting the same.

In the event that as a result of the sole and grossly negligent action of Landlord or any agent, employee, or contractor of Landlord any of the energy, utilities or services used or consumed at the Premises during the Term shall become unavailable or interrupted and such unavailability or interruption shall continue for ten (10) days in a manner that materially and adversely prevents Tenant from using the Premises for any of the Permitted Uses, then and in such event, Tenant shall give prompt notice thereof to Landlord and if Landlord fail to take action to restore the availability of such energy, utilities, or services within the period of fifteen (15) days after the date of such notice is received by Landlord, Landlord shall apply a credit for the benefit of Tenant, until exhausted, in the amount of the "Utilities Unavailability Annual Fixed Rent Credit" (herein defined) to the monthly installments of Annual Fixed Rent next becoming due for the Premises by Tenant to Landlord pursuant to this Lease. For purposes of this Lease, "Utilities Unavailability Annual Fixed Rent Credit" means that amount equal to the product of (A) the number of days occurring the period of time commencing on the day after the last day of such period of fifteen (15) days and ending on the day before the date as of which such energy, utilities, or services unavailability shall end, and (B) that amount equal to one-thirtieth ($1/30^{th}$) of the monthly installment of Annual Fixed Rent payable with respect to the month during which the last day of such period of fifteen (15) days shall occur.

5.4. Personal Property Taxes. Tenant shall pay when due, directly to the relevant taxing authority, all taxes charged against trade fixtures, furnishings, equipment, inventory, or any other personal property belonging to Tenant. Tenant shall use its best efforts to have its personal property taxed separately from the Premises. If any of Tenant's personal property shall be taxed with the Premises, Tenant shall pay Landlord the taxes for such personal property within forty-five (45) days after Tenant receives a written statement from Landlord for such personal property taxes.

5.5. Method of Payment. Tenant agrees to pay Annual Fixed Rent to Landlord in advance in equal monthly installments by the first (1^{st}) day of each calendar month during the Term. Tenant shall make a ratable payment of Annual Fixed Rent and Additional Rent (to the extent applicable) for any period of less than a calendar month at the beginning or end of the Term. All payments of Annual Fixed Rent, and all payments of Additional Rent and other sums due and payable to Landlord, shall be paid in current U.S. exchange by check drawn on a Clearinghouse Bank at the address of Landlord set forth in

Section 1.1 of this Lease or such other place as Landlord may from time to time direct (or if requested by Landlord, by electronic fund transfer), without demand, set-off or other deduction.

5.6. Net Lease. Except where and as expressly provided otherwise elsewhere in this Lease, this Lease is an absolutely net lease to Landlord. It is the intent of the parties hereto that the Annual Fixed Rent payable under this Lease shall be an absolute net return to Landlord and that Tenant shall pay all costs and expenses relating to the Premises except as otherwise expressly set forth in this Lease. Any amount or obligation herein relating to the Premises that is not expressly declared to be that of Landlord shall be deemed to be an obligation of Tenant to be performed by Tenant at Tenant's expense, and Tenant's liability for the payment of any of the same shall survive the expiration or earlier termination of the Term. All Annual Fixed Rent, Additional Rent, and other sums payable hereunder by Tenant, shall be paid without notice or demand and without set off, counterclaim, recoupment, abatement, suspension, deduction, or defense (other than payment) whatsoever, so that this Lease shall yield net to Landlord the Annual Fixed Rent under all circumstances and conditions whether now or hereinafter existing and whether or not within the contemplation of Landlord and Tenant. Except as otherwise expressly set forth in this Lease with respect to certain events of casualty or condemnation, Tenant shall in no event have any right to terminate this Lease. It is the intention of Landlord and Tenant that the obligations of Tenant hereunder shall be separate and independent covenants and agreements and that the Annual Fixed Rent, the Additional Rent, and all other sums payable by Tenant hereunder shall continue to be payable in all events, and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.

5.7. True Lease. Landlord and Tenant agree that the parties intend this Lease to constitute a lease and not a financing arrangement. Landlord and Tenant shall reflect the transaction represented hereby in all applicable books, records and reports (including income tax filings) in a manner consistent with "true lease" treatment rather than "financing" treatment, subject to future modifications of accounting or tax rules or guidelines and subject to contrary determinations or positions by governmental agencies or the like.

5.8. Late Payment. If any payment of Annual Fixed Rent, Additional Rent, or other payment due from Tenant to Landlord is not paid when due, then Landlord may, at its option, in addition to all other remedies hereunder, impose a late charge on Tenant equal to five percent (5.00%) of the amount in question, which late charge will be due upon demand as Additional Rent. In addition to the late charge payable by Tenant pursuant to the preceding sentence of this paragraph, any such delinquent payment of Annual Fixed Rent, Additional Rent, or other payment shall bear interest from the date due at that rate (the "Default Rate") that is the greater of (a) one percent (1.00%) for each month (or ratable portion thereof) the same remains unpaid, or (b) three percent (3.00%) per annum (or ratable portion thereof) above the so-called prime rate of interest published in The Wall Street Journal from time to time on ninety (90) day loans to its most credit-worthy borrowers; provided that interest shall never exceed the maximum rate permitted under applicable law.

ARTICLE VI: MAINTENANCE, USE, AND ALTERATIONS OF PREMISES

6.1. Landlord's Repair Obligations. As and when becoming necessary at any time, and from time to time, during the Term, Landlord shall maintain, repair, and replace (a) the roof of the Building, (b) the foundation and floor slab of the Building, (c) the exterior and structural walls of the Building, (d) all exterior portions of the Premises (including, without limitation, all parking lots, roadways, driveways, and curbs within the Premises), (e) the heating, ventilating, and/or air conditioning systems or units (collectively, the "HVAC System") serving the Premises, (f) all plumbing, electrical, utility, and fire and life safety systems serving the Premises, and (g) all utility lines, pipes, and drains (whether above or below ground) serving the Building and the Premises. All costs and expenses incurred by Landlord in

connection with the making of repairs or replacements with regard to the components of the Premises described in clauses (a), (b), (c), and (e) of the preceding sentence, if constituting a Capital Expenditure, shall be paid by Landlord, at Landlord's sole cost and expense. Except if and to the extent described in the immediately preceding sentence of this paragraph, all costs and expenses incurred by Landlord in connection with the making of any maintenance, repair, and/or replacement described in the first (1st) sentence of this paragraph, whether or not the cost thereof shall constitute a Capital Expenditure, shall be subject to reimbursement by Tenant to Landlord as Operating Expenses pursuant to Section 5.2 of this Lease. Subject to reimbursement by Tenant pursuant to the terms and conditions of Section 5.2 of this Lease, Landlord shall perform, as and when becoming necessary from time to time during the Term and in a commercially reasonable manner, all gardening and landscaping of the exterior areas of the Premises, the removal of all snow and ice from the roadways and parking lots of the Premises, the maintenance of all signs, all sweeping and striping of pavement, all painting of the exterior of the Building, and the repair as and when necessary of all of the lighting on the exterior of the Building. Except as expressly set forth in the immediately preceding provisions of Section 6.1 of this Lease and in Section 10.1 and Section 10.2 of this Lease, Landlord shall have no obligation to repair, replace, or maintain the Building, the Premises, or any portions or components thereof. Tenant hereby waives the benefit of any present or future Laws that provide Tenant the right to repair the Building or the Premises at Landlord's expense or to terminate this Lease because of the condition of the Building or the Premises. Notwithstanding anything to the contrary in this paragraph, Tenant shall be solely responsible for the cost of (i) any repair or capital replacement arising from an overburdening of any component or system of the Building or any other act or omission of Tenant (including, without limitation, any damage caused to the floor slab of the Building as a result of negligence or improper or excessive use by Tenant or any of the agents, employees, or contractors of Tenant) or any of the employees, agents, contractors, or invitees of Tenant or from a failure by Tenant to perform its maintenance and repair obligations under this Lease, and (ii) any Alterations that are performed by or on behalf of Tenant. In furtherance of the obligations of Landlord set forth in the preceding provisions of Section 6.1 of this Lease with respect to the maintenance and repair of the HVAC System, Landlord shall have the right, at Landlord's option, to maintain in effect at any time or times during the Term a preventative maintenance service contract providing for the regular maintenance and inspection of the HVAC System by a heating and air conditioning contractor selected by Landlord. All costs and expenses incurred by Landlord in connection with any such preventative maintenance service contract shall be an Operating Expense.

In the event that for any reason whatsoever other than the occurrence of an event of force majeure or any act constituting a default on the part of Tenant with respect to any of the agreements, covenants, or obligations of Tenant set forth in this Lease, Landlord shall fail to make in a timely manner any repair or replacement required to be made by Landlord in accordance with the terms and conditions of Section 6.1 of this Lease (any such failure on the part of Landlord being sometimes hereinafter in this paragraph referred to as a "Section 6.1 Failure"), which Section 6.1 Failure shall continue for a period of twenty-one (21) days after notice thereof shall have been given by Tenant to Landlord, then and in such event, Tenant shall have the right, at Tenant's option (but not as an obligation), to make such repair or replacement on behalf of Landlord and any costs or expenses actually and reasonably incurred and paid by Tenant in connection therewith shall be reimbursed by Landlord to Tenant not later than thirty (30) days after written demand shall be made therefor by Tenant of Landlord. Any request for reimbursement made by Tenant of Landlord in accordance with the preceding sentence shall be accompanied by copies of invoices or other evidence reasonably satisfactory to Landlord showing Tenant to have actually incurred and paid the costs and expenses in question. If in accordance with the preceding terms and conditions of Section 6.1 of this Lease Landlord shall reimburse Tenant for costs and/or expenses incurred by Tenant in connection with the making of any repair or replacement on behalf of Landlord and such repair or replacement, if it had been timely made by Landlord in accordance with the terms and conditions of Section 6.1 of this Lease would have been includable by Landlord as a part of Operating Expenses, then

and in such event, the monies reimbursed by Landlord to Tenant shall be includable as Operating Expenses, as if Landlord had properly and timely performed the repairs and replacements in question.

6.2. Tenant's Repair and Maintenance Obligations. Except to the extent being an obligation of Landlord pursuant to Section 6.1, Section 10.1, or Section 10.2 of this Lease, Tenant shall clean, maintain, repair, replace, and secure the Building and the Premises, all improvements and appurtenances thereto, all access areas thereof, and all utilities, facilities, installations and equipment used in connection therewith, and shall pay all costs and expenses of so doing and Tenant's sole cost and expense, keeping the Premises in good order, repair and condition, reasonable wear and tear and damage by casualty and taking (to the extent provided in Article X of this Lease only) excepted. Without limiting the generality of the foregoing, Tenant shall keep all interior walls, floor surfaces and coverings, glass, windows, doors, and partitions, and all fixtures and equipment used in connection with the Premises in good order, repair and condition, and shall remove all refuse from and provide its own janitorial services for the Premises. If any portion of the Premises or any system or equipment in the Premises that Tenant shall be obligated to repair cannot be fully repaired or restored, Tenant shall promptly replace such portion of the Premises or system or equipment (including, without limitation, any such replacement constituting a Capital Expenditure).

For purposes of this Lease, "Warranties and Guaranties" means, collectively, all warranties and/or guaranties that after the Date of Lease are issued to Landlord in connection with the Building or any of the components of the Building. Landlord hereby represents and warrants to Tenant that as of the Date of Lease no Warranties and Guaranties are in existence. However, if any Warranties and Guaranties become effective with respect to the Building (including with respect to the Expansion Space Work) subsequent to the Date of Lease, then and in such event and to the extent assignable, Landlord hereby assigns to Tenant all of such Warranties and Guaranties that pertain to any components of the Premises that in accordance with the terms and conditions of this Lease Tenant has the obligation to maintain, repair, and/or replace; it being agreed, however, that such assignment shall be in effect only until the Term Expiration Date or any earlier date as of which this Lease may terminate, and upon such expiration or termination of this Lease all of the rights with respect to any of such Warranties and Guaranties assigned by Landlord to Tenant shall revert to Landlord, immediately and without any obligation on the part of Tenant to re-assign the same to Landlord in writing.

6.3. Use and Compliance with Law; Rules and Regulations. Tenant shall use the Premises only for the Permitted Uses and only as permitted under applicable Laws from time to time, including without limitation municipal by-laws, land use and zoning laws, environmental laws and regulations (including all laws and regulations regulating the production, use, and disposal of any Hazardous Materials (as defined in Section 6.4 of this Lease)), and occupational health and safety laws. Tenant shall procure all approvals, licenses and permits necessary therefor, in each case giving Landlord true and complete copies of the same and all applications therefor. Tenant shall promptly comply with all present and future Laws applicable to the Building and Premises and Tenant's use thereof or Tenant's signs thereon, foreseen or unforeseen, and whether or not the same necessitate structural or other extraordinary changes or improvements to the Premises or interfere with Tenant's use and enjoyment of the Premises. Tenant shall comply with all applicable requirements of insurance inspection or rating bureaus having jurisdiction over the Premises and Tenant's use thereof. If Tenant's use of the Premises results in any increase in the premium for any insurance carried by Landlord, then upon Landlord's notice to Tenant of such increase Tenant shall pay the same to Landlord upon demand as Additional Rent. Tenant shall bear the sole risk of all present or future Laws affecting the Premises or appurtenances thereto, and Landlord shall not be liable for (nor suffer any reduction in any rent on account of) any interruption, impairment or prohibition affecting the Premises or Tenant's use thereof resulting from the enforcement of Laws. Tenant shall comply with the rules and regulations for the Premises set forth on Exhibit B attached to and hereby made a part of this Lease, as the same may be reasonably amended from time to time by Landlord

for the operation, care and use of the Premises and appurtenant improvements and areas in which Tenant is granted rights of use by the terms of this Lease.

6.4. Nuisance; Hazardous Materials. Tenant shall not injure, overload, deface, damage or otherwise harm Landlord's property, the Premises or any part or component thereof; commit any nuisance; permit the emission of any Hazardous Materials; allow the release or other escape of any Hazardous Materials so as to impair or in any manner affect, even temporarily, any element or part of Landlord's property or the Premises, or allow the storage or use of Hazardous Materials in any manner not sanctioned by Law or by the highest standards prevailing in the industry for the storage and use of such substances or materials; nor shall Tenant bring onto the Premises any Hazardous Materials except to use in the ordinary course of Tenant's business, and then only in strict compliance with applicable Laws; permit the occurrence of objectionable noise or odors; or make, allow or suffer any waste whatsoever to Landlord's property or the Premises. As used in this Lease, the term "Hazardous Materials" means all substances described or regulated in any federal, state, local or administrative agency Law or requirement relating to environmental conditions, human health or hazardous substances, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Emergency Planning and Community Right-To-Know Act (42 U.S.C. §1101 et seq.), The Endangered Species Act (16 U.S.C. §1531 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.) and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and the regulations promulgated pursuant to such Laws, all as amended from time to time, and all other Laws governing similar matters as they may be amended from time to time. In addition, Tenant shall execute affidavits, representations and the like from time to time at Landlord's request regarding the presence or absence of Hazardous Materials on the Premises. In all events, Tenant shall indemnify, defend, and hold harmless Landlord and its mortgagees as provided in this Lease from any claims resulting from any release of Hazardous Materials on the Premises first occurring during the Term, except to the extent caused by Landlord or its agents or contractors or caused by a migration onto or under the Land from adjacent property. (At the request of Landlord, Tenant will from time to time confirm such indemnity to mortgagees directly with such mortgagees.)

Attached to and hereby made a part of this Lease as Exhibit G is a list of Hazardous Materials (the "Permitted Hazardous Materials") that Tenant has heretofore advised Landlord that Tenant wishes to use, store, and handle at the Premises during the Term. Landlord hereby consents to the use, storage, and handling at the Premises by Tenant of the Permitted Hazardous Materials so long as Tenant shall use, store, and handle the same at all times (a) strictly in accordance with the terms, conditions, and provisions of the Lease, (b) strictly in accordance with all applicable Laws, (c) subject to obtaining, and in accordance with the conditions imposed under, any and all required permits and governmental approvals, and (d) in amounts not in excess of the maximum amounts for the same, as applicable, described in Exhibit G. In the event that at any time on or after the Date of Lease Tenant wishes to use, store, or handle at the Premises any Hazardous Materials other than the Permitted Hazardous Materials, then and in any such event, Tenant shall give prompt notice thereof to Landlord, which notice to Landlord shall request the consent of Landlord thereto and shall identify (in a manner similar to the detail prescribed in Exhibit G) the Hazardous Materials in question and the quantities thereof that Tenant wishes to use, store, or handle at the Premises. Any storage, use, or handling by Tenant at the Premises of any Hazardous Materials other than Permitted Hazardous Materials shall be subject to the prior written consent of Landlord (which prior written consent of Landlord may be given or withheld by Landlord at the sole discretion of Landlord).

The indemnities under Section 6.4 of this Lease shall survive any termination of the Lease.

6.5. Landlord's Right to Enter. Landlord and its agents or employees may upon reasonable prior notice enter the Premises during business hours (and in case of emergency at any time) for the purpose of determining the need for and performing repairs or replacements, or exercising any of the rights reserved to Landlord herein, or securing or protecting Landlord's property or the Premises, or removing any Alterations not consented to by Landlord, and similarly upon reasonable notice may show the Premises to prospective purchasers and lenders, and during the last nine (9) months of the Term to prospective tenants, and may keep affixed in suitable places notices for letting (during the last nine (9) months of the Term) and selling. Except in case of emergency, Landlord shall be subject in entering the Premises to reasonable security conditions, if any, set forth by Tenant in writing to Landlord. If Tenant so desires, a representative of Tenant may accompany Landlord or its agents in any entry onto the Premises under this Lease.

6.6. Parking. Subject to compliance with all applicable Laws, Tenant shall be entitled to use all parking areas on the Premises and within the Building without charge. Handicapped spaces shall only be used by those legally permitted to use them.

6.7. Alterations, Additions, and Improvements. Tenant shall not make any installations, alterations, additions, or improvements in or to the Premises (collectively, "Alterations"), including, without limitation, any apertures in the walls, partitions, ceilings or floors, without on each occasion obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed with respect to Alterations that do not affect the structure or mechanical, electrical, or other systems of the Building, except that only prior notice and a description of and plans for the work (but no approval) shall be required for any interior Alterations costing less than $20,000 in the aggregate during any twelve (12) month period that do not affect the structure or mechanical, electrical, or other systems of the Building. Any such Alterations so approved by Landlord shall be performed only in accordance with plans and specifications therefor approved by Landlord. Tenant shall not perform any Alterations in or to the Premises that would in Landlord's reasonable judgment (i) in any manner affect any structural component of the Building (including, without limitation, exterior walls, exterior windows, core walls, columns, roofs, or floor slabs), (ii) in any respect be incompatible with the electrical or mechanical components or systems of the Building, (iii) affect space or areas around the Building (including the exterior of the Premises), (iv) diminish the value of the Premises for the Permitted Uses, or (v) require any unusual expense to re-adapt the Premises for the Permitted Uses. Tenant shall procure at Tenant's sole expense all necessary permits and licenses before undertaking any Alterations on the Premises and shall perform all such Alterations in a good and workmanlike manner employing materials of good quality and so as to conform with all applicable Laws and with all applicable insurance requirements. Tenant shall employ for such work only contractors reasonably approved by Landlord and shall require all contractors employed by Tenant to carry insurance in types and amounts reasonably approved by Landlord (including without limitation worker's compensation insurance in accordance with statutory requirements and commercial general liability insurance covering such contractors on or about the Premises with a combined single limit not less than $3,000,000) and shall submit certificates evidencing such coverage to Landlord prior to the commencement of such work, subject to Article VII and Article X of this Lease in the case of casualty. Tenant shall indemnify and hold harmless Landlord from all injury, loss, claims or damage to any person or property occasioned by or arising out of the performance of any Alterations. Landlord may inspect the work of Tenant at reasonable times in accordance with Section 6.5 of this Lease and give notice of observed defects. Upon completion of any Alterations, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts and proof of payment for all labor and materials.

