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**EXHIBIT A**

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LEASE

## LEASE

THIS LEASE, made as of this 20<sup>th</sup> day of February 1996, by and between CityWide Development Corporation, an Ohio not-for-profit Corporation having its principal office at 8 N. Main Street Dayton, Ohio 45402 ("Lessor"), and Advanced Assembly Automation, Inc., an Ohio Corporation having its principal office at 313 Mound Street, Dayton, Ohio ("Lessee").

## W I T N E S S E T H

1. GRANT OF LEASE. In consideration of the rents and covenants herein reserved and contained on the part of the Lessee to be paid, performed and observed, Lessor does hereby demise and lease unto the Lessee, those certain premises, located at the corner of West Fifth Street and Mound Street, Dayton, Ohio 45404, being described as follows: (the "Premises"): a 147,900 square foot office and manufacturing facility (the "Building"). The Premises are more particularly described in Exhibit A attached hereto. 54,000 square feet of the Building ("Addition") shall be constructed in accordance with a certain construction contract between Lessor as Owner and Construction Managers of Ohio ("Contractor") dated February 22, 1996, (the "Construction Contract"). Lessee hereby approves of the Addition and specifications as provided for in the Construction Contract. The Premises, less the Addition shall be referred to herein as "Existing Premises".

2. PARKING AND ACCESS. Lessor also grants to Lessee, subject to similar rights which may from time to time be granted by Lessor to others, the right to use (a) such drives and approaches from Mound Street and Fifth Street to the Premises as are located on Lessor's property, for ingress and egress to the Premises, and (b) the parking areas designated by Lessor in locations adjacent to the Building; provided, however, Lessor shall make available to Lessee space for the parking of not less than 200 automobiles along the front, sides and rear of the Building.

3. TERM. The term of this Lease (the "Primary Term") shall commence on July 1, 1996 (the "Commencement Date") and shall continue thereafter for a full twenty (20) "Lease Years" as hereinafter defined, provided, however, if the Addition has not been fully completed by July 1, 1996 such that all or part of the Addition cannot be lawfully occupied, (meaning a certificate of occupancy or its equivalent has issued for such portion of the Addition) the Tenant's obligation to pay rent for the Premises at the respective rates set forth in paragraph 5 shall be prorated based on the actual amount of space in the Premises that is occupied or is able to be occupied. Lessor and Lessee hereby acknowledge and agree that that current lease between the parties with respect to the Existing Premises shall remain in full force and effect until the Commencement Date.

"Lease Year" shall mean each twelve (12) month period beginning on the first day of the Primary Term, and each anniversary thereof, provided the Commencement Date is on the first day of a month. If the Commencement Date is any day other than the first day of the month, then first "Lease Year" shall begin on the first day of the month following the month of the Commencement Date. Rent or any other matters provided in this Lease for which the Lease Year is a factor shall be adjusted and paid on a pro rata basis for any period during the Primary Term prior to the beginning of the first Lease Year. Rent so payable for any portion of the Primary Term prior to the beginning of the first Lease Year shall be paid by Lessee to Lessor on the Commencement Date.

4. OPTION TO RENEW. Provided this Lease is in full force and effect and Lessee is not in default in the performance of any of its covenants hereunder at the time of exercise, Lessee shall have the option to renew this Lease for two additional terms of five years each (the "Renewal Terms") at the rent per Lease Year specified in Paragraph 5 below, but otherwise under the same terms, conditions and provisions as established herein for the Primary Term, except for duration of term. Each option to renew shall be exercised, if at all, by Lessee giving written notice to Lessor at least six (6) months prior to the last day of the Primary Term, or the last day of the first option period whichever the case may be. The phrases, "the term of this lease", "term hereof" or any similar phrase as used in this Lease shall be deemed to include, where appropriate, the Renewal Terms as well as the Primary Term.

5. RENT AND SECURITY DEPOSIT.

(a) Basic Rent under this Lease (the "Basic Rent") shall be \$4.40 per square foot, subject to subparagraph (b) below.

(b) The Basic Rent, shall be increased by two (2) percent on January 1, 1997, over the Basic Rent paid in the preceding period; by two percent (2%) on January 1, 1998, over the Basic Rent paid in the preceding period; by one and three quarters percent (1.75%) on January 1, 1999 over the Basic Rent paid in the preceding period; by one and three quarters percent (1.75%) on January 1, 2000, over the Basic Rent paid in the preceding period; by one and three quarter percent (1.75%) on January 1, 2001, over the Basic Rent paid in the preceding period; and by one and one half percent (1.5%) on January 1, 2002, and by one and one half percent (1.5%) for every year thereafter including any option years. The following is a table that sets forth the annual and monthly Basic Rent payments due under the Lease. Additionally, if the cost to construct the Addition is less than \$2,478,817.00 then for every increment of \$100,000.00 that the construction cost is less than \$2,478.817.00 then the per square foot rate mentioned in subparagraph (a) above shall be reduced by

eight cents (.08) per square foot and the following table shall be revised accordingly.