6.8. Liens and Encumbrances. Tenant shall not create or suffer, shall keep Landlord's property, the Premises and Tenant's leasehold free of, and shall promptly remove and discharge, any lien, notice of contract, charge, security interest, mortgage or other encumbrance which arises for any reason,

voluntarily or involuntarily, as a result of any act or omission by Tenant or persons claiming by, through or under Tenant, or any of their agents, employees or independent contractors, including, without limitation, liens which arise by reason of labor or materials furnished or claimed to have been furnished to Tenant or for the Premises. If Tenant shall fail to discharge any such lien or other encumbrance, Landlord may, at its option, discharge such lien and treat the cost thereof (including reasonable attorneys' fees incurred in connection therewith) as Additional Rent payable upon demand, it being expressly agreed that such discharge by Landlord shall not be deemed to waive or release the Event of Default in not discharging such lien. If any notice of contract or lien is placed on the Premises arising from work performed by or for Tenant, Tenant shall thereafter furnish to Landlord prior to commencement of any such work a bond or other security acceptable to Landlord assuring that any work by Tenant will be completed in accordance with the approved plans and specifications and that all subcontractors will be paid.

6.9. Condition Upon Termination. At the expiration or earlier termination of this Lease, Tenant (and all persons claiming by, through or under Tenant) shall, without the necessity of any notice, surrender the Premises (including any Alterations and all replacements thereof, except such Alterations constructed after the Term Commencement Date as Landlord may direct to be removed at the time of Landlord's approval thereof, which shall be removed by Tenant and the Premises restored to their pre-existing condition) and all keys to the Premises, remove all of Tenant's trade fixtures and personal property not bolted or otherwise attached to the Premises (and such trade fixtures and other property bolted or attached to the Premises as Landlord may direct or, except as set forth below, as Tenant may desire), and all Tenant's signs wherever located, in each case repairing damage to the Premises which results in the course of such removal and restoring the Premises to a fully functional and tenantable condition (including the filling of all floor holes, the removal of all disconnected wiring back to junction boxes and the replacement of all damaged or stained ceiling tiles). Tenant shall yield up the Premises broom-clean and in good order, repair and condition, reasonable wear and tear and damage by casualty and taking (to the extent provided in Article X of this Lease only) excepted. Any property not so removed within thirty (30) days after the expiration or termination of the Lease shall be deemed abandoned and may be removed and disposed of by Landlord in such manner as Landlord shall determine, and Tenant shall pay to Landlord the reasonable cost and expense incurred by Landlord in effecting such removal and disposition and in making any required repairs to the Premises. In no event, however, shall Tenant remove any of the following materials or equipment (which shall be deemed Landlord's property), without Landlord's prior written consent: (a) power wiring or wiring panels; (b) lighting or lighting fixtures; (c) doors, windows, or wall coverings; (d) drapes, blinds or other window coverings; (e) installed carpets or other installed floor coverings; (f) built-in or hard-wired heating or air conditioning equipment; (g) fencing or security gates; or (h) other, similar operating equipment of the Building.

6.10. Tenant's Expense. Tenant shall perform all of Tenant's obligations under Article VI of this Lease at Tenant's sole expense, failing which Landlord may, upon thirty (30) days' prior notice to Tenant (except that no notice shall be required in the case of an emergency), enter the Premises in accordance with Section 6.5 of this Lease and perform such obligations of Tenant, including, without limitation, any necessary maintenance, repair or replacement, on behalf of Tenant. In such case, Tenant shall reimburse Landlord for all costs reasonably incurred in performing such obligations, together with an administrative charge of ten percent (10.00%), as Additional Rent, immediately upon demand.

6.11. Interruptions. Landlord shall not be liable to Tenant in damages or by reduction of rent or otherwise by reason of inconvenience or for loss of business arising from Landlord or its agents or employees entering the Premises for any of the purposes permitted by this Lease or for repairing, altering or improving the Building in a manner reasonable in light of the circumstances. In case Landlord is prevented or delayed from making any repairs or replacements or furnishing any services or performing

any other covenant or duty to be performed on Landlord's part by reason of any cause reasonably beyond Landlord's control, Landlord shall not be liable to Tenant therefor, nor shall the same give rise to a claim in Tenant's favor that such failure constitutes actual or constructive, total or partial, eviction from the Premises. Landlord reserves the right to stop any service or utility system, when necessary by reason of accident or emergency, or until necessary repairs have been completed; provided, however, that in each instance of stoppage, Landlord shall give Tenant such notice as is practicable under the circumstances of the expected duration of such stoppage and will exercise reasonable diligence to eliminate the cause thereof. Except in case of emergency repairs Landlord will give Tenant reasonable advance notice of any contemplated stoppage and will use reasonable efforts to avoid unnecessary inconvenience to Tenant by reason thereof.

6.12. Signage. Subject to obtaining the prior written approval of Landlord thereto (which prior written approval of Landlord shall not be unreasonably withheld, conditioned or delayed), Tenant shall have the right to install signage on the Premises and on the exterior of the Building. Any and all such signage installed by Tenant shall comply, fully and in all respects, with all applicable Laws and all covenants and restrictions encumbering the Premises and all costs of installation shall be paid by Tenant, at Tenant's sole cost and expense. On or before the Term Expiration Date or any earlier date as this Lease shall terminate and at Tenant's sole cost and expense, Tenant shall remove all such signage and repair and any all damage caused to the Premises by such removal, all to the reasonable satisfaction of Landlord.

ARTICLE VII: INSURANCE AND INDEMNIFICATION

7.1. Insurance.

(a) Tenant shall purchase and maintain, at its sole cost and expense, insurance during the entire Term and any period Tenant (or any party claiming by, through or under Tenant) occupies any portion of the Premises, for the benefit of Tenant and Landlord (as their interests may appear) with terms and coverages reasonably satisfactory to Landlord, and with insurers having a minimum A.M. Best's rating of at least A-/X, and with such increases in limits as Landlord may from time to time reasonably request, but initially Tenant shall maintain the following coverages in the following amounts:

(i) Commercial General Liability Insurance naming Landlord, Landlord's management, leasing and development agents and Landlord's mortgagee(s) from time to time as additional insureds, with coverage for premises/operations, personal and advertising injury, products/completed operations and contractual liability with combined single limits of liability of not less than $1,000,000 for bodily injury and property damage per occurrence and not less than $2,000,000 in the aggregate and excess liability insurance with a limit not less than $5,000,000 per occurrence and aggregate.

(ii) Property insurance covering property damage and business interruption for the Premises. Covered property shall include all Alterations and other tenant improvements, office furniture, trade fixtures, office equipment, merchandise and all other items Tenant's property in the Premises. With respect to leasehold improvements only, such insurance shall name Tenant as the insured, Landlord as an additional insured, and Landlord's mortgagee(s) from time to time as additional loss payee(s) as their interests may appear. Such insurance shall be written on special form basis including but not limited to the perils of fire, extended coverage, windstorm, vandalism, malicious mischief, terrorism (certified and uncertified), sprinkler leakage, flood, windstorm and earthquake, for the full replacement cost value of the covered items and other endorsements as Landlord shall reasonably request from time to time and in amounts that meet any co-insurance clause of the policies of insurance with a deductible amount not to exceed

$100,000. Such insurance shall include rent continuation coverage of no less than twelve (12) months.

(iii) Boiler and machinery coverage.

(iv) Workers' Compensation Insurance with statutory limits and Employers Liability Insurance and automobile liability insurance (coverage must include owned, leased, hired and non-owned vehicles) with a limit of at least $1,000,000.

Prior to the commencement of the Term and no later than ten (10) days prior to each anniversary of the Term Commencement Date and/or renewal date thereof, Tenant shall furnish to Landlord certificate(s) (ACCORD 28 (2003/10) evidencing such coverage, which certificate(s) shall state that such insurance coverage may not be changed or canceled without at least thirty (30) days' prior written notice to Landlord and Tenant. The insurance maintained by Tenant shall be deemed to be primary insurance and any insurance maintained by Landlord (acknowledging that Landlord has no obligation to maintain any such insurance) shall be deemed secondary thereto. All insurance proceeds payable under the terms and conditions of any property insurance policy required to be obtained or maintained by Tenant pursuant to this Lease resulting from damage to the leasehold improvements within the Premises shall be promptly paid to and become the property of Landlord irrespective of any termination of this Lease or the cause of such damage, and Tenant shall pay to Landlord, if, as, and to the extent applicable in connection with any claim made under such property insurance policy, the amount of any deductible. Tenant shall cooperate, fully and in all respects and at Tenant's sole cost and expense, with Landlord in connection with any efforts of Landlord to receive prompt payment of any proceeds required to be paid to Landlord pursuant to the terms and conditions of this Lease in regard to insurance policies covering leasehold improvements within Premises.

(b) Tenant shall comply with all applicable Laws, all orders and decrees of court and all requirements of other governmental authorities, and shall not, directly or indirectly, make any use of the Premises which may thereby be prohibited or be dangerous to person or property or which may jeopardize any insurance coverage or may increase the cost of insurance or require additional insurance coverage. If Tenant fails to comply with the provisions of Section 7.1(b) of this Lease and (i) any insurance coverage is jeopardized and Tenant fails to correct such dangerous or prohibited use following fifteen (15) days' notice, or (ii) insurance premiums are increased and Tenant fails, following fifteen (15) days' notice, to cease such use, then in each event such failure shall constitute an Event of Default by Tenant under this Lease, without any further notice or cure right, and Landlord shall have all of its remedies as set forth in the Lease.

(c) Notwithstanding anything herein to the contrary, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action, or cause of action against the other, its agents, employees, licensees, or invitees for any loss or damage to or at the Building or the Premises or any Alterations, personal property of such party therein or thereon by reason of fire, the elements, or any other cause which is covered by the insurance coverages actually maintained by Landlord and Tenant, respectively, or such greater amount required to be maintained by Landlord and Tenant, respectively, under this Lease, regardless of cause or origin, including omission of the other party hereto, its agents, employees, licensees, or invitees. Landlord and Tenant covenant that no insurer shall hold any right of subrogation against either of such parties with respect thereto. The parties hereto agree that any and all such insurance policies required to be carried by either shall be endorsed with a subrogation clause that shall provide that such party's insurer waives any right of recovery against the other party in connection with any such loss or damage.

(d) At all times during the Term Landlord shall maintain in full force and effect all risk insurance covering the Building in the amount of the full replacement cost thereof and commercial general liability insurance. In addition and at the option of Landlord, Landlord shall also have the right to keep in full force and effect, from time to time and at any time during the Term, such other insurance (including as to earthquakes and floods) as Landlord shall deem necessary or appropriate with respect to the Premises and in such amounts and covering such liabilities or hazards as deemed appropriate by Landlord. The amount and scope of coverage of Landlord's insurance shall be determined by Landlord from time to time in its sole discretion and shall be subject to such deductible amounts as Landlord may elect. Subject to the terms and conditions of the first (1st) sentence of this paragraph, Landlord shall have the right to reduce, terminate or otherwise modify any insurance or coverage. All costs incurred by Landlord in connection with the obtaining and maintaining of any such insurance shall be an Operating Expense.

7.2. Waiver of Claim – Indemnification.

Without limiting any other provisions of this Lease, but subject to the provisions of Section 7.1(c) of this Lease, Tenant agrees to defend, protect, indemnify and save Landlord and its partners, affiliates, members, officers, agents, servants and employees and Landlord's management, leasing and development agents and Landlord's mortgagee(s) from time to time from and against all liability to third parties arising (a) from any accident, injury or damage whatsoever to any person, or to the property of any person, occurring in or about the Premises; (b) from the omission, fault, willful act, negligence or other misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, (c) in connection with Tenant's use of the Premises or any business conducted therein or any work done or condition created in the Premises by Tenant, its agent, employees or contractors, or anyone claiming by, through or under Tenant, or (d) the failure of Tenant to perform and discharge its covenants and obligations under this Lease. To the extent not prohibited by Laws and subject to the waiver of subrogation contained in Section 7.1(c) of this Lease, Landlord and its partners, affiliates, officers, agents, servants and employees shall not be liable for any damage either to person, property or business resulting from the loss of the use thereof sustained by Tenant or by other persons due to the Building, or any parts thereof or any appurtenances thereto becoming out of repair, or due to the happening of any accident or event in or about the Premises, or due to any act or neglect of any tenant or occupant of the Premises or of any other person, unless and then only to the extent caused by the gross negligence or willful misconduct of Landlord or its agents, employees or contractors. This provision shall apply particularly, but not exclusively, to damage caused by gas, electricity, snow, ice, frost, steam, sewage, sewer gas or odors, fire, water or by the bursting or leaking of pipes, faucets, sprinklers, plumbing fixtures and windows, and except as provided above, shall apply without distinction as to the person whose act or negligence was responsible for the damage and shall apply whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all personal property upon the Premises, or upon loading docks, recovering and holding areas, or freight elevators of the Building, shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof. The provisions of Article VII and Article X of this Lease shall survive the expiration or earlier termination of this Lease.

ARTICLE VIII: ASSIGNMENT AND SUBLETTING

8.1. Landlord's Consent Required. Tenant shall not assign this Lease, or sublet or license the Premises or any portion thereof, or advertise the Premises for assignment or subletting or permit the occupancy of all or any portion of the Premises by any person or party other than Tenant (each of the foregoing actions is referred to as a "transfer") without obtaining, on each occasion, the prior consent of Landlord, subject to and in accordance with Article VIII of this Lease. A transfer shall include, without limitation, any transfer of Tenant's interest in this Lease by operation of law, merger or consolidation of

Tenant into any other firm or corporation, the transfer or sale of a controlling interest in Tenant whether by sale of its capital stock or otherwise or any liquidation of Tenant or a substantial part of Tenant's assets.

Notwithstanding the foregoing, the following transactions ("Excluded Transactions") shall not require the consent of Landlord provided that (i) Landlord shall receive prior notice thereof plus reasonable evidence prior to closing that the transaction is in fact one of the following, and (ii) the successor to Tenant has a net worth, computed in accordance with GAAP, consistently applied, at least equal to the greater of (1) the tangible net worth of Tenant immediately prior to such merger, consolidation or transfer, or (2) the tangible net worth of Tenant herein named on the Date of Lease, and proof satisfactory to Landlord of the tangible net worth of both the transferee and Tenant shall have been delivered to Landlord at least ten (10) days prior to the effective date of any such transaction, and (iii) the proposed transfer complies with all other provisions of this Lease, including, without limitation, Article VIII of this Lease, does not alter Landlord's rights under the Lease, and does not impose any additional obligation on Landlord:

(a) any transfer to an entity succeeding to the business and assets of Tenant, whether by way of merger, consolidation or otherwise having a creditworthiness that is sufficient, in the sole but reasonable judgment of Landlord, to permit such entity to fulfill all of the obligations of the lessee under the Lease; or

(b) any transfer to an entity controlling Tenant, directly or indirectly controlled and beneficially owned by Tenant, or under common control with Tenant. For purposes of this clause (b), control shall mean possession of more than fifty percent (50.00%) ownership of the shares of beneficial interest of the entity in question together with the power to control and manage the affairs thereof either directly or by election of directors and/or officers.

8.2. Terms. Tenant shall not offer to make a transfer to any party which would be of such type, character or condition as to be inappropriate as a tenant for a building comparable to the Building. Tenant shall not offer to transfer any portion of the Premises (other than for Excluded Transactions) unless the aggregate rent payable to Tenant under such transfer equals or exceeds the then prevailing market rate rent and other charges payable for space comparable to the Premises.

8.3. Intentionally Omitted.

8.4. Landlord's Consent. Tenant's request for consent under Article VIII of this Lease (and Tenant's notice of any transfer not requiring Landlord's consent under Section 8.1 of this Lease) shall set forth the details of the proposed transfer, including: (i) the name, business and financial condition of the prospective transferee; (ii) a true and complete fully executed copy of the proposed instrument containing all of the terms and conditions of such transfer; (iii) a written agreement of the assignee, subtenant or licensee, in recordable form reasonably approved by Landlord, agreeing with Landlord to perform and observe all of the terms, covenants, and conditions of this Lease; and (iv) any other information Landlord reasonably requested by Landlord prior to or in response to such notice. Except in connection with an Excluded Transaction, Landlord shall have the right to withhold consent, reasonably exercised as to any proposed sublease, or to grant consent, based on the following factors: (A) the business of the proposed assignee or subtenant and the proposed use of the Premises (if other than the Permitted Uses); (B) the net worth, business reputation, character, and financial condition of the proposed assignee or subtenant; (C) Tenant's compliance with all of its obligations under this Lease within applicable notice and cure periods; and (D) such other factors as Landlord may reasonably deem relevant. Tenant shall pay to Landlord, as Additional Rent, Landlord's reasonable attorneys' fees (but not exceeding, in any single

instance, the sum of $2,500.00) in reviewing any transfer proposed by Tenant, whether or not Landlord consents to the same.

8.5. Profits. If Tenant does transfer with Landlord's consent, and if the consideration, rent, or other charges payable to Tenant under such transfer exceed the Rent and other charges to be paid hereunder (pro-rated based on floor area in the case of a subletting, license or other occupancy of less than the entire floor area of the Building), then Tenant shall pay to Landlord, as Additional Rent, after deducting all reasonable out-of-pocket expenses incurred in connection with such transfer (including without limitation, brokerage commissions, tenant improvement costs, and legal fees) thirty percent (30.00%) of the amount of such excess when and as received. Without limiting the generality of the foregoing, any lump-sum payment or series of payments due (including for the purchase of so-called leasehold improvements) on account of any transfer shall be deemed to be in excess of rent and other charges in its or their entirety.

8.6. No Release. Notwithstanding any transfer of this Lease or any interest therein, Tenant's (and any guarantor's) liability to Landlord shall in all events remain direct and primary. Any transferee of all or a substantial part of Tenant's interest in the Premises shall be deemed to have agreed directly with Landlord to be jointly and severally liable with Tenant for the performance of all of Tenant's covenants under this Lease; and such transferee shall upon request execute and deliver such instruments as Landlord reasonably requests in confirmation thereof (and agrees that its failure to do so shall be subject to the default provisions). Landlord may collect rent and other charges from such transferee (and upon notice such transferee shall pay directly to Landlord) and shall apply the net amount collected to the Rent and other charges herein reserved, but no transfer shall be deemed a waiver of the provisions of Section 8.6 of this Lease, or the acceptance of the transferee as a tenant, or a release of Tenant or any guarantor from direct and primary liability for the performance of all of the covenants of this Lease; provided, however, that Landlord shall release the originally named Tenant under this Lease, Zobele USA, Inc., from its obligations to Landlord under this Lease arising on and after the effective date of any assignment of its rights under this Lease to a transferee that is approved by Landlord in accordance with the terms of this Lease if in connection with such assignment such release of Zobele USA, Inc. shall be requested in writing and, in the sole but reasonable judgment of Landlord, such transferee shall, as of the effective date of such assignment to such transferee shall have a tangible net worth, as determined in accordance with GAAP, consistently applied, that is not less than the tangible net worth as of the Date of Lease, in the aggregate, of Zobele USA, Inc. and Guarantor. The consent by Landlord to any transfer shall not relieve Tenant from the obligation of obtaining the express consent of Landlord to any modification of such transfer or a further assignment, subletting, license or occupancy, to the extent required in Section 8.1 of this Lease; nor shall Landlord's consent alter in any manner whatsoever the terms of this Lease, to which any transfer at all times shall be subject and subordinate. The breach by Tenant of any restriction on transfer in Section 8.6 of this Lease shall be an Event of Default for which there is no cure period.

ARTICLE IX: DEFAULT AND REMEDIES

9.1. Events of Default. Each of the following shall be an "Event of Default" under this Lease: (a) if Tenant fails to pay Annual Fixed Rent or any Additional Rent or other sum or charge hereunder when due and such failure continues for longer than five (5) business days after notice from Landlord that the same is due (provided that no such notice need be given and no such default in the payment of money shall be curable if on two (2) prior occasions there had been a default in the payment of money which had been cured after notice thereof had been given by Landlord to Tenant as herein provided); or (b) if any assignment shall be made by Tenant (or any assignee, sublessee or guarantor of Tenant) for the benefit of creditors; or (c) if Tenant's leasehold interest shall be taken on execution or by other process of law; or (d) if a petition is filed by Tenant (or any assignee, sublessee or guarantor of Tenant) for adjudication as a bankrupt, or for reorganization or an arrangement under any provision of any bankruptcy act then in force and effect; or (e) if an involuntary petition under the provisions of any bankruptcy act is filed against

Tenant (or any assignee, sublessee or guarantor of Tenant) and such involuntary petition is not dismissed within sixty (60) days thereafter; or (f) if Tenant (or any assignee, sublessee or guarantor of Tenant) shall be declared bankrupt or insolvent according to law; or (g) if a receiver, trustee or assignee shall be petitioned for and not contested by Tenant for the whole or any part of Tenant's (or such assignee's, sublessee's or guarantor's) property, or if a receiver, trustee or assignee shall be appointed over Tenant's (or such other person's) objection and not be removed within sixty (60) days thereafter; or (h) if any representation or warranty made by Tenant shall be untrue in any material respect; or (i) any default of Tenant with respect to any obligations of Tenant set forth in this Lease with respect to any letters of credit to be issued to Landlord hereunder; or (j) any default of Tenant with respect to any obligations of Tenant set forth in this Lease (including, without limitation, in Article VII of this Lease) with respect to insurance pertaining to the Building or the Premises; or (k) any default of Tenant with respect to any obligations of Tenant set forth in Article VIII of this Lease; or; (l) any default by Guarantor with respect to the Guaranty; or (m) any default of Tenant with respect to any obligations of Tenant set forth in this Lease (other than those defaults identified in the preceding provisions of Section 9.1 of this Lease) which default continues for thirty (30) days after notice from Landlord to Tenant (provided, however, that such thirty (30) day period shall be reasonably extended for up to an additional sixty (60) days if the matter complained of can be cured, but the cure cannot be completed within such thirty (30) day period and Tenant begins promptly to cure within such period and thereafter diligently completes the cure), provided, however, that no notice of the opportunity to cure a default need be given, and no grace period whatsoever shall be allowed to Tenant, if such matters cannot be cured. Upon the occurrence of an Event of Default, Landlord and its agents and employees lawfully may, in addition to and not in derogation of any remedies for any preceding breach, immediately or at any time thereafter, without demand or notice and with process of law, enter into and upon the Premises or any part thereof in the name of the whole, or mail or deliver a notice of termination of the Term addressed to Tenant at the Premises or at any other address herein provided, and thereby terminate this Lease and repossess the same as of Landlord's former estate. Upon such entry or mailing or delivery, as the case may be, the Term shall terminate, all executory rights of Tenant and all obligations of Landlord under this Lease shall immediately cease, and Landlord may expel Tenant and all persons claiming by, through or under Tenant and remove all of the effects of Tenant and all such persons (forcibly if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or prior breach of covenants; and Tenant hereby waives all statutory and equitable rights to its leasehold (including without limitation rights in the nature of further cure or of redemption, if any). Landlord may, without notice, store Tenant's effects (and those of any person claiming by, through or under Tenant) at the expense and risk of Tenant and, if Landlord so elects, may sell such effects at public auction or auctions or at private sale or sales after seven (7) days' notice to Tenant (which notice Tenant agrees is reasonable) and apply the net proceeds to the payment of all sums due to Landlord from Tenant, if any, and pay over the balance, if any, to Tenant.

9.2. Remedies for Default.

(a) Reletting Expenses Damages. If this Lease is terminated due to an Event of Default, then Tenant covenants, as an additional cumulative obligation after such termination, to pay all of Landlord's reasonable costs and expenses related thereto or in collecting amounts due hereunder, including reasonable attorneys' fees, and all of Landlord's expenses in connection with such reletting, including without limitation, tenant inducements, brokerage commissions, fees for legal services, expenses of preparing the Premises for reletting and the like ("Reletting Expenses"). It is agreed by Tenant that Landlord may (i) relet the Premises or any part or parts thereof for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term, and may grant such tenant inducements as Landlord in its sole but reasonable judgment considers advisable, and (ii) make such alterations, repairs and decorations in the Premises as Landlord in its sole but reasonable discretion considers advisable, and no action of Landlord in

accordance with the foregoing nor any failure to relet or to collect rent under any reletting shall operate or be construed to release or reduce Tenant's liability. Any obligation to relet the Premises imposed upon Landlord by law shall be subject to Landlord's reasonable objectives of developing its property in a harmonious manner with appropriate mixes of tenants, uses, floor areas, terms, etc. All Reletting Expenses, together with all sums otherwise provided for in this Lease, whether incurred prior to or after such termination, shall be due and payable immediately from time to time upon notice from Landlord.

(b) Termination Damages. If this Lease is terminated due to an Event of Default, then unless and until Landlord elects lump sum liquidated damages described in Section 9.2(c) below, Tenant covenants, as an additional cumulative obligation after any such termination, to pay punctually to Landlord all the sums and perform all the obligations which Tenant covenants in this Lease to pay and to perform in the same manner and to the same extent and at the same time as if this Lease had not been terminated. In calculating the amounts to be paid by Tenant pursuant to the preceding sentence Tenant shall be credited with the net proceeds of any Rent then actually received by Landlord from a reletting of the Premises after deducting all Reletting Expenses and all sums provided for in this Lease to be paid by Tenant and not then paid.

(c) Lump Sum Liquidated Damages. If this Lease is terminated due to an Event of Default, then Tenant covenants, as an additional cumulative obligation after termination, to pay forthwith to Landlord at Landlord's election made by notice to Tenant at any time after termination, as liquidated damages a single lump sum payment equal to the sum of (i) all sums provided for in this Lease to be paid by Tenant and not then paid at the time of such election, plus either (ii) the present value (calculated at the Federal Reserve discount rate or equivalent) of the excess of all of the Rent reserved for the residue of the Term over all of the fair market rent reasonably projected by Landlord to be received on account of the Premises during such period, which Rent from reletting shall be reduced by reasonable projections of vacancies and by Landlord's Reletting Expenses described above to the extent not theretofore paid to Landlord, or (iii) an amount equal to the sum of all of the Rent and other sums due hereunder and payable with respect to the twelve (12) month period next following the date of termination. Because Landlord's damages resulting from Tenant's default and subsequent termination are difficult to ascertain as of the Date of Lease, the parties agree that the foregoing agreed-to sum represents a reasonable forecast of Landlord's expected damages as a result of Tenant's breach and early termination.

(d) Mitigation of Damages by Landlord. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Landlord agrees to use commercially reasonable efforts to mitigate any damages that Landlord may suffer or incur in connection with any default by Tenant with respect to any of the agreements, covenants, or obligations of Tenant set forth in this Lease. Notwithstanding the foregoing, nothing set forth in the preceding sentence shall be construed so as to require Landlord, at a time when Landlord is offering the Premises or any portion thereof for re-letting subsequent to a default by Tenant with respect to any of its agreements, covenants, or obligations under this Lease, to: (i) offer the Premises or any portion thereof for lease in preference to any other space in the Building which is available for lease; (ii) undertake any efforts that are in excess of, or in addition to, any leasing efforts Landlord undertakes from time to time with respect to the leasing of other vacant spaces in the Building; (iii) accept as a tenant a party intending to use the Premises or any portion thereof in a manner that is not acceptable to Landlord, in its sole but reasonable opinion; (iv) lease the Premises or any portion thereof for a rent that is, in the sole but reasonable judgment of Landlord, less than the current fair market rental value of the Premises or such portion thereof; (v) enter into a lease that contains terms and conditions inconsistent with Landlord's then current leasing policies for comparable spaces in the Building; (vi) enter into a lease with a tenant that, in the sole but reasonable opinion of Landlord, does not have adequate creditworthiness; (vii) enter into a lease requiring Landlord to make alterations or improvements or to make rental concessions that are unacceptable to Landlord, in its sole but reasonable opinion; or

(viii) negotiate with any third party for the leasing of the Premises or any portion thereof until Landlord obtains possession of the Premises.

9.3. Remedies Cumulative. Any and all rights and remedies Landlord may have under this Lease, and at law and equity, shall be cumulative and shall not be deemed inconsistent with each other, and any of such rights and remedies may be exercised at the same time insofar as permitted by law. Nothing contained in this Lease shall, however, limit or prejudice the right of Landlord to prove and obtain in proceedings for bankruptcy or insolvency by reason of the termination of 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 the damages are to be proved, whether such amount be greater, equal to, or less than the amount of the loss or damages referred to in Section 9.2 of this Lease.

9.4. Effect of Waivers of Default. Any consent or permission by Landlord to any act or omission which otherwise would be a breach of any covenant or condition, or any waiver by Landlord of the breach of any covenant or condition, shall not in any way be held or construed to operate so as to impair the continuing obligation of such covenant or condition, or otherwise operate to permit other similar acts or omissions. No breach shall be deemed to have been waived unless and until such waiver be in writing and signed by Landlord. The failure of Landlord to seek redress for violation of or insist upon the strict performance of any covenant or condition of this Lease, or the receipt by Landlord of Rent with knowledge of any violation, shall not be deemed a consent to or waiver of such violation, nor shall it prevent a subsequent act, which would otherwise constitute a violation, from in fact being a violation.

9.5. No Accord and Satisfaction; No Surrender. No acceptance by Landlord of a lesser sum than the Annual Fixed Rent, Additional Rent or any other sum or charge then due shall be deemed to be other than on account of the earliest installment of such Rent, sum or charge due; nor shall any endorsement or statement on any check or in any letter accompanying any check or 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 installment or pursue any other right or remedy available to it. The delivery of keys (or any similar act) to Landlord or any agent or employee of Landlord shall not operate as a termination of this Lease or an acceptance of a surrender of the Premises. No receipt for monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Term or of Tenant's right to possession hereunder or after the finding of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Annual Fixed Rent and additional rent due, and the payment of said Annual Fixed Rent and Additional Rent shall not waive or affect said notice, suit or judgment.

9.6. **WAIVER OF JURY. IN ANY ACTION OR PROCEEDING ARISING UNDER THIS LEASE, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE WHERE THE BUILDING IS LOCATED, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY THE LAW OF THE STATE WHERE THE BUILDING IS LOCATED, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF**

ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

9.7. Landlord's Curing and Enforcement. If Tenant shall neglect or fail to perform or observe any covenant or condition of this Lease and shall not cure such default or Event of Default within the applicable cure period, Landlord may, at its option, without waiving any claim for breach, at any time thereafter cure such default or Event of Default for the account of Tenant, and any amount paid or any liability incurred by Landlord in so doing shall be deemed paid or incurred for the account of Tenant, and Tenant shall reimburse Landlord therefor, together with interest on the amount of such reimbursement until paid by Tenant at the rate of twelve percent (12%) per annum; and Tenant shall further indemnify and save Landlord harmless in the manner elsewhere provided in this Lease in connection with all of Landlord's actions in effecting any such cure. Notwithstanding any other provision herein concerning cure periods, Landlord may cure any default or Event of Default for the account of Tenant after such notice to Tenant, if any, as is reasonable under the circumstances (including telephone notice) if the curing of such default or Event of Default prior to the expiration of the applicable cure period is reasonably necessary to prevent likely damage to the Premises or other improvements or possible injury to persons, or to protect Landlord's interest in its property or the Premises. Tenant shall pay to Landlord on demand as Additional Rent all of the costs and expenses of Landlord, including such administrative charge and reasonable attorneys' fees, incurred in enforcing any covenant or condition of this Lease. Without limiting any of its other rights or remedies, any sum due hereunder shall, in addition, bear interest from the date due at the Default Rate.

In the event Tenant breaches any covenant or fails to observe any condition set forth in Article VII of this Lease with respect to the insurance required to be maintained by Tenant, then and without limiting any other right or remedy, and notwithstanding any other provision herein concerning notice and cure of defaults or Events of Default, Landlord may immediately and without notice to Tenant obtain such insurance, and Tenant shall pay the cost thereof and Landlord's expenses related thereto upon demand as Additional Rent.

9.8. Landlord's Default. In no event shall Landlord be in default unless notice thereof has been given to Landlord (and all mortgagees of which Tenant has notice) and Landlord (or any such mortgagee at its sole discretion) fails to perform within thirty (30) days (provided, however, that such thirty (30) day period shall be reasonably extended if such performance begins within such period and thereafter is diligently pursued, or if such mortgagee notifies Tenant within such period that it intends to cure on behalf of Landlord and thereafter begins curing within such period, or if later within thirty (30) days after acquiring possession of the Premises if the cure requires the mortgagee to obtain possession of the Premises, and diligently pursues curing with reasonable promptness). Any mortgagee notice and cure periods set forth in any subordination, nondisturbance and attornment agreement then in effect under Section 11.1 of this Lease shall control to the extent the same differ from the foregoing.

9.9. Tenant's Liability for Certain Damages. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Tenant shall have no obligation to reimburse Landlord for any consequential, special, or punitive damages that Landlord may suffer as a result of any default by Tenant with respect to any of the agreements, covenants, and obligations of Tenant set forth in this Lease except in connection with (a) any breach by Tenant of any of the agreements or obligations of Tenant set forth in this Lease concerning Hazardous Materials, the environmental condition of the Premises, or any Laws regulating or governing any storage, handling, manufacturing, generating, use, or disposal of Hazardous Materials at, under, on, or about the Premises, and/or (b) any wrongful or impermissible holdover at the Premises by Tenant, including any violation by Tenant of any of the terms and conditions of Section 12.12 of this Lease.

9.10. Security Deposit. On the execution of this Lease by Tenant, Tenant shall pay to Landlord as a security deposit for the performance of the obligations of Tenant hereunder any amount specified therefor in Section 1.1 of this Lease. Said security deposit may be mingled with other funds of Landlord and no fiduciary relationship shall be created with respect to such deposit, nor shall Landlord be liable to pay Tenant interest thereon. If Tenant shall fail to perform any of its obligations under this Lease, Landlord may, but shall not be obliged to, apply the security deposit to the extent necessary to cure the default, and Tenant shall be obliged to reinstate such security deposit to the original amount thereof upon demand. If Landlord conveys Landlord's interest under this Lease, the deposit, or any part thereof not previously applied, may be turned over by Landlord to Landlord's grantee, and, if so turned over, Tenant agrees to look solely to such grantee for proper application of the deposit in accordance with the terms of this Section, and the return thereof in accordance herewith. The holder of a mortgage shall not be responsible to Tenant for the return or application of any such deposit, whether or not it succeeds to the position of Landlord hereunder, unless such deposit shall have been received in hand by such holder. Within thirty (30) days after the expiration or sooner termination of the Term and surrender of possession of the Premises by Tenant the security deposit, to the extent not applied, shall be returned to Tenant, without interest, provided that there is then existing no Event of Default (nor any circumstance which, with the passage of time or the giving of notice, or both, would constitute an Event of Default).

ARTICLE X: CASUALTY AND CONDEMNATION

10.1. Fire or Casualty

(a) If the Premises (including machinery or equipment used in its operation) shall be damaged by fire or other casualty and if such damage does not cause a termination of this Lease as described in the following sentences, then Landlord shall repair and restore the damage with reasonable promptness, subject to reasonable delays for insurance adjustments and delays caused by matters beyond Landlord's reasonable control, but Landlord shall not be obligated to expend for repairing or restoring the damage an amount in excess of the proceeds of insurance actually received by Landlord for application to the repair of such damage. If in Landlord's estimation the Premises cannot be restored within two hundred ten (210) days from the date of such fire or casualty, then Landlord shall give notice to Tenant of such estimate within sixty (60) days after such fire or casualty. Tenant may elect by notice given to Landlord within thirty (30) days following the date of such notice from Landlord (time being of the essence) to terminate this Lease effective as of the date of Tenant's notice. If any such damage (i) renders thirty-five percent (35.00%) or more of the Building untenantable or (ii) renders general Building systems inoperable and such systems cannot be repaired in Landlord's reasonable estimate within one hundred eighty (180) days from the date of such damage or (iii) occurs within the last two (2) Lease Years, Landlord shall have the right to terminate this Lease as of the date of such damage upon notice given to the Tenant at any time within one hundred twenty (120) days after the date of such damage. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease, by virtue of any delays in completion of such repairs and restoration provided that Tenant shall have the right to terminate the Lease if such repairs are not completed within such two hundred ten (210) day period or such longer period as originally estimated by Landlord, subject to extension for delays caused by reasons outside of Landlord's control, by notice given within thirty (30) days after such repair period expires, which notice shall be deemed withdrawn if the restoration is completed within thirty (30) days after such notice is delivered to Landlord. Annual Fixed Rent and Additional Rent, however, shall abate on those portions of the Premises as are, from time to time, untenantable and, in fact, unoccupied by Tenant as a result of such damage until such time as Landlord has substantially completed Landlord's restoration obligations under Section 10.1 of this Lease.

(b) Notwithstanding anything to the contrary herein set forth, Landlord shall have no duty pursuant to Section 10.1 of this Lease to repair or restore any portion of any Alterations in the Premises or

the decoration thereto or any of Tenant's personal property or fixtures in the Premises. If Tenant desires that Landlord perform such restoration or any other additional repairs or restoration, and if Landlord consents thereto, it shall be done at Tenant's sole cost and expense subject to all of the applicable provisions of this Lease. Tenant acknowledges that if this Lease is terminated under any of the provisions of Article X of this Lease, Landlord shall be entitled to the full proceeds of any insurance coverage, whether carried by Landlord or Tenant, for damage to any alterations, addition, installation, improvements or decorations which would become Landlord's property upon the termination of the Lease. Article X of this Lease shall be deemed an express agreement governing any damage or destruction of the Premises by fire or other casualty, and any law providing for a contingency in the absence of an express agreement, now or hereafter in force, shall have no application.

10.2. Condemnation

(a) If the Premises or the Building (or any portion of the Building, the loss of which would require reconfiguration or restoration of the Building and (i) Landlord reasonably estimates such reconfiguration or restoration will cost in excess of twenty-five percent (25.00%) of the current replacement cost of the Building or (ii) Landlord's lender will not permit Landlord to use the condemnation proceeds to restore the Building) shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, Landlord shall have the right, exercisable at its sole direction, to cancel this Lease upon not less than sixty (60) days' notice prior to the date of cancellation designated in the notice. No money or other consideration shall be payable by Landlord to Tenant for the right of cancellation and Tenant shall have no right to share in any condemnation award made to Landlord or in any judgment for damages obtained by Landlord caused by such taking or condemnation.

(b) If any such taking (i) renders twenty-five percent (25.00%) or more of the Building untenantable or (ii) renders general Building systems inoperable and such systems cannot be repaired in Landlord's reasonable estimate within one hundred eighty (180) days from the date of such taking or (iii) occurs within the last two (2) Lease Years, Landlord or Tenant shall have the right to terminate this Lease as of the date of such taking upon notice given to the other at any time within one hundred twenty (120) days after the date of such taking. If neither party so terminates, Landlord shall, to the extent condemnation proceeds are paid to Landlord and not required to pay down Landlord's mortgage loan, use diligent efforts to restore or repair the Building. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease, by virtue of any delays in completion of such repairs and restoration unless such repairs are not completed within such one hundred eighty (180) day period, in which event Tenant shall have the right to terminate this Lease if such repairs are not completed within such one hundred eighty (180) day period, subject to extension under Section 12.15 of this Lease by notice given within thirty (30) days after such repair period expires, which notice shall be deemed withdrawn if the restoration is completed within thirty (30) days after such notice is delivered to Landlord. Annual Fixed Rent and Additional Rent, however, shall abate on those portions of the Premises as are, from time to time, untenantable and, in fact, unoccupied by Tenant as a result of such taking.