<u>Starting</u>	<u>Months</u>	<u>S.O. Rate</u>	<u>Increase</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
07/01/96	6	4.40		325,380	54,230.00
01/01/97	12	4.49	2.00%	664,071	55,339.25
01/01/98	12	4.58	2.00%	677,382	56,448.50
01/01/99	12	4.66	1.75%	689,214	57,434.50
01/01/00	12	4.74	1.75%	701,046	58,420.50
01/01/01	12	4.82	1.75%	712,878	59,406.50
01/01/02	12	4.89	1.50%	723,231	60,269.25
01/01/03	12	4.96	1.50%	733,584	61,132.00
01/01/04	12	5.03	1.50%	743,937	61,994.75
01/01/05	12	5.11	1.50%	755,769	62,980.75
01/01/06	12	5.19	1.50%	767,601	63,966.75
01/01/07	12	5.27	1.50%	779,433	64,952.75
01/01/08	12	5.35	1.50%	791,265	65,938.75
01/01/09	12	5.43	1.50%	803,097	66,924.75
01/01/10	12	5.51	1.50%	814,929	67,910.75
01/01/11	12	5.59	1.50%	826,761	68,896.75
01/01/12	12	5.67	1.50%	838,593	69,882.75
01/01/13	12	5.76	1.50%	851,904	70,992.00
01/01/14	12	5.85	1.50%	865,215	72,101.25
01/01/15	12	5.94	1.50%	878,526	73,210.50
01/01/16	<u>6</u>	6.03	1.50%	445,919	74,319.75
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(c) The rent for each Lease Year during the Primary Terms and Renewal Terms shall be paid in equal monthly installments in advance on the first day of each month during the term of the Lease. All rental payments shall be made at Lessor's office at the address set forth in paragraph 25 below, or at such other place as Lessor shall designate by written notice to Lessee.

(d) With the execution and delivery of this Lease by Lessee to Lessor, Lessee has paid Lessor \$20,736.00 plus \$33,494.00 for a total of \$54,230.00 to be held by Lessor as security for the prompt and faithful performance of Lessee's obligations hereunder, including the payment of rent as provided for herein or any other payment required to be made by Lessee hereunder and, in addition to any other remedies provided for herein or available to Lessor, Lessor may, at its option, apply the security deposit to discharge any obligation of Lessee or for payment of any costs incurred by Lessor by reason of any default of Lessee hereunder. At the expiration of the Primary Term or the Renewal Terms, if the same is exercised and becomes effective, and provided that Lessee has delivered and surrendered the Premises to Lessor in accordance with provisions Paragraph 22 hereof, Lessor shall pay to Lessee with interest thereon at 5% per annum, the balance of such security deposit which has not been previously applied in accordance with the foregoing

provisions.

6. USE OF THE PREMISES. Lessee will use and occupy the Premises for office and manufacturing purposes and no other purpose without prior written consent of the Lessor. Furthermore, Lessee agrees that its use and occupancy of the Premises shall at all times be in accordance with the provisions of paragraph 31 below.

In connection with its use and occupancy of the Premises, Lessee shall not:

(a) install, use, operate or maintain or permit the installation, use, maintenance or operation of any machinery or equipment or permit any other activity or conduct within the Premises which overloads the floors or any other structural portion of the Premises or the Building, or

(b) except as may be required pursuant to Paragraph 7 below, use any part of the roof of the Building for any purpose whatsoever, including without limitation, any use or purpose which will penetrate the roof or cause the same to be utilized as an anchor, the storage or any material or installation of any equipment or improvements or any use or purpose which damages the roof or creates any traffic or other activity thereon.

7. COMPLIANCE WITH LAWS.

(a) Lessee shall at its sole cost and expense comply with any and all present or future laws, ordinances, order, regulations and requirements of any governmental authority which are applicable to its use and occupancy of the Premises, and shall at its sole cost and expense make any repairs, modifications or additions thereto as may be required by any such law, ordinance, order, regulation or requirement, and further agrees to hold Lessor harmless from any cost, expense or liability for any fine, assessment, or penalty that may be imposed or assessed against Lessor or Lessee in connection with Lessee's non-compliance with any such law, ordinance, order or regulation.

(b) Without limiting the generality of the foregoing, Lessee shall at all times during the term of this Lease comply with all applicable federal, state, and local laws, regulations, administrative rulings, orders, ordinances, and the like, pertaining to the protection of the environment, including but not limited to, those regulating the handling and disposal of waste materials. Further, during the term of this Lease, neither Lessee nor any agent or party acting at the direction or with the consent of Lessee shall treat, store, or dispose of any "hazardous substance" as defined in Section 101 (14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), or petroleum (including crude oil or any

fraction thereof) on or from the Property, in violation of "CERCLA".

(c) Lessee shall fully and promptly pay, perform, discharge, defend, indemnify and hold harmless Lessor from any and all claims, orders, demands, causes of action, proceedings, judgments, or suits and all liabilities, losses, costs or expenses (including, without limitation, technical consultant fees, court costs, expenses paid to third parties and reasonable legal fees) and damages arising out of, or as a result of, (i) any "release" as defined in Section 101 (22) of CERCLA, by it of any "hazardous substance," as defined in Section 101 (14) of CERCLA, or petroleum, (including crude oil or any fraction thereof) or placed into, on or from the Property at any time after the date of this Lease; (ii) any contamination by it of the Property's soil of groundwater or damage to the environment and natural resources of the Property the result of actions occurring after the date of this Lease, whether arising under CERCLA or other statutes and regulations, or common law; and (iii) any toxic, explosive or otherwise dangerous materials or hazardous substance which have been buried beneath, concealed within or released on or from the Property by it after the date of this Lease.