ARTICLE XI: PROTECTION OF LENDERS

11.1. Subordination and Superiority of Lease. Tenant agrees that this Lease and the rights of Tenant hereunder will be subject and subordinate to the present or future lien of any first mortgage (and at Landlord's election, to the lien of any subordinate mortgage or mortgages) and to the rights of any lessor under any ground or improvements lease of the Premises (collectively referred to in this Lease as a "mortgage" and the holder or lessor thereof from time to time as a "mortgagee"), and to all advances and interest thereunder and all modifications, renewals, extensions and consolidations thereof; and that Tenant shall attorn to any such mortgagee succeeding to Landlord's interest in the Premises by foreclosure, deed

in lieu of foreclosure, or otherwise, promptly after the giving of notice by such mortgagee requiring such attornment; provided, however, that the mortgagee of any mortgage executes and delivers to Tenant an agreement in the mortgagee's customary form in which the mortgagee agrees that Tenant shall not be disturbed in Tenant's possession upon Tenant's attornment to such mortgagee as Landlord and performance of its Lease covenants (both of which conditions Tenant agrees with all mortgagees to perform). Tenant agrees that any mortgagee may at its option unilaterally elect to subordinate, in whole or in part and by instrument in form and substance satisfactory to such mortgagee alone, the lien of its mortgage (or the priority of its ground lease) to some or all provisions of this Lease. Landlord hereby represents and warrants to Tenant that as of the Date of Lease no mortgage encumbers the Premises or any portion thereof.

Tenant agrees that this Lease shall survive the merger of estates of any ground (or improvements) lessor and lessee. Until a mortgagee (either superior or subordinate to this Lease) forecloses Landlord's equity of redemption (or terminates in the case of a ground or improvements lease), no mortgagee shall be liable for failure to perform any of Landlord's obligations (and such mortgagee shall thereafter be liable only after it succeeds to and holds Landlord's interest and then only as limited herein). Any mortgagee (or any other successor to Landlord acquiring the Premises by foreclosure, deed in lieu of foreclosure, or otherwise) shall not be: (i) liable for any previous act or omission of Landlord under the Lease; (ii) subject to any credit, demand, claim, counterclaim, offset or defense which theretofore accrued to Tenant against Landlord; (iii) unless consented to by such mortgagee, bound by any previous amendment or modification of the Lease or by any previous prepayment of more than one (1) month's payment of Annual Fixed Rent or Additional Rent (except estimated payments of Additional Rent); (iv) required to account for any security deposit of Tenant other than any security deposit actually delivered to such mortgagee by Landlord; (v) bound by any obligation to make any payment to Tenant or grant any credits, except for services, repairs, maintenance and restoration provided for under the Lease to be performed by Landlord after the date of such attornment; or (vi) responsible for any monies owing by Landlord to Tenant. Tenant shall give notice of any alleged non-performance on the part of Landlord to any mortgagee of which Tenant has notice, simultaneously with the default notice delivered to Landlord; and Tenant agrees that such mortgagee shall have a separate, consecutive reasonable cure period of no less than thirty (30) days (to be reasonably extended in the same manner Landlord's thirty (30) day cure period is to be extended) following Landlord's cure period during which such mortgagee may, but need not, cure any non-performance by Landlord. The foregoing shall not relieve such mortgagee of the obligation to remedy or cure any conditions at the Premises the existence of which constitutes a Landlord default under this Lease and which continue at the time of such mortgagee's taking title to the Premises. The agreements in this Lease with respect to the rights and powers of a mortgagee constitute a continuing offer to any person which may be accepted by taking a mortgage (or entering into a ground or improvements lease) of the Premises.

11.2. Rent Assignment. If from time to time Landlord assigns this Lease or the rents payable hereunder to any person, whether such assignment is conditional in nature or otherwise, such assignment shall not be deemed an assumption by the assignee of any obligations of Landlord; but the assignee shall be responsible only for non-performance of Landlord's obligations which occur after it succeeds to and only while it holds Landlord's interest in the Premises.

11.3. Other Instruments. The provisions of Article XI of this Lease shall be self-operative; nevertheless, Tenant agrees to execute, acknowledge and deliver any subordination, attornment or priority agreements or other instruments conforming to the provisions of Article XI of this Lease (and being otherwise commercially reasonable) from time to time requested by Landlord or any mortgagee in furtherance of the foregoing, and further agrees that its failure to do so within ten (10) business days after written demand shall be subject to the monetary default provisions of this Lease.

11.4. Financial Condition of Tenant and Guarantor. Within one hundred twenty (120) days of the end of its fiscal year, Tenant shall deliver to Landlord financial statements of Tenant and Guarantor (including audited annual financial statements, balance sheets, and income statements), certified by the Treasurer or chief financial officer of Tenant or Guarantor, as applicable. Tenant agrees that Landlord shall have the right, as necessary and at Landlord's option, to deliver copies of any or all of such financial statements on Tenant's behalf to Landlord's mortgagees and lenders and prospective mortgagees, lenders and purchasers. If requested by Tenant, in connection with the delivery by Tenant to Landlord of any of the financial statements described in Section 11.4 of this Lease, Landlord shall execute and deliver to Tenant a confidentiality agreement in the form of Exhibit F attached to and hereby made a part of this Lease.

ARTICLE XII: MISCELLANEOUS

12.1. Notice from One Party to the Other. All notices, consents, approvals and the like shall be in writing and shall be delivered in hand by any courier service providing receipts, by a nationally recognized overnight courier providing receipts, or mailed by certified mail addressed to Landlord or Tenant as set forth below. If requested, Tenant shall deliver copies of all notices in like manner to Landlord's mortgagees and other persons having a relationship to the Premises at such address as designated from time to time by Landlord or such mortgagee. Any notice so addressed shall be deemed duly given on the second business day following the day of mailing if so mailed by registered or certified mail, return receipt requested, whether or not accepted, or if by hand or by overnight courier upon actual receipt by any person reasonably appearing to be an agent or employee working in the executive offices of the addressee.

If to Tenant:

Zobele USA, Inc.
3610 North Josey Lane, Suite 223
Carrollton, Texas 75007
Attention: President

If to Landlord:

STAG TX Holdings, LP
c/o STAG Industrial, Inc.
One Federal Street, 23rd Floor
Boston, Massachusetts 02110
Attention: General Counsel

Any address or name specified above may be changed by notice given to the addressee by the other party in accordance with Section 12.1 of this Lease. The inability to deliver notice because of a changed address of which no notice was given as provided above, or because of rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any party hereto may be given by the counsel for such party.

12.2. Quiet Enjoyment. Landlord agrees that upon Tenant's paying all rent and performing and observing all covenants, conditions and other provisions on its part to be performed and observed, Tenant may peaceably and quietly have, hold and enjoy the Premises during the Term without disturbance by Landlord or anyone claiming by, through or under it, subject always to the terms of this Lease, provisions of law, and rights or interests of record to which this Lease may be or become subject and subordinate.

12.3. Limitation of Landlord's Liability. Landlord shall be liable only for breaches of Landlord's obligations occurring while Landlord is owner of the fee of which the Premises are a part (provided, however, that if Landlord shall ever sell and lease-back such fee, or the ground thereof or the improvements thereon, then "fee" shall, in such event, be deemed to mean Landlord's leasehold interest). Tenant (and all persons claiming by, through or under Tenant) agrees to look solely to Landlord's interest from time to time in the Premises (including the uncollected rents, issues, profits, and proceeds thereof, subject to the superior rights of mortgagees therein) for satisfaction of any claim or recovery of any judgment from Landlord; it being agreed that neither Landlord nor any trustee, beneficiary, partner, member, manager, shareholder, agent or employee of Landlord shall ever be personally or individually liable for any claim or judgment, or otherwise, to Tenant (or such persons). In no event shall Landlord ever be liable to Tenant (or such persons) for indirect or consequential damages; nor shall Landlord ever be answerable or liable in any equitable judicial proceeding or order beyond the extent of such interest in the Premises.

12.4. Applicable Law and Construction. This Lease may be executed in counterpart copies and shall be governed by and construed as a sealed instrument in accordance with the laws of the State of Texas. If any provision shall to any extent be invalid, the remainder of this Lease shall not be affected. Other than contemporaneous instruments executed and delivered as of the Date of Lease, if any, this Lease contains all of the agreements between Landlord and Tenant with respect to the Premises and supersedes all prior dealings between them with respect thereto. There are no oral agreements between Landlord and Tenant affecting this Lease. This Lease may be amended only by an instrument in writing executed by Landlord and Tenant. The enumeration of specific examples of a general provision shall not be construed as a limitation of the general provision. Unless Landlord's approval or consent is required by its terms not to be unreasonably withheld, such approval or consent may be withheld in Landlord's sole discretion. If Tenant is granted any extension or other option, to be effective the exercise (and notice thereof) shall be unconditional, time always being of the essence to any options; and if Tenant purports to condition the exercise of any option or vary its terms in any manner, then the option granted will automatically and immediately become null and void and the purported exercise will be ineffective. This Lease and all consents, notices and other related instruments may be reproduced by any party by photographic, .pdf scan or other reproduction process and the originals thereof may be destroyed; and each party agrees that reproductions will be admissible in evidence to the same extent as the original itself in and judicial or administrative proceeding (whether or not the original is in existence and whether or not reproduction was made in the regular course of business), and further reproduction will likewise be admissible. The titles of the several Articles and Sections of this Lease are for convenience only, and shall not be considered a part hereof. The submission of a form of this Lease or any summary of its terms shall not constitute an offer by Landlord to Tenant; but a leasehold shall only be created and the parties bound when this Lease is executed and delivered by both Landlord and Tenant.

12.5. Successors and Assigns. Except as herein provided otherwise, the agreements and conditions in this Lease contained on the part of Landlord to be performed and observed shall be binding upon Landlord and its legal representatives, successors and assigns, and shall inure to the benefit of Tenant and its legal representatives, successors and permitted assigns; and the agreements and conditions on the part of Tenant to be performed and observed shall be binding upon Tenant (and any guarantor of Tenant) and Tenant's legal representatives, successors and permitted assigns and shall inure to the benefit of Landlord and its legal representatives, successors and assigns.

12.6. Relationship of the Parties. Nothing herein shall be construed as creating the relationship between Landlord and Tenant of principal and agent, or of partners or joint venturers; it being understood and agreed that neither the manner of fixing rent, nor any other provision of this Lease, nor any act of the parties, shall ever be deemed to create any relationship between them other than the relationship of landlord and tenant.

12.7. Estoppel Certificate. Within ten (10) business days after either party's request, Landlord and Tenant agree, in favor of the other, to execute, acknowledge and deliver a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if there have been any modifications that the same is in full force and effect as modified and stating the modifications), and the amount and dates to which the Annual Fixed Rent (and Additional Rent and all other charges) have been paid and any other information reasonably requested by the requesting party or Landlord's mortgagee. Both parties intend and agree that any such statement may be relied upon by any prospective purchaser, mortgagee, or other person to whom the same is delivered. Tenant acknowledges that prompt execution and delivery of such statements, and all instruments referred to in Article XI of this Lease, constitute essential requirements of any financings or sales by Landlord, and if Tenant does not deliver such statements within such period of ten (10) business days, Landlord and Landlord's mortgagees and any perspective purchaser or mortgagee may conclusively presume the following facts: (a) that this Lease is in full force and effect; (b) that the terms and provisions of this Lease have not been changed except as otherwise represented by Landlord; (c) that not more than one (1) monthly installment of Annual Fixed Rent and Additional Rent has been paid in advance; and (d) that neither Landlord nor Tenant is in default under the terms and conditions of this Lease.

12.8. No Recordation of Lease. Neither Landlord nor Tenant shall record this Lease or any memorandum thereof.

12.9. Tenant as Business Entity. If requested by either of the parties to this Lease, each of Landlord and Tenant shall deliver to the other simultaneously with the execution of this Lease (i) a certificate of legal existence and good standing and (ii) a certified copy of a resolution of its directors, manager, members, or general partner authorizing the execution of this Lease or other reasonable evidence of such authority.

12.10. Legal Proceedings. If a party to this Lease shall be in breach or default under this Lease (which breach or default shall have continued after the giving of all required notices and the expiration of all applicable grace periods), such defaulting party shall reimburse the other party in this Lease upon demand for any costs or expenses incurred in connection with the successful enforcement by the other party to this Lease of its rights.

12.11. Landlord's Consent. Tenant shall pay Landlord's reasonable fees and expenses (which, in any single instance, shall not exceed the sum of $5,000.00), including, without limitation, legal, engineering and other consultants' fees and expenses, incurred in connection with Tenant's request for Landlord's consent under this Lease, or in connection with any other act by Tenant which requires Landlord's consent or approval under this Lease.

12.12. Holding Over. If Tenant (or anyone claiming by, through or under Tenant) shall remain in possession of the Premises or any part thereof after the expiration or earlier termination of this Lease with respect to any portion of the Premises without any agreement in writing executed with Landlord, such holdover shall be treated as a tenancy at sufferance and shall be on the terms and conditions as set forth in this Lease as far as applicable except that Tenant shall pay as a use and occupancy charge for the period of time measured from the day on which Tenant's holdover commences and terminating on the day on which Tenant vacates the Premises in an amount equal to the sum of (a) one hundred fifty percent (150.00%) of the Annual Fixed Rent and (b) one hundred percent (100.00%) of the Additional Rent payable for the twelve (12) month period immediately preceding such expiration or termination. In addition, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs and damages, direct and/or indirect, sustained by reason of any such holding over, including, without limitation, claims made by and loss of any succeeding tenant arising out of such failure to timely surrender possession in the condition required under this Lease. In all other respects, such holding over

shall be on the terms and conditions set forth in this Lease as far as applicable (and excluding any extension, expansion or rights of first offer of tenant) in the Lease. Nothing contained in Section 12.12 of this Lease shall be construed as a consent by Landlord to any holding over by Tenant, and Landlord shall have the right to immediately terminate such holding over pursuant to applicable Laws.

12.13. Interpretation. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "Tenant" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission.

12.14. Waivers. All waivers shall be in writing and signed by the waiving party. Landlord's failure to enforce any provision of this Lease or its acceptance of rent shall not be a waiver and shall not prevent Landlord from enforcing that provision or any other provision of this Lease in the future, even if such violation is continued or repeated subsequently, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No statement on a payment check from Tenant or in a letter accompanying a payment check shall be binding on Landlord. Landlord may, with or without notice to Tenant, negotiate such check without being bound by to the conditions of such statement.

12.15. Force Majeure. If a party to this Lease cannot perform any of its obligations due to events beyond its reasonable control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond the reasonable control of a party to this Lease include, but are not limited to, acts of God, war, civil commotion or terrorism, labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restriction and weather conditions, but exclude financial circumstances.

12.16. Brokers. Each of Tenant and Landlord represents and warrants to the other that it has not dealt with any broker in connection with this Lease or the Premises other than the brokers identified in Section 1.1 of this Lease and agrees to indemnify and save the other harmless from all loss, claim, damage, cost or expense (including reasonable attorneys' fees of counsel of the other's choice against whom the indemnifying party makes no reasonable objection) arising from any its breach of this representation and warranty. This warranty and representation shall survive the term or any early termination of this Lease. Landlord hereby agrees to pay all fees and compensation due and owing to the brokers identified in Section 1.1 of this Lease pursuant to the terms and conditions of written agreements made between Landlord and such brokers on or prior to the Date of Lease.

12.17. Guaranty. Not later than the Date of Lease, Tenant shall cause Guarantor to execute and deliver to and for the benefit of Landlord the Guaranty of Tenant's obligations under and with respect to this Lease in the form attached to and hereby made a part of this Lease as Exhibit E. Tenant acknowledges and agrees that Landlord's willingness to enter into this Lease with Tenant is expressly contingent upon the execution and delivery by Guarantor of the Guaranty to and for the benefit of Landlord. At the option of Landlord, any failure by Guarantor to execute and deliver the Guaranty to Landlord on or before the Date of Lease in the form of Exhibit E shall constitute an Event of Default under the terms and conditions of this Lease as to which no cure or grace period shall be applicable.

ARTICLE XIII: TENANT WORK

13.1. Definitions. For purposes of this Lease, "Tenant Work" means, collectively, the alterations and/or improvements to the Premises that Tenant shall construct and/or install subsequent to the Date of Lease in accordance with the terms and conditions of Article XIII of this Lease. For purposes

of this Lease, "Cost of Tenant Work" means, collectively, the following costs and expenses, as and if actually and reasonably incurred and paid by Tenant in connection with the construction and/or installation of the Tenant Work: (a) all hard or direct costs of construction; (b) all soft costs, including, without limitation, all costs of architectural, engineering and planning services; (c) all costs of building permits and other governmental approvals; and (d) the fees and expenses paid to Landlord for construction management supervision services in accordance with the terms and conditions of Article XIII of this Lease. For purposes of this Lease, "Work Allowance Amortizing Amount" means those funds, if any, actually disbursed by Landlord from the Work Allowance (whether to Tenant on account of the Cost of Tenant Work, or as permitted in accordance with Article XIV of this Lease, to Landlord on account of the Cost of Landlord's Work) in excess of $907,027.00. For purposes of this Lease, "Work Allowance Final Disbursement Date" means that date on which Landlord shall actually disburse in accordance with the terms and conditions of this Lease the last of the funds in the Work Allowance (i) to which Tenant shall be entitled and which Tenant shall have requested in writing in accordance with the terms and conditions of Article XIII of this Lease, or (ii) to which Landlord shall be entitled in accordance with Article XIV of this Lease. For purposes of this Lease, "Work Allowance Amortization Period" means that portion of the Original Term commencing on the first (1st) day of the first (1st) full calendar month occurring during the Original Term after the Work Allowance Final Disbursement Date and ending on the Term Expiration Date. For purposes of this Lease, "Work Allowance Additional Rent Payment" means the monthly payment of principal and interest required to be paid in order to fully amortize and repay a hypothetical loan in the amount of the Work Allowance Amortizing Amount at an interest rate of eight percent (8.00%) per annum in equal monthly installments of principal and interest over a term equal to the Work Allowance Amortization Period.

13.2. Conditions Precedent to Construction. Tenant has heretofore advised Landlord that during that period of time commencing on the Date of Lease and ending on that date which is the first (1st) anniversary of the Term Commencement Date, Tenant wishes to construct and/or install the Tenant Work within the Premises. The scope and details of the Tenant Work are described, generally, in Exhibit C. The construction and/or installation of the Tenant Work by Tenant shall not be deemed in any way to constitute a condition precedent to the occurrence of the Term Commencement Date, the occurrence of the Rent Commencement Date, or to the effectiveness of any of the agreements, covenants or obligations of Tenant to Landlord set forth in this Lease with respect to the Premises (including as to the payment of Rent) arising on or after either of such dates. Landlord hereby consents to the construction and/or installation by Tenant of the Tenant Work in accordance with the terms and conditions of Article XIII of this Lease, provided, however, that Tenant shall not commence the construction and/or installation of any of the Tenant Work unless and until all of the following shall have occurred: (a) Landlord shall have approved in all respects, in Landlord's sole but reasonable discretion, the scope and details of the Tenant Work and the final construction drawings, plans and specifications describing the Tenant Work (the "Tenant Work Plans"); (b) Landlord shall have approved, in Landlord's sole but reasonable discretion, the general contractor to be employed by Tenant in connection with the construction and/or installation of the Tenant Work ("Tenant Work Contractor") and the construction contract to be entered into between Tenant and Tenant Work Contractor; (c) Landlord shall have approved, in Landlord's sole but reasonable discretion, the agreement for architectural services to be entered into between Tenant and RGA Architects, Inc., the architect to be employed by Tenant in connection with the design and architectural aspects of the Tenant Work ("Tenant Work Architect"); (d) Tenant shall have delivered to Landlord certificates of insurance or other evidence of insurance satisfactory to Landlord, in Landlord's sole but reasonable discretion, showing that Tenant, Tenant Work Contractor and all contractors employed by Tenant in connection with the construction and/or installation of the Tenant Work shall have in full force and effect such builder's risk, commercial general liability and other insurance coverages as shall be required by Landlord, in Landlord's sole but reasonable discretion; and (e) Tenant shall have obtained all building permits and other governmental approvals required to be obtained in connection with the construction and/or installation of the Tenant Work and delivered true

and complete copies of the same to Landlord. The Tenant Work Plans shall be consistent in all material respects with the scope and details of the Tenant Work as described in Exhibit C.