8. UTILITY CHARGES. The Lessee shall obtain and pay all charges for all utilities, including without limitation, oil, gas, electricity, water, sewer, heat, light and telephone consumed or used in the Premises.

9. INSURANCE AND INDEMNIFICATION

(a) Lessee shall indemnify and save harmless Lessor from and against any and all claims, demands, actions, loss, damage judgment or liability, and all costs and expenses incurred in connection therewith, which are occasioned by, arise or result from any default in the performance of Lessee's obligations hereunder, or the negligent use and occupancy of the Building or Premises by the Lessee, its agents, employees or invitees.

(b) Lessee shall indemnify and save harmless Lessor from any demand, suit or claim by any person, firm or corporation for injury to persons or damage to property arising out of the negligent use and occupancy of the Premises and the Building by Lessee, its agents, employees and invitees, and for the further protection of Lessor will carry comprehensive general public liability insurance insuring Lessee and Lessor in a single limit to one or more persons arising out of any one accident or occurrence, and in an amount not less than \$1,000,000 for personal injury and \$1,000,000 for property damage arising out of one accident or occurrence. Lessee, at the request of Lessor, will furnish to Lessor a certificate of such insurance naming

Lessee, Lessor and any mortgagee of the Premises as insureds.

(c) Lessee shall pay for all policies of liability insurance kept in force on the Premises during each Lease Year. The Lessor shall keep in force policies of insurance to cover losses resulting from fire, wind or other natural perils to the Building and of losses of rents and Lessee shall, during the Term hereof, reimburse Lessor for the annual premiums for any such policy. Lessor shall receive quotes for such insurance and forward such quote or quotes to Lessee who may choose to accept such quote or obtain a quote for comparable insurance on its own. Lessee shall insure the contents, including, but not limited to, all equipment with respect to its liability insurance. Lessee shall deliver a certificate of such liability insurance naming Lessor as an additional insured.

(d) Lessee will not permit the Premises to be used for any purposes which would render any insurance thereon maintained by Lessor void or cause cancellation thereof.

(e) Lessee shall at its sole cost and expense provide for Workers Compensation coverage for all of its employees.

10. CONDITION, MAINTENANCE AND REPAIR ON PREMISES.

(a) Taking occupancy of all or any portion of the Addition by Lessee shall be conclusive evidence that except for latent defects and other defects not readily observable on a walk through of such portion of the Addition, and except for normal punch list items and the delivery and installation of long lead time items, Lessee accepts such portion of the Addition in the condition it is as of the date Lessee takes occupancy of such portion of the Addition, unless the parties shall have otherwise agreed in writing at such time.

(b) Lessee shall maintain and keep in good repair and condition and replace as necessary the interior and exterior of the Premises, including without limitation all interior and exterior doors, electrical, heating, plumbing, sprinkler system, air conditioning and other mechanical systems therein and shall replace all broken glass with glass of the same size and quality of that broken. Lessee shall be solely responsible for maintaining the landscaping, trash removal, snow removal, maintaining the parking areas and driveways and for payment of any solid waste disposal charge. Lessee covenants that it will not suffer, permit nor commit any waste or damage to the Premises, whatsoever, nor allow the accumulation of boxes, barrels, packages, or other trash and rubbish thereon or adjacent thereto.

(c) Except for damage to the Premises (interior or exterior) caused by the breach of Lessee's covenants hereunder or

the negligence or tortious acts of Lessee, its agents, employees, invitees, or contractors, all of which damage shall be repaired by Lessee, and subject to the provisions of Paragraph 12 hereof, Lessor shall maintain and keep in good repair and condition the roof and the structural portion of the Premises.

11. ENTRY BY LESSOR. Lessor shall have the right to enter the Premises from time to time in order to (i) inspect the same and to perform any maintenance, repairs and replacements to the Premises or the Building which it is required to make under the provisions of this Lease or which the Lessor may deem necessary or desirable and (ii) show the Premises to prospective purchasers and mortgagees and, during the last six (6) months of the term of this Lease, to prospective tenants; but this right of entry shall be exercised in such manner as not to unreasonably interfere with the Lessee's use and enjoyment of the Premises.

12. DAMAGE OR DESTRUCTION TO PREMISES. If, during the Primary Term or any Renewal Term of this Lease (i) the Premises are damaged by fire or other casualty of the type which may be covered by a standard policy of fire insurance with extended coverage endorsements as is customarily maintained on property similar to the Building, (ii) such casualty is not the result of the negligence or tortious acts of Lessee, its employees, agents, invitees or contractors, and (iii) such damage can be repaired within one hundred and eighty (180) days from the occurrence of the damage, then Lessor shall promptly repair and restore the Premises to the condition existing prior to the date of such casualty, and this Lease shall not be affected in any manner, except that during the period from the date of such damage until the repairs are completed, the rent and all other sums due hereunder shall be apportioned so the Lessee shall pay as rent an amount which bears the same ratio to the entire monthly rent as the portion of the Premises which Lessee is able to occupy without disturbance during such period bears to the area of the entire Premises. If any such damage to the Premises resulting from a casualty described in clauses (i) and (ii) above is such that Lessee is not significantly disturbed in its possession and enjoyment of the Premises, then Lessor shall repair the same promptly and in that case the rent shall not abate. If the Premises are damaged by fire or other casualty and are rendered unsuitable for occupancy in whole or in part and cannot be repaired within one hundred and eighty (180) days from the date of such casualty, then either Lessee or Lessor may terminate this Lease as of the date of such casualty by giving notice to the other in writing within ninety (90) days of such casualty. In the event of such termination Lessee shall pay the rent apportioned to the date of such casualty and shall thereupon surrender the Premises to Lessor who may enter upon and repossess the same and Lessee shall be relieved from any further liability hereunder. Promptly after completion of any repairs to the Premises made by Lessor pursuant to this Paragraph 12, Lessee shall promptly