13.3. Generally. The Tenant Work shall be constructed and/or installed by Tenant and/or the agents, employees or contractors of Tenant: (a) at Tenant's sole risk and in a first class manner, using new materials; and (b) substantially in accordance in all material respects with the Tenant Work Plans and in accordance in all respects with all applicable Laws (including, without limitation, the Americans With Disabilities Act of 1990 and the regulations promulgated thereunder). In connection with the construction and/or installation of the Tenant Work, Tenant shall not permit to be filed against the Premises any mechanics' liens and if any such mechanics' lien shall be filed against the Premises, at Tenant's sole cost and expense, Tenant shall cause the same to be discharged or bonded to the satisfaction of Landlord. Tenant shall indemnify, defend, protect and hold harmless Landlord from and against any and all losses, liabilities, claims, damages, costs and/or expenses (including, without limitation, attorneys' fees) which may be suffered or incurred by Landlord in connection with the construction and/or installation of the Tenant Work or relating in any way thereto. Not later than thirty (30) days after the completion of the Tenant Work, Tenant shall deliver to Landlord, in form and substance reasonably satisfactory to Landlord in all respects, the following (collectively, the "Tenant Work Certification Items"): (i) a certificate, signed by Tenant Work Architect and Tenant Work Contractor, certifying to Landlord and Tenant that the Tenant Work have been completed in all material respects in accordance with the Tenant Work Plans and that the Tenant Work, as so completed, comply in all respects with all applicable Laws (including, without limitation, the Americans With Disabilities Act of 1990 and all regulations promulgated thereunder); (ii) a true and complete copy of the final certificate of occupancy issued with respect to the Tenant Work by the governmental authority having jurisdiction with respect thereto; and (iii) true and complete final waivers and releases of liens with respect to the Tenant Work executed and delivered by Tenant Work Contractor and all subcontractors and materialsmen involved in connection therewith.

13.4. Construction Management Supervision. Landlord shall have the right, at Landlord's sole option, to employ a construction management supervisor to assist Landlord in connection with Landlord's review and inspection of the construction and/or installation of the Tenant Work. The construction management supervisor employed by Landlord pursuant to the terms and conditions of this paragraph may be an affiliate of Landlord. Tenant shall reimburse Landlord, on a monthly basis and in each instance not later than thirty (30) days after written demand shall be made therefor by Landlord of Tenant, for all costs and expenses incurred by Landlord in connection with the employment of any such construction management supervisor (including all fees payable to any such construction management supervisor) in an amount equal to three percent (3.00%) of all other costs includable as a part of the Cost of Tenant Work. At Landlord's option, Landlord may deduct the amounts of any such costs, expenses and fees payable to any such construction management supervisor from the Work Allowance on a monthly or other basis.

13.5. Removal. Notwithstanding anything to the contrary set forth elsewhere in this Lease, except if (and to the extent) Landlord shall have agreed in writing to the contrary subsequent to the Date of Lease, or before the Term Expiration Date or any earlier date as of which this Lease shall terminate and at Tenant's sole cost and expense, Tenant shall remove from the Premises the Tenant Work and restore the Premises to its condition as existing prior to the construction and/or installation of the Tenant Work. Landlord also hereby agrees that if Landlord shall in accordance with the terms and conditions of Article XIII of this Lease give notice to Tenant that Landlord has approved the Tenant Work sought to be made by Tenant, based, among other things, upon the scope of work described in the Tenant Work Plans, Landlord shall also advise Tenant in such notice of approval whether Tenant shall be obligated on or before the Term Expiration Date or any earlier date as of which this Lease shall terminate, at Tenant's sole cost and expense, to remove all or any of the Tenant Work from the Premises and restore the Premises to its condition as existing prior to the construction and/or installation of the Tenant Work so

removed. In the event that Tenant shall fail to fulfill any of the agreements or obligations of Tenant set forth in the preceding sentence: (a) Landlord shall have the right to treat any of the Tenant Work not so removed by Tenant as having been abandoned, fully and in all respects, by Tenant; and (b) Landlord shall have the right, at Landlord's option, to remove and dispose of the Tenant Work at Tenant's sole cost and expense, whereupon Tenant shall reimburse Landlord, not later than ten (10) days after written demand shall be made therefor by Landlord of Tenant, for all costs and expenses actually incurred and paid by Landlord in connection with any such removal and/or disposal of the Tenant Work.

13.6. Costs and Expenses of Tenant Work.

(a) At Tenant's sole cost and expense, Tenant shall pay for all costs and/or expenses of any kind incurred by Tenant in connection with the construction and/or installation of the Tenant Work, and except to the extent expressly provided in the succeeding provisions of Section 13.6 of this Lease in regard to reimbursements for certain of such costs and/or expenses, Landlord shall have no obligation or liability of any kind to Tenant in connection therewith.

(b) If the aggregate of the actual, final Cost of Tenant Work and the actual, final Cost of Landlord's Work (as determined in accordance with Article XIV of this Lease) shall be equal to or less than the amount of the Work Allowance, then and in such event and not later than thirty (30) days after the completion of the Tenant Work and the delivery by Tenant to Landlord, in form and substance reasonably acceptable to Landlord in all respects, of the Tenant Work Certification Items, Landlord shall reimburse Tenant in a lump sum payment for all costs and expenses incurred by Tenant in connection with the construction and/or installation of the Tenant Work constituting items includable in the Cost of Tenant Work.

(c) If the aggregate of the actual, final Cost of Tenant Work and the actual, final Cost of Landlord's Work shall be greater than the amount of the Work Allowance, then and in such event and not later than thirty (30) days after the completion of the Tenant Work and the delivery by Tenant to Landlord, in form and substance reasonably acceptable to Landlord in all respects, of the Tenant Work Certification Items, Landlord shall reimburse Tenant (subject to the limitations set forth in Section 13.6(d) of this Lease) for the costs and expenses incurred by Tenant in connection with the construction and/or installation of the Tenant Work constituting items includable in the Cost of Tenant Work in a lump sum payment equal to the amount of the Work Allowance less the amount of the actual, final Cost of Landlord's Work.

(d) Notwithstanding anything to the contrary set forth elsewhere in Section 13.6 of this Lease (and irrespective as to whether Landlord shall reimburse Tenant on account of costs of Tenant Work on a lump sum or periodic basis in accordance with the terms and conditions of Section 13.6 of this Lease), Landlord shall have no obligation to reimburse Tenant for any costs and/or expenses incurred by Tenant in connection with the construction and/or installation of the Tenant Work (including for any costs and expenses constituting a Cost of Tenant Work): (i) in excess of that amount equal to the amount of the Work Allowance less the amount of the actual, final Cost of Landlord's Work; and (ii) after November 1, 2018.

(e) At Tenant's option and as an alternative to any lump sum reimbursement of monies comprising the Work Allowance described in the preceding provisions of Section 13.6 of this Lease, from time to time during the construction and/or installation of the Tenant Work (but not more frequently than once in any calendar month) Tenant shall have the right, at Tenant's option and provided that Tenant shall not be in default with respect to any of the agreements, covenants, obligations or undertakings of Tenant set forth in the Lease (after the expiration of all applicable cure periods), to request that Landlord reimburse Tenant on a periodic basis for costs and expenses includable as part of

the Cost of Tenant Work that have actually been incurred and paid by Tenant in connection with the construction of the Tenant Work. Any such request by Tenant shall be made pursuant to a written requisition (in the form of an AIA G703 requisition or another form of requisition reasonably acceptable to Landlord) signed and certified by Tenant, Tenant Work Contractor and Tenant Work Architect certifying, in form and substance satisfactory to Landlord, in Landlord's reasonable judgment, that (i) all of the work described in or covered by such requisition has been performed substantially in accordance with the Tenant Work Plans, (ii) all materials covered by such requisition have been incorporated into the Tenant Work or adequately stored and insured at the Premises, (iii) the amount requested for reimbursement by Tenant, plus those amounts (if any) previously disbursed by Landlord from the Work Allowance to Tenant on account of costs of the Tenant Work or to Landlord on account of the Landlord's Work, do not, as a percentage of the total amount of funds available for payment of costs relating to the Tenant Work, exceed the percentage of completion of the Tenant Work as of the date of such requisition, and (iv) the undisbursed portion of the Work Allowance (less the portion thereof estimated by Landlord, in Landlord's sole but reasonable discretion, as of such date as required to reimburse Landlord for yet-to-be incurred or funded costs includable as part of the Cost of Landlord's Work), plus such additional funds (if any) being made available by Tenant with respect to the construction and/or installation of the Tenant Work, are sufficient to achieve final completion of the Tenant Work substantially in accordance with the Tenant Work Plans and the anticipated schedule (subject to the occurrence of events of force majeure (as described in Section 12.15 of this Lease)), as previously approved by Landlord and Tenant, for completion of the Tenant Work.

(f) In the event that a requisition for funding of the Work Allowance is submitted by Tenant to Landlord in a form complying with the terms and conditions of Section 13.6(e) of this Amendment and all of the conditions precedent to Landlord's obligation to fund any such reimbursement have been fulfilled, then and in any such event, Landlord shall fund such requisition not later than thirty (30) days after the date such requisition and all related material shall have been submitted by Tenant to Landlord. Each requisition for funding submitted by Tenant to Landlord shall be accompanied by (i) such invoices, contracts, bills, vouchers, change orders and other statements and information as may be reasonably requested by Landlord, (ii) a certificate or other satisfactory evidence signed by Tenant, Tenant Work Contractor and Tenant Work Architect, stating that all prior advances of the Work Allowance have been used and applied for the purposes stated in prior requisitions, and (iii) lien waivers from Tenant Work Contractor and all subcontractors and suppliers receiving payments from prior advances of the Work Allowance. Each such voucher submitted shall constitute a representation by Tenant that the work and materials for which payment is requested have been physically incorporated into the construction of the Tenant Work free of any security interests, liens or encumbrances and that the work and materials covered by the voucher conform, subject to such deviations or changes as may be approved by Tenant and which do not materially or adversely interfere with the use of the Premises as contemplated by this Lease, to the Tenant Work Plans and all applicable Laws. Following substantial completion in all material respects of the Tenant Work, Tenant shall have the right to submit a "final requisition" to Landlord for funding with respect to the then remaining balance of the Work Allowance (less the portion thereof estimated by Landlord, in Landlord's sole but reasonable discretion, as of such date as required to reimburse Landlord for yet-to-be incurred or funded costs includable as part of the Cost of Landlord's Work) so long as such requisition shall meet all of the requirements for requisitions specified in the preceding terms and conditions of this paragraph and provided, as a condition to the obligation of Landlord to fund such final requisition, Tenant shall also supply to Landlord, in form and substance reasonably satisfactory to Landlord in all respects, in Landlord's sole but reasonable discretion, the Tenant Work Certification Items.

(g) Tenant shall hold, and shall cause Tenant Work Contractor and Tenant Work Architect to be present at, periodic progress meetings at the Premises (in each case, a "Tenant Work Progress Meeting"), which shall occur no less frequently than every thirty (30) days starting on the Date

of Lease and continuing until the Tenant Work shall be deemed substantially complete in all material respects. Tenant shall provide Landlord with no less than five (5) days' notice of any Tenant Work Progress Meeting and shall provide Landlord's agents and representatives, including, but not limited to, Landlord's construction management supervisor, with access to and participation in any and all Tenant Work Progress Meetings; provided, however, that Landlord and Landlord's representatives shall not have any obligation to attend any such Tenant Work Progress Meeting. In addition to Tenant Work Progress Meetings, Landlord shall have the right, at any time or times, to inspect the Tenant Work or any portion thereof, whether before or after making any advance of the Work Allowance and shall have the right to condition funding of any requisition therefor requested by Tenant upon an inspection and/or examination of the Tenant Work by Landlord or an agent or representative of Landlord confirming the construction thereof in accordance with the requirements of the Lease. Any such inspection and/or examination by Landlord or any of the agents or representatives of Landlord shall be for the sole benefit of Landlord and for insuring that the Tenant Work are proceeding in accordance with the requirements of this Lease. In no event shall any such attendance or participation in Tenant Work Progress Meetings, inspection and/or examination be construed as (i) participation by Landlord in the construction of the Tenant Work, (ii) approval by Landlord of the quality of the Tenant Work, or (iii) a warranty by Landlord that the Tenant Work comply with any applicable federal, state, and local laws, ordinances, rules, regulations, orders, and directives or the Tenant Work Plans.

(h) Any request for reimbursement made by Tenant of Landlord pursuant to the preceding terms and conditions of Section 13.6 of this Lease shall be in writing and shall be accompanied by copies of invoices or other evidence reasonably satisfactory to Landlord showing Tenant to have actually paid and incurred such costs and expenses. All determinations regarding the actual, final Cost of Tenant Work and whether costs or expenses incurred by Tenant are includable as a part of the Cost of Tenant Work and/or fundable with monies comprising the Work Allowance, shall be made by Landlord, in Landlord's sole but reasonable discretion and in accordance with the terms and conditions of Section 13.6 of this Amendment, and shall be conclusive and binding upon Landlord and Tenant absent manifest error.

(i) Notwithstanding anything to the contrary set forth elsewhere in this Lease, if in accordance with the terms and conditions of this Lease Landlord shall disburse funds from the Work Allowance (to Tenant, on account of costs includable as a part of the Cost of Tenant Work, and/or to Landlord, on account of costs includable as a part of the Cost of Landlord's Work) greater in an amount, in the aggregate, than $907,027.00, then and in such event, Tenant shall also pay to Landlord, as Additional Rent and in addition to all payments of Annual Fixed Rent required to be paid by Tenant to Landlord pursuant to this Lease, a monthly payment equal to the applicable Work Allowance Additional Rent Payment on the first (1st) day of each full calendar month occurring during the Work Allowance Amortization Period.

ARTICLE XIV: LANDLORD'S WORK

14.1. Definitions; Substantial Completion. For purposes of this Lease, "Landlord's Work" means, collectively, the alterations and improvements to the Premises to be constructed and/or installed by Landlord in accordance with the terms and conditions of this Lease, as more particularly described in Exhibit I attached to and hereby made a part of this Lease. Landlord shall use commercially reasonable efforts to "Substantially Complete" the Landlord's Work not later than the Substantial Completion Target Date. For purposes of this Lease, the Landlord's Work shall be deemed to be "Substantially Complete" as of the date on which the general contractor, the construction manager, or the architect employed by Landlord with respect to the construction and/or installation of the Landlord's Work shall certify to Landlord that the Landlord's Work has been completed in all material respects substantially in accordance with the approved plans and specifications therefor, if any. Landlord shall have no liability whatsoever to

Tenant in the event that Landlord shall fail for any reason whatsoever to Substantially Complete the Landlord's Work on or before the Substantial Completion Target Date (including, without limitation, for any damages that Tenant may suffer as a result thereof or in connection therewith); provided, however, in such event, Landlord shall use commercially reasonable efforts to Substantially Complete the Landlord's Work as soon as possible thereafter. Landlord shall use commercially reasonable efforts to complete any portions or aspects of the Landlord's Work which shall be incomplete as of the date of Substantial Completion of the Landlord's Work as soon as possible thereafter. Notwithstanding anything to the contrary set forth elsewhere in this Lease, neither the completion nor the Substantial Completion of the Landlord's Work shall be a condition precedent to the commencement of the Term on the date set forth in Section 1.1 of this Lease as the Term Commencement Date, the occurrence of the Rent Commencement Date, or the effectiveness of any of the agreements, covenants, and obligations of Tenant that are in accordance with the terms and conditions of this Lease to be fulfilled on or after either of such dates (including as to the payment of Rent).

14.2. Event of Delay. For purposes of this Lease, "Event of Tenant Delay" means any act or omission on the part of Tenant or any of the agents, employees, or contractors of Tenant (including, without limitation, any act or omission constituting a default by Tenant with respect to any of the agreements, covenants, or obligations of Tenant set forth in this Lease) that results in a delay in connection with the ability of Landlord to Substantially Complete the Landlord's Work on or before the Substantial Completion Target Date. Notwithstanding the terms and conditions of Section 14.1 of this Lease, in the event that the Landlord's Work shall not be Substantially Completed by Landlord on or before the Substantial Completion Target Date as a result of the occurrence of an Event of Tenant Delay, then in such event and for all intents and purposes of this Lease, the Landlord's Work shall be deemed to have been Substantially Completed by Landlord as of the date Landlord shall determine, in the sole and absolute discretion of Landlord, that Landlord would have Substantially Completed the Landlord's Work but for the occurrence of such Event of Tenant Delay. Furthermore, not later than ten (10) days after written demand shall be made therefor by Landlord of Tenant, Tenant shall reimburse Landlord for all costs and/or expenses (if any) that Landlord shall actually incur in connection with the construction and/or installation of the Landlord's Work as a result of (a) the occurrence of any Event of Tenant Delay or (b) any change with regard to the scope or details of the Landlord's Work (as described in Exhibit I) requested by Tenant and approved by Landlord subsequent to the Date of Lease. Landlord shall endeavor to give notice to Tenant as soon as reasonably practicable following any determination by Landlord that an Event of Tenant Delay has occurred; provided, however, that any failure or omission of Landlord to give such notice to Tenant shall not be deemed to be a breach by Landlord of any of its obligations to Tenant under this Lease or as a waiver or limitation as to the rights and remedies of Landlord set forth in this Lease arising in connection with the occurrence of any Event of Tenant Delay.

14.3. Contractors; Construction Standards. The Landlord's Work shall be constructed and/or installed by Landlord using contractors (and subcontractors, if deemed necessary by Landlord) selected by Landlord, in Landlord's sole and absolute discretion, as having experience in connection with the construction and/or installation of alterations and improvements similar in nature to the Landlord's Work. The Landlord's Work shall be constructed and/or installed (a) in a good and workmanlike manner, (b) in accordance with all applicable Laws, and (c) in accordance with all final construction drawings, plans and specifications relating thereto approved by Landlord (if any). Except to the extent expressly set forth to the contrary in Exhibit I, all of the materials, equipment, and components of the Landlord's Work, as well as the specifications thereof and the location of installation thereof within the Premises, shall be selected by Landlord, in Landlord's sole but reasonable discretion.

14.4. Delay In Possession. If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Term Commencement Date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder. In

such case, Tenant shall not, except as otherwise provided herein, be obligated to pay Rent or perform any other obligation of Tenant under the terms of this Lease until Landlord delivers possession of the Premises to Tenant.

14.5. Cost of Landlord's Work. For purposes of this Lease, "Cost of Landlord's Work" means, collectively, the following costs and/or expenses, as and if incurred by Landlord in connection with the construction and/or installation of the Landlord's Work: (a) all hard or direct costs; (b) all soft costs, including, without limitation, all costs of architectural, planning, and engineering services; (c) all costs of building permits and other governmental approvals; and (d) the construction management supervision fee payable by Landlord in accordance with the terms and conditions of Section 14.7 of this Lease. All costs and expenses incurred by Landlord in connection with the construction and/or installation of the Landlord's Work (including if not sooner paid, all costs and expenses reimbursable by Tenant to Landlord pursuant to the terms and conditions of Section 14.2 of this Lease) shall be reimbursed by Tenant to Landlord not later than thirty (30) days after written demand shall be made therefor by Landlord of Tenant (which written demand of Landlord shall be accompanied by invoices or other evidence reasonably satisfactory to Tenant showing Landlord to have incurred the costs and expenses in question). Notwithstanding the foregoing, however, to the extent that any portion of the Work Allowance remains undisbursed, Landlord shall deduct all costs and expenses incurred by Landlord in connection with the construction and/or installation of the Landlord's Work from the Work Allowance. All determinations regarding the actual, final amount of the Cost of Landlord's Work, as well as whether any costs or expenses are includable as a part of the Cost of Landlord's Work, shall be made by Landlord, in Landlord's sole but reasonable judgment, and shall be conclusive and binding on Landlord and Tenant absent manifest error. For avoidance of doubt and notwithstanding anything to the contrary set forth elsewhere in this Lease, Tenant hereby acknowledges and agrees that Tenant is obligated, fully and in all respects, to reimburse Landlord for all costs and expenses incurred by Landlord in connection with the construction and/or installation of the Landlord's Work (including, without limitation, for all items includable as a part of the Cost of Landlord's Work) if and to the extent that Landlord shall not be reimbursed for such costs and expenses from the proceeds of the Work Allowance.

14.6. Construction Management Supervision. Landlord shall have the right, at Landlord's sole option, to employ a construction management supervisor to assist Landlord in connection with Landlord's review and inspection of the construction and/or installation of the Landlord's Work. The construction management supervisor employed by Landlord pursuant to the terms and conditions of this paragraph may be an affiliate of Landlord. Tenant shall reimburse Landlord, on a monthly basis, and in each instance not later than thirty (30) days after written demand shall be made therefor by Landlord of Tenant, for all costs and expenses incurred by Landlord in connection with the employment of any such construction management supervisor (including all fees payable to any such construction management supervisor) in an amount equal to three percent (3%) of all costs and expenses includable as a part of the Cost of Landlord's Work. At Landlord's option, Landlord may deduct the amounts of any such costs, expenses, and fees payable to any such construction management supervisor from the Work Allowance on a monthly or other basis.

14.7. Removal. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Tenant shall have no obligation to remove from the Premises on or before the Term Expiration Date or any earlier date as of which this Lease shall terminate any of the Landlord's Work.

14.8. Landlord's Access to Complete Landlord's Work. For purposes of this Lease, "Construction Period" means that period of time commencing on the Date of Lease and ending on the date as of which Landlord shall deem the Landlord's Work to have been completed in all respects. Tenant hereby acknowledges that the Landlord's Work shall not be complete or Substantially Complete in all respects as of the Term Commencement Date. Accordingly, Tenant hereby agrees that Landlord and

the agents, employees and contractors of Landlord shall have the right to enter upon the Premises at any and all times during the Construction Period (including, without limitation, on weekends and at hours other than the normal business hours of Tenant) for the purposes of completing the Landlord's Work. Neither Landlord or any of the agents, employees or contractors of Landlord shall have any liability to Tenant (including, without limitation, for any damages that Tenant may suffer) as a result of, or in connection with, any disruption to, or interference with, the business operations of Tenant being conducted at the Premises during the Construction Period as a result of the construction and/or installation of the Landlord's Work so long as Landlord shall use commercially reasonable efforts to avoid any material disruption to, or interference with, the business operations of Tenant being conducted at the Premises during the Construction Period as a result of the construction and/or installation of the Landlord's Work. At Tenant's sole cost and expense, Tenant shall cooperate, and cause its agents and employees to cooperate, fully and in all respects, with Landlord and the agents, employees and contractors of Landlord in the Premises during the Construction Period for the purposes of facilitating the completion of the Landlord's Work. In furtherance of the foregoing: (a) neither Tenant nor any agent, employee, or contractor in the Premises during the Construction Period (including if for purposes of constructing and/or installing any aspects of the Tenant Work) shall take any action, or allow any third party to take any action, which will interfere with or disrupt the activities of Landlord and the agents, employees, and contractors of Landlord in the Premises for purposes of constructing and/or installing the Landlord's Work; and (b) upon request made at any time or times during the Construction Period by Landlord or any of the agents, employees or contractors of Landlord so as to facilitate the completion of the Landlord's Work, at Tenant's sole cost and expense, Tenant shall move, remove and/or relocate, or cause to be moved, removed and/or relocated, to, from or within the Premises, any machinery, equipment, furniture, furnishings, inventory or other personal property of Tenant that may at such time be located in, on or about the Premises.

ARTICLE XV: SPECIAL PROVISIONS

15.1. Right of Early Entry. For purposes of this Lease, "Early Entry Period" means that period of time commencing on the Date of Lease and ending on the day before the Term Commencement Date. Notwithstanding anything to the contrary set forth elsewhere in this Lease (but subject to the terms and conditions of Section 15.1 of this Lease), Tenant and the agents, employees, and contractors of Tenant shall have the right to enter upon the Premises at any time or times during the Early Entry Period for purposes of : (a) constructing and/or installing within the Premises the Tenant Work; (b) installing within the Premises such furniture, furnishings and telephone, computer and other telecommunications equipment as Tenant shall deem necessary in connection with its operation of the Premises; and (c) using those portions of the Premises that are to be used as offices for the conducting of employee interviews and the coordination of the installation by Tenant of furniture, furnishings and equipment within the Premises. Landlord and Tenant hereby agree that the use of the Premises during the Early Entry Period by Tenant for any of the purposes described in the preceding sentence of this paragraph shall not be deemed to constitute (i) the commencement of business operations at the Premises by Tenant for purposes of clause (B) of the immediately following sentence of this paragraph or (ii) the commencement of business operations at the Premises prior to March 1, 2018 for purposes of the occurrence of the Term Commencement Date as described in Section 1.1 of this Lease. Notwithstanding anything to the contrary set forth elsewhere in Section 15.1 of this Lease or elsewhere in this Lease: (A) the use by Tenant of those portions of the Premises that are to be used as offices for the conducting of employee interviews and coordination of the installation by Tenant of furniture, furnishings and equipment within the Premises, as described in clause (c) of the preceding sentence of this paragraph, shall not occur prior to December 1, 2017; and (B) Tenant shall not commence any of the business operations contemplated to occur at the Premises in accordance with the Permitted Uses prior to the Term Commencement Date. Any entry upon the Premises by Tenant or any of the agents, employees, and contractors of Tenant during the Early Entry Period shall be at Tenant's sole risk and expense and shall be upon all of the terms and conditions of this

Lease (including, without limitation, all of the terms and conditions of this Lease with respect to payments regarding utilities, insurance matters, and indemnification obligations) except that Tenant shall have no obligation to make any payments to Landlord with respect to the Early Entry Period on account of Annual Fixed Rent. Tenant shall indemnify, defend, protect, and hold harmless Landlord from any and all losses, liabilities, claims, damages, costs, and/or expenses (including reasonable attorneys' fees) that Landlord may suffer or incur, or which may be asserted against Landlord, as a result of, or in any way connected to, the entry upon the Premises during the Early Entry Period by Tenant or any of the agents, employees, or contractors of Tenant.

[REMAINDER OF THIS PAGE IS BLANK; SIGNATURES ON NEXT PAGE]

Executed as a sealed instrument as of the Date of Lease.

LANDLORD:

STAG TX HOLDINGS, LP,
a Delaware limited partnership
By: STAG TX GP 2, LLC,
a Delaware limited liability company,
its general partner

By: _____
Name: David Long
Title: VP

Date of Execution: October 30, 2017

TENANT:

ZOBELE USA, INC.,
a Texas corporation

By: _____
JOAN GORNIC SCHROB

1374846 14

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Being Lot 1, Block 1 of GATEWAY EAST BUSINESS PARK NO. 4, an Addition to the City of Garland, Dallas County, Texas, according to the Map thereof recorded in Volume 97119, Page 244, Map Records, Dallas County, Texas

EXHIBIT A-1

DRAWING DEPICTING THE LAND AND THE BUILDING

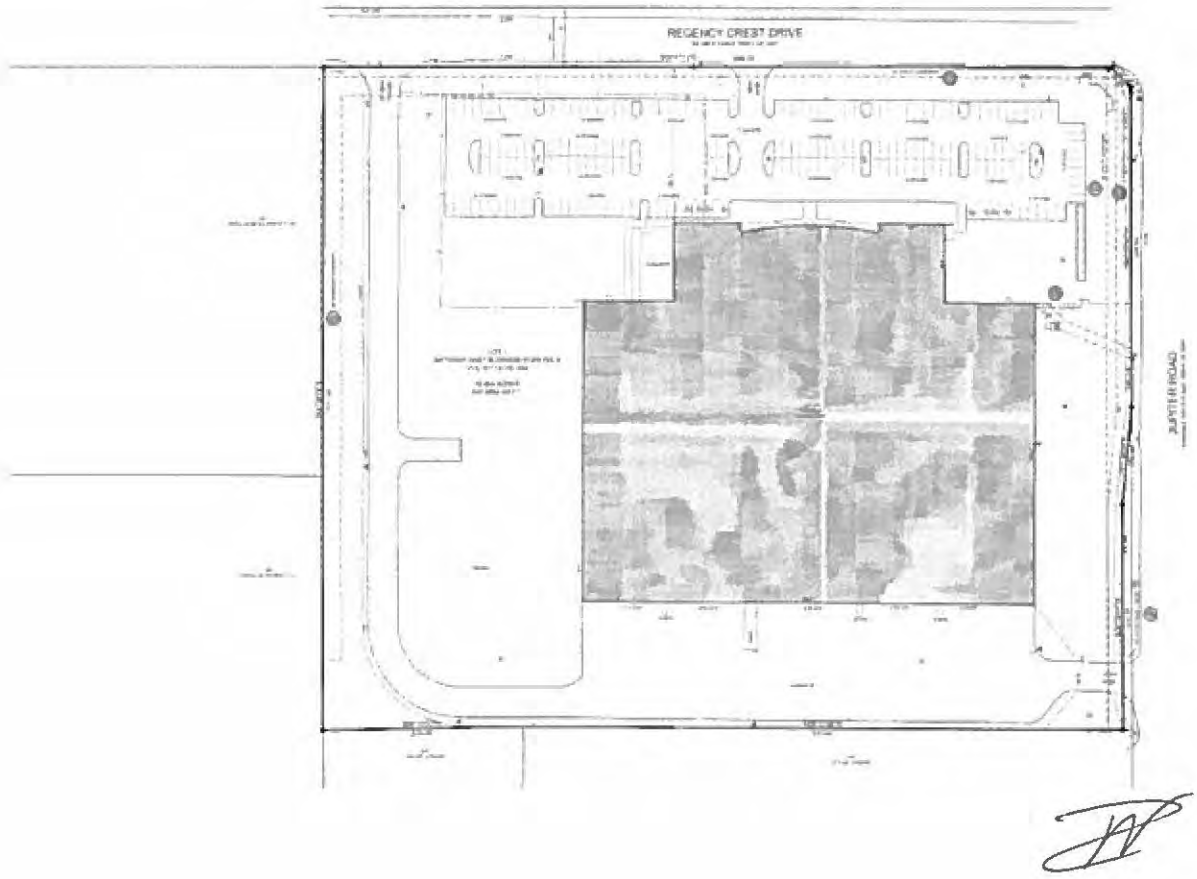


EXHIBIT B

RULES AND REGULATIONS

1. No advertisements, pictures or signs of any sort shall be displayed on or outside the Building without the prior written consent of Landlord, which shall not be unreasonably withheld. This prohibition shall include any portable signs placed within the parking lot or on streets adjacent thereto for the purpose of advertising or display. Landlord shall have the right to remove any such unapproved item without notice and at Tenant's expense.

2. Tenant shall not use any method of heating or air-conditioning other than that supplied by the Building systems without the prior written consent of Landlord, which shall not be unreasonably withheld.

3. Except for dock shelters and seals as may be expressly permitted by Landlord, no awnings or other projections shall be attached to the outside walls of the Building.

4. Tenant shall not use, keep or permit to be used or kept any flammable or combustible materials without proper governmental permits and approvals.

5. Tenant shall not use, keep or permit to be used or kept food or other edible materials in or around the Premises in such a manner as to attract rodents, vermin or other pests. Tenant shall not permit cooking in or about the Premises other than in microwave ovens.

6. Tenant shall not use or permit the use of the Premises for lodging or sleeping, for public assembly, or for any illegal or immoral purpose.

7. Tenant shall not alter any lock or install any new locks or bolts on any door at the Building without the prior written consent of Landlord.

8. Storage of propane tanks, whether interior or exterior, shall be in secure and protected storage enclosures approved by the local fire department and, if exterior, shall be located in areas specifically designated by Landlord. Safety equipment, including eye wash stations and approved neutralizing agents, shall be provided in areas used for the maintenance and charging of lead-acid batteries. Tenant shall protect electrical panels and Building mechanical equipment from damage from forklift trucks.

9. Tenant shall not disturb, solicit or canvas any owners or occupants of any adjacent properties and shall cooperate to prevent same.

10. No person shall go on the roof of the Building without Landlord's permission except to perform obligations or to exercise Tenant's rights under its lease.

11. No animals (other than seeing eye dogs) or birds of any kind may be brought into or kept in or about the Premises.

12. Machinery, equipment and apparatus belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building to such a degree as to cause harm to the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the transmission of such noise and vibration. Tenant shall

cease using any such machinery which causes such noise and vibration which cannot be sufficiently mitigated.

13. All goods and equipment, including material used to store goods, delivered to the Premises of Tenant shall be immediately moved into the Premises and shall not be left in parking or exterior loading areas overnight, except within vehicles.

14. Tractor trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks of sufficient size to prevent damage to the asphalt paving surfaces. No parking or storing of such trailers will be permitted on streets adjacent to the Premises.

15. Forklifts which operate on asphalt paving areas shall not have solid rubber tires and shall use only tires that do not damage the asphalt.

16. Tenant shall be responsible for the safe storage and removal of all pallets. Pallets shall be stored in a neat and orderly manner, so as not to have an unkempt appearance from the street or other public areas. If pallets are stored within the Building, storage shall comply with safe practices as described in Factory Mutual Loss Prevention Data Sheet 8-24.

17. Tenant shall be responsible for the safe storage and removal of all trash and refuse. All such trash and refuse shall be contained in suitable receptacles stored in a neat and orderly manner, so as not to have an unkempt appearance from the street or other public areas. Landlord reserves the right to remove, at Tenant's expense and without further notice, any trash or refuse left elsewhere outside of the Premises or the Building.

18. Tenant shall not store or permit the storage or placement of goods or merchandise outside of the Building, except in vehicles. No displays or sales of merchandise shall be allowed in the parking lots or other common areas of the Premises.

19. Tenant shall appoint an Emergency Coordinator who shall be responsible for assuring notification of the local fire department in the event of an emergency, assuring that sprinkler valves are kept open and implementing the Factory Mutual "Red Tag Alert" system, including weekly visual inspection of all sprinkler system valves on or within the Premises.

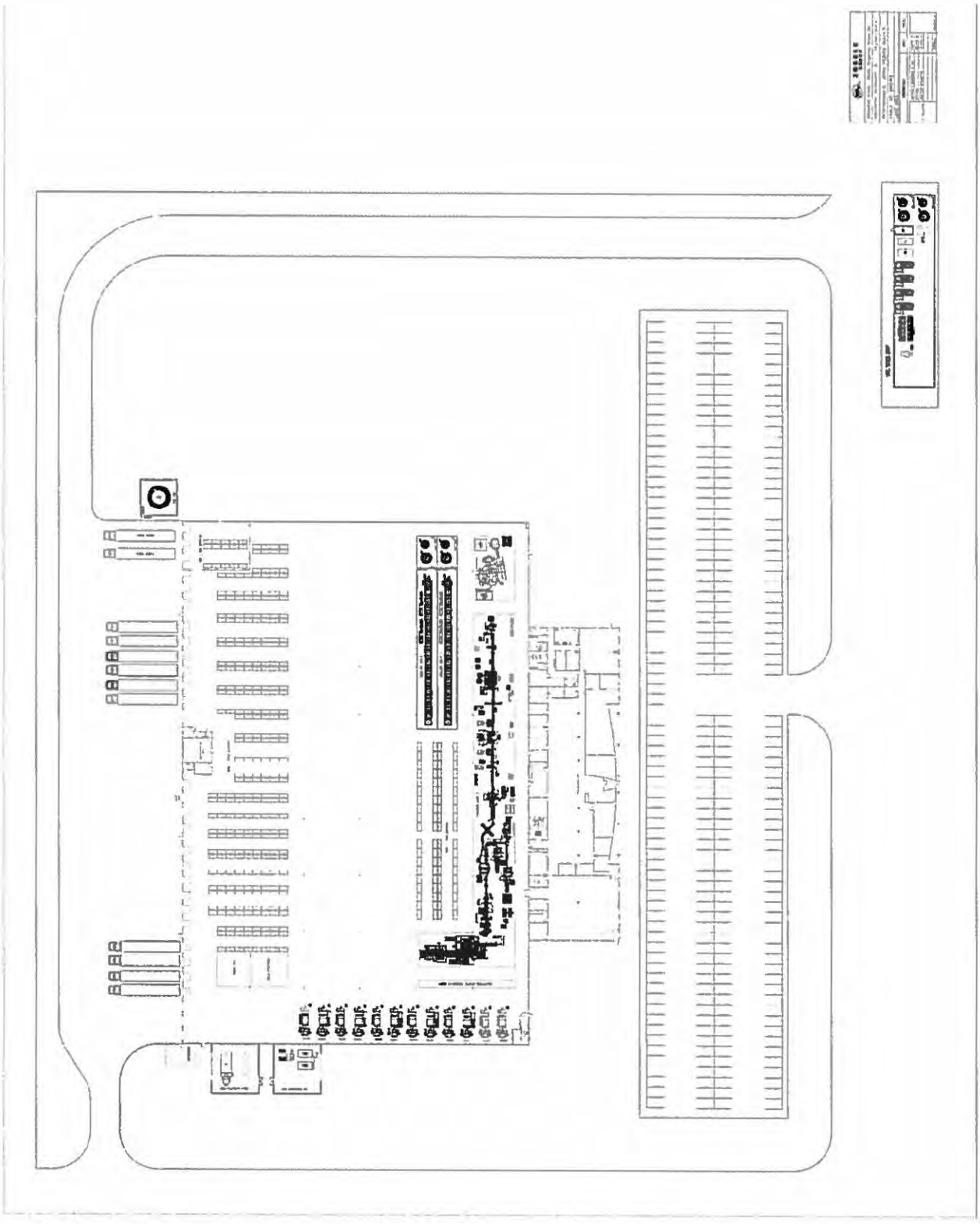
EXHIBIT C

DESCRIPTION OF THE TENANT WORK

The Tenant Work shall consist of the alterations and/or improvements to the Premises that are described in the chart below and labeled on the chart below as "Zobele Construct" as well as in the drawings describing the Tenant Work also made a part of this Exhibit C.