repair, replace or restore any of its leasehold improvements which may have been damaged by such fire or other casualty. In the event of any damage to the Premises under circumstances such that Lessee or Lessor has the option to terminate this Lease as above provided, and such option is not exercised, then this Lease shall remain in full force and effect and subject to performance by Lessee of its obligations under Paragraph 10 (c) hereof, Lessor shall repair such damage and rent and all other sums due hereunder shall abate proportionately during the period until such repairs have been completed. If Lessor undertakes to repair and restore the Premises pursuant to paragraphs 12 or 13 hereof and fails to complete same within 180 days after the date of the casualty Lessee may terminate this Lease by written notice to Lessor within 30 days after the expiration of said 180 day period.

13. ACTION OF PUBLIC AUTHORITIES. In the event the entire Premises, or such part thereof as will make the Premises wholly unfit for the purposes herein leased, shall be acquired for public use or purpose by condemnation or negotiated purchase upon the threat thereof, then and in such event the term of this Lease shall cease and terminate as of the date title or possession of the Premises or portion thereof vests in the condemning authority, whichever is the earlier, and the Lessee shall have no claim for the value of any unexpired portion term of this Lease, nor shall Lessee be entitled to any portion of any amount that may be awarded as damages, or paid to Lessor as a result of such condemnation and/or taking, whether by award, judgement, settlement, or otherwise and Lessee hereby assigns all its interest therein to Lessor. The Lessee reserves such separate claims as it may have against the condemning authority for damages for loss of its trade fixtures and the cost of removal and relocation expenses provided that no such claim or the prosecution or recovery thereof shall reduce the award payable to Lessor. Provided, however, that in the event a portion of the Premises is thus taken, but the remaining portion is not wholly unfit for the purpose herein leased as reasonably determined by Lessee, Lessor shall retain all of any award for the taking and shall restore the remaining portion of the Premises to a condition such that they are fit for the purposes herein leased and an equitable adjustment shall be made in the Basic Rent.

14. IMPROVEMENTS BY LESSEE. Lessee shall have the right to make such alterations, additions or improvements within the Premises as may be required pursuant to paragraph 7 or as it shall consider necessary or desirable for the conduct of its business, provided that (i) all such work shall be done in a good and workmanlike manner and in accordance with all of the other provisions of this Lease; (ii) the structural integrity of the building shall not be impaired; (iii) Lessee shall submit to Lessor complete plans and specifications for any such alterations, additions or improvements to the Premises; (iv) Lessee shall first obtain Lessor's written consent to make such alterations,



additions, or improvements, including Lessor's approval of the plans and specifications therefor, which consent an approval shall not be unreasonably withheld or delayed; and (v) Lessee shall not permit any liens to attach to the Premises by reason thereof. Upon the termination of this Lease, such alterations, additions or improvements shall become the property of Lessor, or if Lessor requests, the same shall be removed without damage to the Premises, and Lessee shall restore the Premises to as near its original condition as possible, normal wear and tear excepted.

15. REAL ESTATE TAXES. Lessee shall pay all real estate taxes levied against the Premises on or before the due date of each installment of taxes which are due and payable against the Premises during the Primary Term and each Renewal Term.

16. SIGNS. Signs may be erected on the Premises with the prior written approval of the Lessor, which approval shall not be unreasonable withheld or delayed.

17. DEFAULT.

(a) If Lessee shall fail to pay the rent or any other amount required to be paid hereunder by Lessee to Lessor when the same becomes due and payable under the terms of this Lease, and such rent or other amount shall remain unpaid for a period of ten (10) days after written notice is given to Lessee by Lessor ; or if Lessee shall fail to perform any other duty or obligation imposed upon it by this Lease and such default shall continue for period of thirty (30) days after written notice thereof is given to Lessee by Lessor or such longer time as may be reasonably required to cure such default, or if the Lessee shall be declared insolvent or adjudged bankrupt, or shall make a general assignment for the benefit of its creditors; or if Lessee shall move the business outside the City of Dayton; or if a receiver of any property of Lessee in or upon the Premises be appointed in any action, suit or proceeding by or against Lessee or if any action or proceeding under the federal bankruptcy laws is filed by or against Lessee, and such appointment, suit, action or proceeding is not vacated, dismissed or annulled within sixty (60) days; or the interest of Lessee in the Premises shall be sold under execution or other legal process; then and in any such event Lessor shall have the right to enter upon the Premises and again have, repossess, and enjoy the same as if this Lease had not been made, and thereupon this Lease shall terminate, and Lessor may immediately recover from Lessee and Lessee shall be liable to Lessor for all rent due and unpaid up to the time of such re-entry and further, all additional sums to which Lessor may be entitled under applicable law; and, upon demand by Lessor or its successors, or assigns, Lessee shall surrender to them complete and peaceable possession of the Premises; and/or Lessor may, without waiving or postponing any other rights given it by law in such cases or provided for this Lease, relet said Premises or any part thereof on such terms