MATRIX OF RESPONSIBILITY					
Description	Landlord Design	Zobele Design	Landlord Contruct	Zobele Contruct	**Comments**
Manufacturing Space					
HVAC (manufacturing space)	X		X		Approximately 160 tons phase 1
Increase building Power	X		X		
Power from Main Electrical to Equipment disconnect	X		X		
Water supply to equipment		X		X	
Sanitary Waste for equipment		X		X	
Fire Sprinkler		X		X	
Fire Alarm		X		X	
Interior Roof Insulation	X		X		
Insulated Demising Walls	X		X		Wall to be built atsouth side of phase 2
Equipment Mezzanine		X		X	
Equipment Mezzanine Foundation		X		X	
Equipment Cooling		X		X	
Additional Lighting		X		X	
Expoxy Flooring		X		X	
Bridge Crane		X		X	
Exterior					
Exterior Equipment Buildings		X		X	
Power		X		X	
Water		X		X	
Fire Alarm		X		X	
Fire Sprinkler		X		X	
Power from Main Electrical to Equipment disconnect		X		X	
Equipment Mezzanines		X		X	
PEG Tank containment/foundation		x		x	

MATRIX OF RESPONSIBILITY					
Description	Landlord Design	Zobele Design	Landlord Contruct	Zobele Contruct	**Comments**
Office Space Interior Renovation	X		X		
IT/AV		X		X	
FFE		X		X	



C-4

1374846 14

EXHIBIT D

FORM OF
CONFIRMATION OF
TERM COMMENCEMENT DATE AND RENT COMMENCEMENT DATE AGREEMENT

_____, 2018

Zobele USA, Inc.

_____

_____

Attention: _____

Re: Lease (the "Lease ") dated as of October ___, 2017 between STAG TX Holdings, LP, a Delaware limited partnership ("Landlord"), and Zobele USA, Inc., a Texas corporation ("Tenant"), with respect to certain land and that certain building thereon owned by Landlord in Garland, Dallas County, Texas known as 3502 Regency Crest Drive. Capitalized terms and herein but not defined shall be given the meanings assigned to them in the Lease.

Ladies and Gentlemen:

Landlord and Tenant agree as follows:

Term Commencement Date. The Term Commencement Date of the Lease is March 1, 2018.

Rent Commencement Date. The Rent Commencement Date of the Lease is September 1, 2018.

Expiration Date. The Term is scheduled to expire on August 31, 2026.

Renewal Term. The Renewal Term shall commence on September 1, 2026 and shall expire on August 31, 2031.

Ratification. Tenant hereby ratifies and confirms its obligations under the Lease, and represents and warrants to Landlord that it has no defenses thereto. Additionally, Tenant further confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and in full force and effect, and (b) Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Tenant.

Please indicate your agreement to the above matters by signing this letter in the space indicated below and returning an executed original to us.

Sincerely,

STAG TX HOLDINGS, LP,
a Delaware limited partnership

By: _____

AGREED AND ACCEPTED:

ZOBELE USA, INC.,
a Texas corporation

By: _____

EXHIBIT E

FORM OF
UNCONDITIONAL GUARANTY

WHEREAS, ZOBELE USA, INC., a Texas corporation ("Tenant"), desires to enter into a certain Lease (the "Lease") of even date concerning certain land and premises (including that certain building containing 164,914 square feet) owned by Landlord at 3502 Regency Crest Drive in Garland, Dallas County, Texas, as more specifically described in the Lease (the "Premises"), with STAG TX Holdings, LP, a Delaware limited partnership ("Landlord"). Terms used herein and not otherwise defined will have the meaning given in the Lease.

WHEREAS, as an inducement to entering into the Lease Landlord has required that the undersigned, Zobele Holding S.p.A., Italian-based company, with registered office in Trento, Via Farnesina 4, Tax Number and Number of Registration in the Companies' Register of Trento 05460820961 ("Guarantor"), unconditionally guarantee the performance of all obligations of Tenant under the Lease.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound hereby, Guarantor agrees as follows:

1. Guarantor unconditionally and absolutely guarantees to Landlord (which shall include its legal representatives, successors and assigns) the due and punctual performance of each and all of the Tenant's obligations under or related to the Lease, including the timely payment of all sums due therein. Tenant's obligations hereby guaranteed include, without limitation, those arising under amendments or modifications to the Lease hereafter entered into by Tenant and Landlord, all of which shall be so guaranteed even though Guarantor hereafter does not consent to or approve the same (Guarantor hereby waiving all rights of consent or approval with respect to such amendments or modifications).

2. Guarantor waives presentment for payment or performance, notice of nonpayment or performance, notice of default, demand, protest or notice or acceptance of this Guaranty, any rights Guarantor may have by reason of any forbearance, modification, amendment, extension or any indulgence whatsoever which Landlord may grant or to which Landlord and Tenant may agree with respect to the Lease, any and all notice of every kind to which Guarantor might otherwise be entitled with respect to the incurring of any further obligation or liability by Tenant to Landlord, demand for payment, the presentment of any instrument for payment, the protest or nonpayment thereof and any and all defenses whatsoever excepting only Tenant's performance as required by the terms of the Lease. Guarantor also waives, unless and until all of the obligations of Tenant are fully paid and performed, any right to be subrogated in whole or in part to any right or claim of Landlord against Tenant and any right to require the marshalling of any assets of Tenant, which right of subrogation or marshalling might otherwise arise from any partial payment by Guarantor. It is expressly understood and agreed that Guarantor's liability hereunder shall be unaffected by (i) any amendment or modification whatsoever of the provisions of the Lease, (ii) any extension of time for performance under the Lease, (iii) any delay by Landlord in exercising any right under the Lease or this Guaranty (none of which shall ever operate as a waiver of such right), or (iv) the release of Tenant or any other guarantor from performance or observance of any of the agreements or conditions contained in the Lease by operation of law or otherwise, whether made with or without notice to Guarantor, including without limitation any impairment, modification, change, release, rejection, disaffirmance, or limitation of the liability of Tenant, or any other guarantor of the Lease, of their estate in bankruptcy or insolvency resulting from the operation of any present or future

provision of the Federal Bankruptcy Code or other similar or insolvency statute, or from the decision of any court. Guarantor covenants that Guarantor will cause Tenant to maintain and preserve the enforceability of the Lease, as the same may hereafter be modified or amended, and will not permit it to take or to fail to take action of any kind the taking of which or the failure to take might be the basis for a claim that Guarantor has any defense to its obligation hereunder other than timely performance in full of the Lease in accordance with its terms. Guarantor hereby agrees to indemnify Landlord against loss, cost or expense by reason of the assertion by Tenant of any other defense to its obligations under the Lease or the assertion by Guarantor of any other defense to its obligation hereunder. The joint and several liability of Guarantor hereunder shall exist irrespective of the validity or enforceability of the Lease. Guarantor irrevocably and unconditionally waives its rights under article 1945 of the Italian civil code with the benefit of article 1955 of the Italian civil code.

This shall be an agreement of suretyship as well as of guaranty, and Landlord, without being required to proceed first against Tenant or any other person or entity, may proceed directly against Guarantor whenever Tenant fails to make any payment due or fails to perform any obligation now or hereafter owed to Landlord without first resorting to or exhausting any other remedy and without first having recourse to the Lease; provided, however, that nothing herein contained shall prevent Landlord from suing on the Lease with or without making Guarantor a party to the suit or from exercising any other rights thereunder and if such suit, or other remedy, is availed of, only the net proceeds therefrom, after deduction of all Landlord's Costs of Collection (defined below) shall be applied in reduction of the amount then due on this Guaranty. Guarantor irrevocably and unconditionally waives the benefit of the discussion under article 1944, paragraph 2, of the Italian civil code.

3. Guarantor agrees to pay to Landlord, on demand, all costs and expenses, including reasonable attorneys' fees and litigation expenses, which Landlord may incur in the enforcement of Tenant's obligations under the Lease or the liability of Guarantor hereunder ("Costs of Collection"). "Costs of Collection" includes, without limitation, all out-of-pocket expenses incurred by Landlord's attorneys and all costs incurred by Landlord including, without limitation, costs and expenses associated with travel on behalf of Landlord, which costs and expenses are related to or in respect of Landlord's efforts to collect and/or to enforce any of the obligations and/or to enforce any of its rights, remedies or powers against or in respect of either or both Tenant or Guarantor (whether or not suit is instituted in connection with such efforts).

4. Guarantor represents and warrants to Landlord that: (i) it has either examined the Lease or has had an opportunity to examine the Lease and has waived the right to examine and it has examined and negotiated this Guaranty; (ii) that it (and the individual acting on its behalf) has the full power, authority and legal right to execute and deliver this Guaranty; (iii) that this Guaranty is a binding legal obligation and is fully enforceable against Guarantor in accordance with its terms; (iv) that there is no action or proceeding pending or, to its knowledge, threatened against Guarantor before any court or administrative agency which might result in any material adverse change in its business or condition or in its assets; (v) that neither the execution nor delivery of this Guaranty nor fulfillment of nor compliance with the terms and provisions thereof will constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of Guarantor under any agreement or instrument to which it is now a party or by which Guarantor may be bound; (vi) that all financial statements provided by Guarantor to Landlord are true, correct and accurate, and fairly represent the financial condition of Guarantor on the date hereof; and (vii) that Guarantor is the sole owner of all the common stock of Tenant and expects to derive financial benefit from the Lease.

5. This Agreement shall be binding upon Guarantor and its successors and assigns if authorized in writing by Landlord, and shall inure to the benefit of Landlord and its legal representatives, successors and assigns, and is irrevocable until released in writing by Landlord. Each and every right,

remedy and power hereby granted to Landlord or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Landlord at any time and from time to time. The validity, construction and performance of this Guaranty shall be governed by the laws of the State of Texas applicable to instruments under seal. If any clause or provision of this Guaranty should be held illegal or invalid by any court, the invalidity of such clause or provisions shall not affect any of the remaining clauses or provisions hereof. In case any agreement or obligation contained in this Guaranty should be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of Guarantor, as the case may be, to the full extent permitted by law. Each and every default hereunder or under the Lease shall give rise to a separate cause of action hereunder. The obligations and liabilities of hereunder shall be joint and several with any other guarantees given to Landlord in connection with the Lease. This Guaranty may be amended only by instrument in writing executed and delivered by both Landlord and Tenant. The provisions of this Guaranty shall bind Guarantor and its successors and assigns if authorized in writing by Landlord, and shall inure to the benefit of Landlord and its successors and assigns. This Guaranty and all consents, notices, approvals and all other documents relating hereto may be reproduced by photographic, microfilm, microfiche or other reproduction process and the originals thereof may be destroyed; and each party agrees that any reproductions shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not reproduction was made in the regular course of business) and that any further reproduction of such reproduction shall likewise be admissible in evidence.

6. Guarantor consents to and agrees that the courts of the State of Texas shall have personal jurisdiction over Guarantor for any action brought on this Guaranty including the right to grant judgment against Guarantor personally together with interest on any judgment obtained by Landlord at the interest rate set forth in the Lease for late payments (but if the same shall be unlawful for any reason, then at the highest permissible interest rate). Guarantor further agrees and consents that venue, if any, for any such action shall be as set forth in the Lease. Guarantor waives and relinquishes any and all rights to removal of any such action to any other court. Guarantor also waives trial by jury in any judicial proceeding involving any matter in any way arising out of or relating to this Guaranty or the Lease.

7. All notices and the like under this Guaranty shall be in writing and shall be delivered in hand by any courier service providing receipts, by a nationally recognized overnight courier providing receipts, or mailed by certified mail addressed to Landlord or Guarantor as set forth below. Any notice so addressed shall be deemed duly given on the second business day following the day of mailing if so mailed by registered or certified mail, return receipt requested, whether or not accepted, or if by hand or by overnight courier upon actual receipt by any person reasonably appearing to be an agent or employee working in the executive offices of the addressee.

If to Guarantor:

Zobele Holding S.p.A.
Via Fersina, 4
38123 Tranto, Italy
Attention: Mr. Roberto Schianchi, Managing Director

If to Landlord:

c/o STAG Industrial, Inc.
One Federal Street, 23rd Floor
Boston, Massachusetts 02110
Attention: General Counsel

Any address or name specified above may be changed by notice given to the addressee by the other party in accordance with Section 7 of this Guaranty. The inability to deliver notice because of a changed address of which no notice was given as provided above, or because of rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any party hereto may be given by the counsel for such party.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of this ___ day of October, 2017.

Guarantor:

signed and delivered in the presence of:

ZOBELE HOLDING S.P.A., a joint stock company formed in Italy

_____
Name:_____

By:_____
Roberto Schianchi, Managing Director

EXHIBIT F

FORM OF

CONFIDENTIALITY AGREEMENT

STAG INDUSTRIAL

Oct. 18
August ____, 2017
I.G.S.
VIA: E-mail
IDAN GORNIC SCHROB
ZOBELE HOLDING
Attention: DAN WHEELER

Re: Property Located at 3502 Regency Crest Drive, Garland, Texas (the "Property")

Ladies and Gentlemen:

We have requested information from you for our use in connection with the potential lease transaction by us or our affiliate with respect to the Property (the "Transaction"). You have requested that we agree to treat as confidential the existence of a possible Transaction and/or any written or oral information that you or your Representatives (hereinafter defined) furnish us in connection with the Transaction (the "Confidential Material"), since any unauthorized disclosure could have a material adverse impact on your business and prospects.

We confirm that the Confidential Material shall be used solely for the purpose of considering the Transaction and for no other purpose and that we shall keep the Confidential Material strictly confidential; provided, of course, that the Confidential Material may be disclosed to our officers, directors, employees, counsel, advisors, agents and other representatives (collectively, the "Representatives") as needed in connection with the Transaction, all of whom will be directed to treat the Confidential Material as confidential as agreed to in this letter.

If for some reason, the Transaction is not consummated, upon your written request, we shall return all Confidential Material furnished by you and any copies thereof, provided, however, that we may retain one copy of any Confidential Material for our legal files, subject to the confidentiality obligations set forth in this agreement, and we shall destroy any notes, forecasts, studies, compilations, materials or analyses which contain or refer to the Confidential Material.

The term Confidential Material shall not be deemed to include any information that: (i) is or becomes generally available to the public other than as the result of a disclosure by us or our representatives, (ii) is or becomes available to us on a non-confidential basis from a source other than you, provided that such source is not bound by a confidentiality agreement with you or is not prohibited from disclosing the Confidential Material by a legal, contractual or fiduciary obligation, and (iii) is independently developed by us or on our behalf without use of the Confidential Material.

In addition, without your prior written consent, we shall not, and shall direct our Representatives not to, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible Transaction between you and us, or any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof.

We agree that unless and until a definitive agreement between us with respect to any Transaction referred to in the first paragraph of this letter has been executed and delivered, neither of us will be under any legal obligation of any kind whatsoever with respect to such a transaction by virtue of this or any written or oral expression with respect to such a transaction by any of its directors, officers, employees, agents, representatives or advisors except as provided in this letter for the matters specifically agreed to herein.

This letter shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without regard to conflicts of law rules and shall terminate and cease to have any force and effect on the date that is one year after the date hereof and no party shall have any liability or obligation under this letter thereafter.

For the convenience of the parties, this letter may be executed by facsimile signature or by e-mail of a scanned copy of the executed signature page, and in counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

Please confirm our understanding with respect to the Confidential Material by signing and returning one copy of this letter to us.

Very truly yours,

STAG Industrial Management, LLC

By: _____
Name: Stephen C. Mecke
Title: Vice President

Confirmed and agreed to:

By: _____
Name: JOAN GORWIC SCHEER
Title: MANAGING DIRECTOR

Duly Authorized

Dated: ~~August~~ OCT 18, 2017

I.G.S

EXHIBIT G

LIST OF PERMITTED HAZARDOUS MATERIALS

2. HAZARD IDENTIFICATION

This product is classified under 29CFR 1910.1200(d) and the Canadian Hazardous Products Regulation as follows:

Skin corrosion/irritation	Category 2
Eye Damage / Irritation	Category 2
Skin sensitization	Category 1A
Reproductive Toxicity	Category 2
Specific target organ toxicity (repeated exposure)	Category 2
Flammable Liquids	Category 4
Signal Word	WARNING
Hazard Statements	Causes skin irritation Causes serious eye irritation May cause an allergic skin reaction Suspected of damaging fertility or the unborn child May cause damage to organs through prolonged or repeated exposure Combustible liquid

Hazard pictograms



1374845.14

Precautionary Statements - Prevention	Keep away from heat/sparks/open flames/hot surfaces. — No smoking Keep container tightly closed Wash hands thoroughly after handling Wear protective gloves and protective clothing Wear protective gloves Avoid breathing dust/fume/gas/mist/vapors/spray Contaminated work clothing should not be allowed out of the workplace Obtain special instructions before use Use personal protective equipment as required
Precautionary Statements - Response	In case of fire: Use water: CO2, dry chemical, or foam for extinction IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing If eye irritation persists: Get medical advice/attention IF ON SKIN: Wash with plenty of soap and water If skin irritation or rash occurs: Get medical advice/attention Take off contaminated clothing and wash before re-use IF exposed or concerned: Get medical advice/attention
Precautionary Statements - Storage	Store in a well-ventilated place. Keep cool
Precautionary Statements - Disposal	Dispose of contents/container in accordance with local regulation
Hazards not otherwise classified (HNOC)	None

3. COMPOSITION/INFORMATION ON INGREDIENTS

Ingredients are listed according to 29CFR 1910.1200 Appendix D and the Canadian Hazardous Products Regulation

Chemical Name	Synonyms	Trade Secret	CAS-No	Weight %
Hexyl salicylate	Hexyl salicylate	No	6259-76-3	5 - 10
Hexyl Cinnamal	Hexyl Cinnamal	No	101-86-0	5 - 10
Tetramethyl Acetyloctahydronaphthalenes	Tetramethyl Acetyloctahydronaphthalenes	No	54464-57-2	5 - 10
2,6-Dimethyl-7-Octen-2-ol	2,6-Dimethyl-7-Octen-2-ol	No	18479-58-8	5 - 10
Isoburyl Methyl Tetrahydropyranol	Isobutyl Methyl Tetrahydropyranol	No	63500-71-0	1 - 5
Alpha-Isomethyl Ionone	Alpha-Isomethyl Ionone	No	127-51-5	1 - 5
Linalool	Linalool	No	78-70-6	1 - 5
Methyl Ionone	Methyl Ionone	No	1335-46-2	1 - 5
Benzyl salicylate	Benzyl salicylate	No	118-58-1	1 - 5
4-tert-Butylcyclohexyl acetate	4-tert-Butylcyclohexyl acetate	No	32210-23-4	1 - 5
Methyl 2-Naphthyl Ether	Methyl 2-Naphthyl Ether	No	93-04-9	1 - 5
Benzyl Acetate	Benzyl Acetate	No	140-11-4	1 - 5
Citronellol	Citronellol	No	106-22-9	1 - 5
Phenylisohexanol	Phenylisohexanol	No	55066-48-3	1 - 5
Phenethyl alcohol	Phenethyl alcohol	No	60-12-8	1 - 5
Limonene	Limonene	No	5989-27-5	1 - 5
Eugenia Caryophyllus Leaf Oil	Eugenia Caryophyllus Leaf Oil	No	8000-34-8	1 - 5
Lauraldehyde	Lauraldehyde	No	112-54-9	1 - 5
(2R-cis)-Tetrahydro-4-methyl-2-(2-methyl-1-propenyl)-2H-pyran	(2R-cis)-Tetrahydro-4-methyl-2-(2-methyl-1-propenyl)-2H-pyran	No	16409-43-1	1 - 5
Ethyl Trimethylcyclopentene Butenol	Ethyl Trimethylcyclopentene Butenol	No	28219-61-6	1 - 5
Cinnamyl alcohol	Cinnamyl alcohol	No	104-54-1	1 - 5
Amyl salicylate	Amyl salicylate	No	2050-08-0	0.5 - 1.5
Methylenedioxyphenyl Methylpropanal	Methylenedioxyphenyl Methylpropanal	No	1205-17-0	0.5 - 1.5
1-Butanone, 3-(dodecylthio)-1-(2,6,6-trimethyl-3-cyclohexen-1-yl)-	1-Butanone, 3-(dodecylthio)-1-(2,6,6-trimethyl-3-cyclohexen-1-yl)-	No	878685-13-5	0.5 - 1.5
1-butanone, 3-(dodecylthio)-1-(2,6,6-trimethyl-3-cyclohexen-1-yl)	1-butanone, 3-(dodecylthio)-1-(2,6,6-trimethyl-3-cyclohexen-1-yl)	No	543724-31-8	0.5 - 1.5
Amyl Cinnamal	Amyl Cinnamal	No	122-40-7	0.5 - 1.5
Eugenol	Eugenol	No	97-53-0	0.5 - 1.5
Isoeugenol	Isoeugenol	No	97-54-1	0.1 - 1.0
Tetrahydro-4-methyl-2-phenyl-2H-pyran	Tetrahydro-4-methyl-2-phenyl-2H-pyran	No	149713-23-5	0.1 - 1.0
Coumarin	Coumarin	No	91-64-5	0.1 - 1.0
Undecylenal	Undecylenal	No	112-45-8	0.1 - 1.0
Delta-Damascone	Delta-Damascone	No	57378-68-4	0.1 - 1.0
Geranyl acetate	Geranyl acetate	No	105-87-3	0.1 - 1.0
4-Methylanisole	4-Methylanisole	No	104-93-8	0.1 - 1.0
Nerol	Nerol	No	106-25-2	0.1 - 1.0
2-Methylundecanal	2-Methylundecanal	No	110-41-8	0.1 - 1.0
Undec-9-Enal	Undec-9-Enal	No	143-14-6	0.1 - 1.0
2,4-Dimethyl-3-Cyclohexene Carboxaldehyde	2,4-Dimethyl-3-Cyclohexene Carboxaldehyde	No	68039-49-6	0.1 - 1.0
Methyl cinnamate	Methyl cinnamate	No	103-26-4	0.1 - 1.0
Scentenal	Scentenal	No	86803-90-9	0.1 - 1.0

4. FIRST AID MEASURES

First aid measures for different exposure routes

Eye contact	IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Immediately call a POISON CENTER or doctor/physician. If eye irritation persists: Get medical advice/attention.
Skin contact	IF ON SKIN: Wash with plenty of soap and water. If skin irritation or rash occurs: Get medical advice/attention. Remove and wash contaminated clothing before re-use. Wash hands thoroughly after handling.
Ingestion	Not an expected route of exposure. If swallowed: Clean mouth with water and afterwards drink plenty of water.
Inhalation	IF INHALED: Remove to fresh air and keep at rest in a position comfortable for breathing. IF exposed or concerned: Get medical advice/attention. Call a POISON CENTER or doctor/physician if exposed or you feel unwell.
Most important symptoms/effects, acute and delayed	May cause eye irritation. MAY CAUSE SKIN IRRITATION. May cause sensitization by skin contact.