as it shall deem best and apply the proceeds less all expenses of reletting, to payment of past due rent and the rent due for the balance of the term hereof and hold Lessee liable for the difference. Such expenses of reletting shall include reasonable attorneys' fees actually paid in recovering and reletting the Premises and the cost of all repairs, additions and improvements necessary to prepare the Premises for such reletting and all brokerage commissions and fees paid with respect to any such reletting. The remedies provided herein shall not be deemed exclusive, and in addition thereto, in the event of Lessee's default hereunder Lessor shall have all other rights and remedies provided in law or equity.

(b) In addition to and without limiting any other remedy available to Lessor by reason of Lessee's default hereunder, in the event Lessee defaults in the performance of any its obligations hereunder pursuant to paragraph 17(a), Lessor may, at its option (but without any obligation so to do), do all things as it deems necessary and appropriate to cure such default, perform for Lessee any obligation which it is obligated to perform but has not performed, and expend such sums as may thereby be reasonably required; and all costs and expenses incurred by Lessor in connection therewith shall be due and payable to Lessor immediately upon demand for payment thereof, together with interest thereon at the highest legal rate from the date that such costs and expenses were incurred until the same are paid by Lessee.

18. ASSIGNMENT-SUBLETTING. Lessee shall not assign this Lease in whole or part or sublet the whole or any parts of the Premises, without obtaining Lessor's prior written consent, not to be unreasonably withheld, delayed or conditioned. In the event of such assignment or subletting, the Lessee shall continue to remain liable to the Lessor for the performance of all the terms and conditions of this Lease to be performed by Lessee, including but not limited to, the payment of rent; and any assignee or sublease must agree to be liable as well for the performance of all such obligations of the Lessee. Lessor hereby consents to the assignment of Lessee's interest in this Lease to Lessee's secured lenders as security for Lessee's obligations to such lenders, provided the terms and conditions of any such assignment are reasonably satisfactory to Lessor.

19. QUIET ENJOYMENT. Lessor covenants and warrants that it has the right and authority to make this Lease, and that, if Lessee shall pay the rent and perform all the agreements, covenants and conditions required by this Lease to be performed by it, subject to the provisions of Paragraph 20 hereby Lessee may freely, peaceable and quietly occupy and enjoy the Premises without molestation or hindrance, by Lessor or any person claiming under Lessor.

20. SUBORDINATION; NON DISTURBANCE; ATTORNMENMENT.

(a) This Lease and any extension hereof at all times shall be subject and subordinate to any and all encumbrances affecting the Premises hereafter given by Lessor or by any future owner of the Premises; and such encumbrances shall be superior to any rights now or hereafter vested in Lessee; provided, however, the provisions of any subsequent mortgage or deed of trust to the contrary notwithstanding, that as long as Lessee continues to pay the Basic Rent in this Lease reserved and otherwise performs and complies with the terms and provisions of this Lease, and no default exists hereunder (after giving effect to all applicable notice and cure provisions), the holder of any such encumbrance shall not have the right to evict, eject or institute a summary process action against Lessee from the Premises nor shall Lessee's leasehold estate be terminated or disturbed by such holder nor shall such holder name or join Lessee as a party defendant or otherwise in any suit, action or proceeding for the foreclosure of such mortgage or in the event of any sale of the Premises, to the end that this Lease and the possession of the Premises by Lessee hereunder shall not be disturbed or affected by reason of any such foreclosure or sale. It shall be a condition to the commencement of Lessee's obligations under this Lease that Lessor obtain an express agreement in recordable form executed by the holder of record of any encumbrance currently existing on the Premises recognizing and consenting to the foregoing "non-disturbance" provisions and agreeing to be bound thereby, notwithstanding any prior recordation of any mortgage or deed of trust or any inconsistent provisions thereof. In addition, Lessor shall use its reasonable efforts to obtain and deliver to Lessee on demand an express agreement in recordable form executed by the holder of record of any encumbrance hereafter placed on the Premises recognizing and consenting to the foregoing "non-disturbance" provision and agreeing to be bound thereby, notwithstanding any prior recordation of such mortgage or any inconsistent provisions thereof. Lessee further agrees that it will execute and deliver to Lessor any subordination agreement consonant with the prior provisions of this paragraph 20, required by any bona fide mortgagee of the Lessor.

(a) In the event of a default by Lessor under any such mortgage or encumbrance, or any foreclosure, sales or other event causing Lessor's ownership of the Premises to terminate (i) Lessee shall attorn to the new owner and shall recognize the new owner as Lessee's Lessor under this Lease; (ii) Lessee shall, upon request of the new owner, execute and deliver any instrument reasonably requested by the new owner to evidence such attornment, and (iii) Lessee waives any right which it may have by law or in equity to terminate this Lease or to surrender possession of the Premises upon termination of, or institution or proceedings against Lessor's rights of ownership in the Premises. The new owner shall recognize Lessee as a direct tenant under this Lease, provided

that Lessee is not in such default as would permit Lessor to terminate this Lease, and that Lessee delivers to the new owner upon demand an instrument certifying to such effect and confirming the agreement of Lessee to attorn to the new owner.

(c) At Lessee's request, Lessor shall use its reasonable efforts to obtain an express agreement in recordable form executed by the holder of record of any existing mortgage or other encumbrance on the Premises, stipulating that in the event of any default under any such mortgage or encumbrance, the holder thereof shall give written notice to Lessee specifying the nature and details of such default and shall give Lessee the right to remedy such default. Lessee shall have the right (but shall not be obligated) to pay any sums due pursuant or relative to any mortgage or encumbrance on the Premises, and to deduct the amount thereof from the next installment of Basic Rent becoming due under the provisions hereof. It is further agreed that unless Lessee consents, no mortgage or encumbrance placed upon the Premises by the Lessor shall cover any of Lessee's equipment, fixtures or other property which, by law or the terms of this Lease, the Lessee is permitted to remove from the Premises.

21. FORCE MAJEURE. The time allowed for the performance of any of Lessor's covenants and agreements hereunder, including the time for making the Premises available to Lessee under Paragraph 3 hereof, and any of the Lessee's covenants other than the payment of money shall be extended by an amount of time equal to any delay caused by fire, tornado, windstorm, other casualties or acts of God, strikes, labor difficulties, walkouts, riots, governmental regulation, unavailability of labor or materials or any other cause beyond the reasonable control of such party.

22. SURRENDER. When this Lease shall terminate in accordance with the terms hereof, Lessee shall quietly and peaceably deliver up possession of the Premises to the Lessor in as good order, repair and condition as the same were in at the beginning of the Primary Term of this Lease, except for reasonable wear and tear, and loss, damage or destruction caused by condemnation, fire, or other casualty not resulting from the negligence or tortuous acts of Lessee, its employees, agents, invitees or contractors or breach of, any of Lessee's covenants and obligations hereunder.

23. LIABILITY FOR DAMAGE. Lessor shall not be liable for any damage to any property of Lessee or others, or injury to persons within the Premises resulting or occasioned by or from (i) the electrical, the heating, the plumbing, the sewer, or other mechanical systems of the Premises or Building, (ii) by water, snow or ice, being upon or coming through the roof, walls, windows or doors, in upon or about the Premises or the Building; (iii) the acts or negligence of co-tenants or other occupants of the Building, or (iv) any fire or other casualty whatsoever, except in

each case where such is a result of the gross negligence or willful misconduct of Lessor, its agents, servants, employees or contractors. Lessor shall not be liable for failure to keep the Premises in repair, unless Lessor is obligated to make such repairs under the terms of this Lease and notice to make such repairs has been given to Lessor by Lessee and a reasonable time has elapsed and Lessor has failed to make such repairs. In addition, without limiting any of the foregoing, Lessor shall not be liable for any damage to Lessee's leasehold improvements, stock and trade, trade fixtures, furniture, furnishings, machinery, equipment, floor and wall covering and all other items of personal property of Lessee resulting from fire or other casualties, normally covered by a policy of fire and extended coverage insurance with vandalism, malicious mischief and sprinkler damage endorsements. Lessee for itself and all those claiming under it, including any insurer, hereby releases Lessor from all claims and liability for such damage, including all rights of subrogation. Lessee agrees to procure a waiver of subrogation endorsement with respect to any such damage described in the preceding sentence, and shall furnish evidence of such waiver to Lessor upon request.

24. WAIVER. No waiver of any condition or legal right or remedy shall be implied by the failure of Lessor to declare any default or forfeiture of this lease, or for any other reason, and no waiver of any condition or covenant of this Lease shall be valid unless it is in writing signed by Lessor.

25. NOTICES.

(a) Any notice or demand required by the provisions of this Lease to be given to the Lessor shall be deemed to have been given when received if sent by registered or certified mail, addressed to Lessor, or hand delivered at: 8 N. Main Street, Dayton, Ohio 45402.

(b) Any notice or demand required by the provisions of the Lease to be given to the Lessee shall be deemed to have been given upon posting in the U.S. Mail if sent by registered or certified mail, postage paid to Lessee or hand delivered at: 313 Mound St., Dayton, Ohio 45404 with a copy to DT Industries, Inc., 441 West Elm, Lebanon, Missouri 65536.

26. COVENANTS TO BIND RESPECTIVE PARTIES. This Lease and all of the agreements, covenants and conditions contained herein shall be binding upon the Lessor and the Lessee and upon their respective heirs, executors, administrators, successors and assigns.

27. MECHANIC'S LIENS AND TAXES. Lessee shall not permit any lien for payment of the cost of work, labor, material or services furnished to the Premises or the real property upon which it is situated. Should any lien be filed, and if Lessee fails to discharge same by payment or bonding within 20 days of receipt of

notice of such filing, Lessor may at its option or discharge such lien and assessments, or other charges against the Premises which Lessee is obligated to pay and which has or might become a lien on the Premises, and charge such payment to Lessee as additional rent under this Lease.