Indication of immediate medical attention and special treatment needed, if necessary

Notes to Physician	Treat symptomatically

5. FIRE-FIGHTING MEASURES

Flammable properties	Flammable liquid and vapor
Suitable extinguishing media	Dry chemical. Alcohol-resistant foam. Carbon dioxide (CO_2). Dike fire control water for later disposal; do not scatter the material.
Unsuitable Extinguishing Media	Water. Do not use a solid water stream as it may scatter and spread fire.
Special hazard	Containers may explode when heated. Keep containers and surroundings cool with water spray.
Special protective equipment for fire-fighters	Dike fire-control water for later disposal. Fight fire with normal precautions from a reasonable distance.
Specific hazards arising from the chemical	None.

6. ACCIDENTAL RELEASE MEASURES

Personal precautions, protective equipment and emergency procedures

Personal precautions	Wear protective gloves/clothing and eye/face protection. Avoid contact with skin, eyes and inhalation of vapors.
Advice for emergency responders	Use personal protective equipment as required.
Environmental precautions	Should not be released into the environment.

Methods and materials for containment and cleaning up

Methods for containment	Contain the spill. The product should not be allowed to enter drains, water courses or the soil.
Methods for cleaning up	Contain spillage, and then collect with non-combustible absorbent material, (e.g. sand, earth, diatomaceous earth, vermiculite) and place in container for disposal according to local / national regulations (see section 13).

7. HANDLING AND STORAGE

Precautions for safe handling

Advice on safe handling	Keep away from open flames, hot surfaces and sources of ignition.

Conditions for safe storage, including any incompatibilities

Technical measures/Storage conditions	Keep away from open flames, hot surfaces and sources of ignition. Store away from other materials.
Storage Conditions	Keep containers tightly closed in a dry, cool and well-ventilated place.
Incompatible products	None known.

8. EXPOSURE CONTROLS/PERSONAL PROTECTION

Control parameters

Exposure Guidelines

Chemical Name	CAS-No	ACGIH TLV	OSHA PEL	Mexico PEL
Benzyl Acetate	140-11-4	TWA: 10 ppm		

Chemical Name	CAS-No	Alberta	Quebec	Ontario TWAEV	British Columbia
Benzyl Acetate	140-11-4	TWA: 10 ppm TWA: 61 mg/m³		TWA: 10 ppm	TWA: 10 ppm

No relevant exposure guidelines for other ingredients

Exposure controls

Engineering Measures

Manufacturing Sites:
Where reasonably practicable this should be achieved by the use of local exhaust ventilation and good general extraction

Personal Protective Equipment

Eye Protection

Manufacturing Sites:
Safety glasses with side-shields
Distribution, Workplace and Household Settings:
No special protective equipment required

Hand Protection

Manufacturing Sites:
Wear protective natural rubber, nitrile rubber, Neoprene™ or PVC gloves
Please observe the instructions regarding permeability and breakthrough time which are provided by the supplier of the gloves. Also take into consideration the specific local conditions under which the product is used, such as the danger of cuts, abrasion
Distribution, Workplace and Household Settings:
Protective gloves

Skin and Body Protection

Manufacturing Sites:
Wear impervious protective clothing, including boots, gloves, lab coat, apron or coveralls, as appropriate, to prevent skin contact
Distribution, Workplace and Household Settings:
No special protective equipment required

Respiratory Protection

Manufacturing Sites:
In case of insufficient ventilation wear suitable respiratory equipment
Distribution, Workplace and Household Settings:
Do not breathe vapors, mist or gas

Hygiene measures

Manufacturing Sites:
Avoid breathing vapors, mist or gas

9. PHYSICAL AND CHEMICAL PROPERTIES

Physical State @20°C	liquid
Appearance	yellow
Odor	fruity
Odor threshold	No information available

Property	Values	Note
pH value	No information available	
Melting/freezing point	No information available	
Boiling point/boiling range	No information available	
Flash point	93 °C / 199.4 °F	Closed cup
Evaporation rate	No information available	
Flammability (solid, gas)	No information available	
Flammability Limits in Air		
Upper flammability limit	No information available	
Lower Flammability Limit	No information available	
Vapor pressure	11 100 Pa	
Vapor density	No information available	
Relative density	0.845 - 1.070 g/cm3	
Water solubility	No information available	
Solubility in other solvents	No information available	
Partition coefficient: n-octanol/water	No information available	
Autoignition temperature	No information available	
Decomposition temperature	No information available	
Viscosity of Product	42.3 mm2/s	

10) STABILITY AND REACTIVITY

Reactivity	None.
Stability	Stable under normal conditions.
Hazardous polymerization	Hazardous polymerization does not occur
Hazardous Reactions	None under normal use conditions.
Conditions to Avoid	Heat. Keep away from open flames, hot surfaces and sources of ignition.
Materials to avoid	No data available.

Hazardous Decomposition Products No data available.

11. TOXICOLOGICAL INFORMATION

Product Information
Information on likely routes of exposure

Inhalation	No known effect.
Skin contact	Irritating to skin. Repeated or prolonged skin contact may cause allergic reactions with susceptible persons. Symptoms may be delayed.
Ingestion	No known effect.
Eye contact	Avoid contact with eyes. Irritating to eyes.

Delayed and immediate effects as well as chronic effects from short and long-term exposure

Acute toxicity	No known effect.
Skin corrosion/irritation	Irritating to skin.
Serious eye damage/eye irritation	Causes serious eye irritation.
Skin sensitization	May cause sensitization by skin contact.
Respiratory sensitization	No known effect.
Germ cell mutagenicity	No known effect.
Neurological Effects	No known effect.
Reproductive toxicity	Suspected of damaging fertility or the unborn child.
Developmental toxicity	No known effect.
Teratogenicity	No known effect.
STOT - single exposure	No known effect.
STOT - repeated exposure	May cause damage to organs through prolonged or repeated exposure.
Target Organ Effects	No known effect.
Aspiration hazard	No known effect.
Carcinogenicity	No known effect.

Component Information

Chemical Name	CAS-No	LD50 Oral	LD50 Dermal	LC50 Inhalation
Methyl 2-Naphthyl Ether	93-04-9	1736 mg/kg (rat)	-	-
Phenylacetaldehyde	55066-48-3	1930 mg/kg (rat)	-	-
Phenethyl alcohol	60-12-8	1610 mg/kg (rat)	-	-

Amyl salicylate	2050-08-0	2000 mg/kg (rat)	-	-
Isoeugenol	97-54-1	1560 mg/kg (rat)	1900 mg/kg (rabbit)	-
Coumarin	91-64-5	500 mg/kg (rat)	-	-
Delta-Damascone	57378-68-4	1400 mg/kg (rat)	-	-
4-Methylanisole	104-93-8	1900 mg/kg (rat)	-	-

12. ECOLOGICAL INFORMATION

Ecotoxicity

Hazardous to the Aquatic Environment.

Persistence and degradability	No information available.
Bioaccumulative potential	No information available.
Mobility	No information available.
Other adverse effects	No information available.

13. DISPOSAL CONSIDERATIONS

Waste treatment

Waste from Residues / Unused Products	Disposal should be in accordance with applicable regional, national and local laws and regulations.
Contaminated packaging	Disposal should be in accordance with applicable regional, national and local laws and regulations.

12. ECOLOGICAL INFORMATION

Ecotoxicity

Hazardous to the Aquatic Environment.

Persistence and degradability	No information available.
Bioaccumulative potential	No information available.
Mobility	No information available.
Other adverse effects	No information available.

13. DISPOSAL CONSIDERATIONS

Waste treatment

Waste from Residues / Unused Products	Disposal should be in accordance with applicable regional, national and local laws and regulations.
Contaminated packaging	Disposal should be in accordance with applicable regional, national and local laws and regulations.

14. TRANSPORT INFORMATION

DOT

UN no	NA1993
UN Proper shipping name	Combustible liquid, n.o.s.
Description	NA1993, Combustible liquid, n.o.s. (Limonene, Ethyl 2-Methylvalerate), Combustible liquid, III,
Hazard Class	Combustible liquid
Packing Group	III
Special Provisions	IB3, T1, T4, TP1
Emergency Response Guide Number	128

IMDG

UN Number	UN3082
UN Proper shipping name	Environmentally hazardous substance, liquid, n.o.s.
Description	UN3082, Environmentally hazardous substance, liquid, n.o.s. (Hexyl salicylate, Tetramethyl Acetyloctahydronaphthalenes), 9, III,
Transport hazard class(es)	9
Packing Group	III
Special precautions for user	274, 335
EmS-No	F-A, S-F

IATA

UN no	UN3082
UN Proper shipping name	Environmentally hazardous substance, liquid, n.o.s.
Description	UN3082, Environmentally hazardous substance, liquid, n.o.s. (Hexyl salicylate, Tetramethyl Acetyloctahydronaphthalenes), 9, III
Hazard Class	9
Packing Group	III
ERG Code	9L
Special precautions for user	A97, A158

15. REGULATORY INFORMATION

U.S. Federal Regulations

SARA 313
Section 313 of Title III of the Superfund Amendments and Reauthorization Act of 1986 (SARA). This product does not contain any chemicals which are subject to the reporting requirements of the Act and Title 40 of the Code of Federal Regulations, Part 372.

CERCLA
This material, as supplied, does not contain any substances regulated as hazardous substances under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (40 CFR 302) or the Superfund Amendments and Reauthorization Act (SARA) (40 CFR 355). There may be specific reporting requirements at the local, regional, or state level pertaining to releases of this material.

Clean Air Act, Section 112 Hazardous Air Pollutants (HAPs) (see 40 CFR 61)
This product contains the following substance(s) which are either listed as hazardous air pollutants (HAPS) or VOC's per the Clean Air Act:

Chemical Name	CAS-No	CAA (Clean Air Act) - 1990 Hazardous Air Pollutants
2-Phenoxyethyl isobutyrate	103-60-6	X

Chemical Name	Volatile organic compounds
Dipropylene Glycol	Present
Triethanol amine	Present
Benzyl benzoate	Present
Ethyl acetoacetate	Present
Benzyl Alcohol	Present

Clean Water Act
This product does not contain any substances regulated as pollutants pursuant to the Clean Water Act (40 CFR 122.21 and 40 CFR 122.42).

California Proposition 65
This product contains the following Proposition 65 chemicals:

Chemical Name	CAS-No	California Prop. 65
Methyl eugenol	93-15-2	Carcinogen
Allylanisole	140-67-0	Carcinogen

U.S. State Regulations (RTK)

Chemical Name	CAS-No	New Jersey
Benzyl Acetate	140-11-4	X
Limonene	5989-27-5	X

Chemical Name	CAS-No	Pennsylvania
Dipropylene Glycol	25265-71-8	X
Triethanol amine	102-71-6	X
2-Phenoxyethyl isobutyrate	103-60-6	X
Methyl salicylate	119-36-8	X
BHT	128-37-0	X
Ethyl acetoacetate	141-97-9	X
Benzyl Alcohol	100-51-6	X

United States
Not applicable.

Canada
Not applicable.

16. OTHER INFORMATION

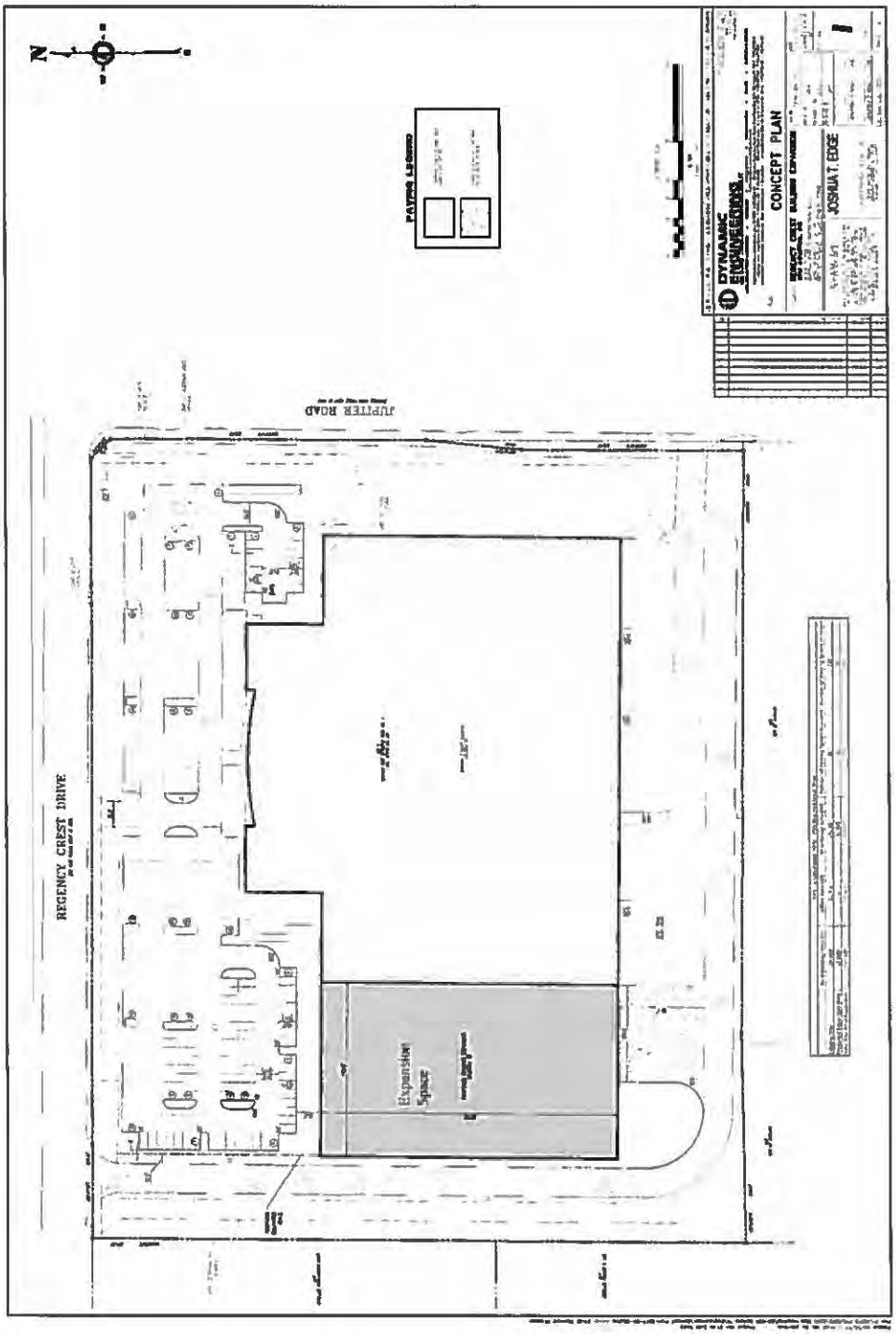
HMIS Ratings
Health hazard 1
Flammability 2
Physical hazard 0

NFPA Ratings
Health hazard 1
Flammability 2
Instability 0

Issuing Date: 04-Jun-2015
Revision Date: 25-Aug-2015
Disclaimer
The information provided in this Safety Data Sheet is correct to the best of our knowledge, information and belief at the date of its publication. The information given is designed only as a guidance for safe handling, use, processing, storage, transportation, disposal and release and is not to be considered a warranty or quality specification. The information relates only to the specific material designated and may not be valid for such material used in combination with any other materials or in any process, unless specified in the text.

EXHIBIT H

DRAWING DEPICTING LOCATION OF THE EXPANSION SPACE



1374846 14

EXHIBIT I

DESCRIPTION OF THE LANDLORD'S WORK

The Landlord's Work shall consist solely of the alterations and/or improvements to the Premises that are more particularly described in the chart set forth below and labeled on the chart set forth below as "Landlord Construct".

MATRIX OF RESPONSIBILITY					
Description	Landlord Design	Zobele Design	Landlord Contruct	Zobele Contruct	**Comments**
Manufacturing Space					
HVAC (manufacturing space)	X		X		Approximately 160 tons phase 1
Increase building Power	X		X		
Power from Main Electrical to Equipment disconnect	X		X		
Water supply to equipment		X		X	
Sanitary Waste for equipment		X		X	
Fire Sprinkler		X		X	
Fire Alarm		X		X	
Interior Roof Insulation	X		X		
Insulated Demising Walls	X		X		Wall to be built atsouth side of phase 2
Equipment Mezzanine		X		X	
Equipment Mezzanine Foundation		X		X	
Equipment Cooling		X		X	
Additional Lighting		X		X	
Expoxy Flooring		X		X	
Bridge Crane		X		X	
Exterior					
Exterior Equipment Buildings		X		X	
Power		X		X	
Water		X		X	
Fire Alarm		X		X	
Fire Sprinkler		X		X	
Power from Main Electrical to Equipment disconnect		X		X	
Equipment Mezzanines		X		X	
PEG Tank containment/foundation		x		x	

MATRIX OF RESPONSIBILITY					
Description	Landlord Design	Zobele Design	Landlord Contruct	Zobele Contruct	**Comments**
Office Space					
Interior Renovation	X		X		
IT/AV		X		X	
FFE		X		X	

EXHIBIT C
(Legal Description of Property)

Being Lot 1, Block l of GATEWAY EAST BUSINESS PARK NO. 4, an Addition to the City of Garland, Dallas County, Texas, according to the Map thereof recorded in Volume 97119, Page 244, Map Records, Dallas County, Texas