28. ESTOPPEL CERTIFICATES. Lessor and Lessee each agree that any time and from time to time within fifteen (15) days following written notice from the other, it will execute, acknowledge and deliver to the other or any proposed mortgagee or purchaser, in recordable form, a statement in writing certifying whether this Lease is in full force and effect and, if it is in full force and effect, what modifications have been made to the date of said certificate and whether or not to the best of its knowledge any defaults or offsets exist with respect to this Lease and, if there are, what they are claimed to be and setting forth the dates, if any, to which rent and other charges have been paid in advance, and stating whether or not to the best of its knowledge Lessee or Lessor is in default, if so, specifying what the default may be. The failure of Lessee or Lessor to execute, acknowledge and deliver to the other a statement as described above shall constitute an acknowledgment by such party that this Lease is unmodified and in full force and effect and that the rent and other charges have been duly and fully paid to and including the respective due dates immediately preceding the date of the aforesaid notice to Lessee and shall constitute as to any person for whom such certificate is requested, a waiver of any defaults which may exist prior to such notice.

29. LIABILITY OF LESSOR. If Lessor shall fail to perform any covenant or agreement of this Lease which it is obligated to perform hereunder, and as a consequence of such default, Lessee recovers a money judgement against Lessor, such judgement may be satisfied only out of the proceeds of sale received upon execution of such judgement and levy thereon against the right, title and interest of the Lessor in the building, as the same may be encumbered from time to time and neither Lessor nor any of its officers, employees or agents shall be liable for any deficiency. It is understood that in no event shall Lessee have the right to levy its execution against any property of Lessor other than its interest in the Building. In the event of the sale or other transfer of Lessor's rights, title and interest in either Premises or the building, Lessor shall be released from all liability and obligations hereunder.

30. HOLDING-OVER BY LESSEE. If Lessee holds over or remains in possession or occupancy of the Premises after the expiration of the term hereof or after any earlier termination of this Lease, without any written lease of the Premises being actually made and entered into by Lessor and Lessee, such holding-over, continued possession or occupancy shall create only a tenancy from month to month at a monthly rental equal to 125% of the amount of the monthly

installment of rent paid for the last month within the term hereof and upon the terms (other than length of term) as herein specified, such 125% to be applied to Basic Rent. Such month to month tenancy may at any time be terminated by either Lessor or Lessee giving to the other thirty (30) days prior written notice of its intention to terminate the same. If Lessee remains in possession or occupancy or holds over the Premises after the expiration or earlier termination of this Lease without the written consent of Lessor or acceptance by Lessor of increased rental payments tendered by Lessee, then such holding over or continued occupancy shall be a tenancy at sufferance and Lessor shall be entitled to immediate possession.

31. BOND-RELATED PROVISIONS. Lessor's construction of the Building and Addition (together, herein, the "Project") is being financed with the proceeds of \$2,560,000.00 (estimate) of Industrial Development Revenue Bonds (CityWide Development Corporation Project) (the "Bonds") which are subject to the "small issue exemption" of Section 144(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In order to preserve the tax-exempt status of the interest on the Bonds to the holders thereof, Lessee agrees, represents and warrants as follows, for the benefit of Lessor, its successors and assigns, and the holders from time to time of the Bonds:

- (a) Lessee at all times shall use the Project as a "manufacturing facility" (i.e., as a facility used for the manufacturing, production or processing of tangible personal property) within, the meaning of Section 144(a)(12)(C) of the Code. Lessor and Lessee agree that (unless the Code and regulations promulgated thereunder shall otherwise permit) no more than 5% of the proceeds of the Bonds will be used to provide administrative office space for Lessee, and all such office space within the Project will be used by Lessee for purposes of directly supervising the manufacturing, production or processing activities therein.
- (b) The aggregate face amount of "tax-exempt facility related bonds" (as defined in Section 144 (a)(10) of the Code) the interest on which is exempt from federal income tax under Section 103 of the Code which are (i) outstanding at the time of issuance of the Bonds and (ii) allocable under Section 144(a)(10) of the Code to Lessee and/or persons related to Lessee and/or persons related to Lessee (within the meaning of Section 144(a)(3) of the Code), when added to that portion of the face amount of the Bonds which are allocable to Lessee under Section 144(a)(10) of the Code, does not and will not exceed \$40,000,000.
- (c) Prior to the issuance of the Bonds, no bonds (other than the bonds issued to finance the development of the Existing Premises) the interest on which is exempt from federal income tax under Section 103 of the Code have been

or will be issued to provide facilities located in the City of Dayton, Ohio of which Lessee or a person related thereto (within the meaning of Section 144(a)(3)(C) of the Code) is or will be a principal user.

- (d) During the period beginning on the date of issuance of the Bonds and ending three (3) years thereafter, Lessee will not use the proceeds of any qualified small issue of bonds, as defined in Section 144(a) of the Code, to finance, directly or indirectly, the cost of any buildings, structure, improvements, machinery, equipment and other facilities to be used by Lessee in, as part of, or adjacent to the Project without, the prior consent of Lessor.
- (e) The aggregate amount of capital expenditures (within the meaning of Section 144(a)(4) of the Code) which have been or will be paid or incurred (i) with respect to any land and interests therein, buildings, structures, improvements, machinery, equipment and other facilities of which Lessee or a person related thereto (within the meaning of Section 144(a)(3) of the Code) is a principal user and which are located within the limits of the incorporated areas of the City of Dayton, Ohio as such limits exist at the date of issuance of the Bonds and (ii) during the six (6) year period beginning three (3) years before the date of issue of the Bonds and ending three (3) years after such date of issue (and financed otherwise than out of the proceeds of the Bonds) shall not exceed \$10,000,000.
- (f) Upon execution of this Lease, Lessee will deliver to Lessor a certificate stating the date, amount and general description of any capital expenditures described in Paragraph (e) above which have been paid or incurred by Lessee or a person related thereto (within the meaning of Section 144(a)(3) of the Code) during the three (3) year period preceding the date of issuance of the Bonds. In addition, Lessee agrees that at the time of filing its annual federal corporate income tax return without regard to any extension for the filing thereof, commencing with the filing of its return for the year in which the Bonds are issued and ending with the filing of its return for the three (3) years after such issuance, Lessee will deliver to Lessor a certificate stating the date, amount and general description of any capital expenditures described in Paragraph (e) above which have been paid or incurred during the period beginning with the date of issue of the Bonds and ending with the date of such certificate.
- (g) Lessee has not taken and will not take or permit to be



taken on its behalf any action which would adversely affect the exemption from federal income tax of the interest paid on the Bonds.

32. MISCELLANEOUS.

(a) In the event any clause, term or condition of this Lease shall be declared null and void, said Lease shall remain in full force and effect as to all other terms, conditions and provisions.

(b) The captions appearing at the beginning of the numbered paragraphs of this Lease are for convenience of reference only and shall not limit, modify or be used to interpret or construe any provision of this Lease.

(c) Until the term of the Lease has expired, Advanced Assembly Automation, Inc. shall submit to Lessor a quarterly statement promptly after the close of each quarter, but not earlier than the date on which DT Industries, Inc. has filed its quarterly report or Form 10Q or 10K as applicable for such quarter.

(d) Until the term of the Lease has expired, DT Industries, Inc. shall submit to Lessor promptly after the close of each quarter, a copy of its report on Form 10Q or Form 10K, as applicable, filed with the Securities and Exchange Commission.

(e) Until the term of the Lease has expired, Lessee shall submit to Lessor, promptly after the close of each fiscal year of Lessee, but not earlier than the date on which the Annual Report of DT Industries, Inc. on Form 10K has been filed for such year, an annual financial statement which shall include an income statement, balance sheet and statement of changes in financial condition, reviewed or audited by an outside CPA firm.

(f) Any law or statute to the contrary notwithstanding, Lessee shall have no right to terminate or rescind this Lease or surrender possession of the Premises, except as may be specifically provided herein.

33. OPTION TO PURCHASE.

Lessor hereby grants to Lessee an exclusive right and option to purchase the Premises together with all improvements thereon and easements appurtenant thereto during the Primary Term and any Renewal Terms. If exercised by January 1, 1997, the purchase price for the Premises shall be Six Million Dollars (\$6,000,000.00), increasing by 1 3/4% per calendar year if exercised after January 1, 1997. Lessee's election to exercise its option shall be communicated to Lessor in writing. Notwithstanding the foregoing, this option to purchase shall be void if such option is prohibited from being exercised by the provisions contained in any of the bond documents.

34. ENTIRE AGREEMENT; MEMORANDUM OF LEASE.

This Lease contains the entire agreement between Lessee and Lessor with respect to the Premises and, except as provided in paragraph 3, supersedes all prior leases and all previous written or oral negotiations, commitments, representations and agreements. This Lease, or a memorandum hereof, may be recorded among the land records of the city or county where the Premises is located. The cost of such recordation shall be shared equally by Lessor or Lessee.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed by their duly authorized officers as of the day and year first above written.

Signed, Sealed and Delivered  
in the Presence of:

CityWide Development Corporation

*W. J. Budd*  
(as to both)

BY: *Steven J. Budd*  
Steven Budd, its President

*Norman E. Kappeler*  
(as to both)

BY: *Norman E. Kappeler*  
Norman E. Kappeler,  
Assistant Secretary

STATE OF OHIO

SS.

COUNTY OF MONTGOMERY

Before me, a notary public in and for said county, personally appeared CityWide Development Corporation by Steven J. Budd its President and Norman E. Kappeler its Assistant Secretary who executed the foregoing instrument and who acknowledge the signing thereof to be their free and voluntary act and deed and the free and voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal at Dayton, Ohio this 21<sup>st</sup> day of February, 1996.



*Barbara B. Piatt*  
NOTARY PUBLIC

BARBARA B. PIATT, Notary Public  
In and for the State of Ohio  
My Commission Expires April 1, 1997

Signed, Sealed and Delivered  
in the Presence of:

Rita Duckard  
\_\_\_\_\_

ADVANCED ASSEMBLY AUTOMATION,  
INC.

BY: Bruce P. Erdel  
its VP-Finance & Secretary

STATE OF <sup>MISSOURI</sup>~~OHIO~~ )  
COUNTY OF <sup>LACLEDE</sup>~~MONTGOMERY~~ ) SS

Before me, a notary public in and for said county, personally appeared Advanced Assembly Automation, Inc. by Bruce P. Erdel its VP-Finance & Secretary, who executed the foregoing instrument and who acknowledge the signing thereof to be his free and voluntary act and deed and deed and the free and voluntary act and deed of said corporation. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at <sup>Dayton, Ohio</sup>~~Dayton, Ohio~~ this 20th day of FEB, 1996.

Notary Public  
Notary Public

This instrument prepared by: Curtis F. Slaton, Attorney at Law