

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE
HMP Services Holding Sub III, LLC, et al. Claims Processing Center
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5082
New York, NY 10150-5082

PROOF OF CLAIM

Name of Debtor Against Which Claim is Held

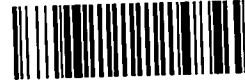
HAROLO M. PITMAN CO.

Case No. of Debtor

10-13618

Filed: USBC - District of Delaware
HMP Services Holding, Et Al.
10-13618 (BLS)

0000000083



FOR COURT USE ONLY

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name and address of Creditor: (and name and address where notices should be sent if different from Creditor)

HMP (CREDITOR.DBF,CREDNUM)CREDNUM # 100000545*****
MILES, GRAHAM M., ESQ.
125 STRAFFORD AVENUE
SUITE 230
WAYNE, PA 19087

☒ Check this box to indicate that this claim amends a previously filed claim.

Court Claim
Number: _____
(If known)

Filed on: _____

Telephone number: 6102939500 Email Address:

GRAHAMMILES@
GRAHAMMILES@LAW.COM

Name and address where payment should be sent (if different from above)

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

Telephone number: Email Address:

1. Amount of Claim as of Date Case Filed: \$ 135,210.00
If all or part of your claim is secured, complete Item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete Item 5.
If all or part of your claim qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9), complete Item 6.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of interest or additional charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim:

- ☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
☐ Wages, salaries or commissions (up to \$11,725), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
☐ Up to \$2,600 of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).

Amount entitled to priority:

\$ _____

2. Basis for Claim: DAMAGES TO LEASEHOLD PREMISES
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____
3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other

Describe: _____

Value of Property: \$ _____ Annual Interest Rate _____ %
Amount of arrearage and other charges as of time case filed included in secured claim, if any:

\$ _____ Basis for perfection: _____

Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9): \$ _____
(See instruction #6 on reverse side.)

7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 8 and definition of "redacted" on reverse side.)
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date:

2/2/2011

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Graham M. Miles, Esq.

FOR COURT USE ONLY

FILED / RECEIVED

FEB 03 2011

EPIQ BANKRUPTCY
SOLUTIONS, LLC

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

GRAHAM M. MILES, ESQ.

LAW OFFICES
GRAHAM M. MILES
125 STRAFFORD AVENUE
SUITE 230
WAYNE, PENNSYLVANIA 19087

GRAHAM M. MILES
(610) 293-9500
OF COUNSEL
RICHARD C. PARKER
(610) 293-9334

FAX
(610) 293-4066
E-MAIL
grahammiles@grahammileslaw.com

May 12, 2010

VIA FEDERAL EXPRESS

Harold M. Pitman Company
Attn: John Cunningham
Director of Real Estate
721 Union Boulevard
Totowa, New Jersey 07512-2207

Re: 753 Springdale Drive, Exton, PA

Dear Mr. Cunningham:

Your Lease Agreement for your occupancy of the above referenced premises expired on March 31, 2010. This letter is notification on behalf of the Landlord that the Tenant is obligated to surrender possession of the demised premises in the condition required by Article XIX of the Lease. The Landlord commissioned an inspection of the demised premises by an independent contractor and attached is their list of repairs that the Tenant needs to make to the property and building. Please advise this office promptly whether the Tenant will be making the repairs or reimbursing the Landlord for doing so.

Very Truly Yours,



Graham M. Miles

cc: Robert Kagan
Steve Tolkach

Redwood Construction, Inc.

Building Maintenance

1990-A York Road

Jamison, PA 18929

215-778-9171

EMAIL: Thirdpkm64@verizon.net

Proposal # 4536

March 31, 2010

CDK Partners

114 Forrest Ave.

Suite 111

Narberth, PA 19072

Attn: Bob

REFERENCE: Springdale Drive Exton, PA

I propose the following:

- | | |
|--|---------------------------|
| 1. Repair damaged roof in various locations | \$ 3,160.00 |
| 2. Repair all damaged grid work and replace all tiles | \$ 6,700.00 |
| 3. Repair/Replace emergency lighting and signs | \$ 1,275.00 |
| 4. Repair/Replace non-working ballasts/light fixtures | \$ 1,600.00 |
| 5. Clean carpets throughout office area | \$ 3,100.00 |
| 6. Replace carpet | Allowance of \$ 20,000.00 |
| 7. Strip and wax (2) bathroom floors | \$ 780.00 |
| 8. Repair holes in concrete slab in warehouse from shelving | Allowance of \$ 875.00 |
| 9. Repair broken cabinet in bathroom | \$ 135.00 |
| 10. Repair/Replace fans in warehouse | \$ 5,600.00 |
| 11. Replace (10) ballasts and replace bulbs in warehouse | \$ 2,600.00 |
| 12. Replace deadbolt on warehouse door | \$ 335.00 |
| 13. Repair broken gas pipe to warehouse heater | \$ 1,360.00 |
| 14. Repair broken tile in (1) bathroom | \$ 265.00 |
| 15. Replace rusty rear warehouse door | \$ 1,440.00 |
| 16. Install (2) stand-offs for main water line | \$ 385.00 |
| 17. Repair/Replace emergency lighting in warehouse | \$ 640.00 |
| 18. Install bi-fold door on closet in front office where missing | \$ 690.00 |
| 19. Replace exterior light bulbs on building | \$ 325.00 |
| 20. Repair loading dock receptacle | \$ 325.00 |
| 21. Replace/Repair (3) downspouts | \$ 610.00 |
| 22. Replace concrete curb and slab at loading dock | \$ 2,680.00 |
| 23. Clean clogged gutters and debris from roof | \$ 820.00 |
| 24. Repair brick and pointing at loading dock and (2) sections at front and side of building | \$ 7,310.00 |
| 25. Pruning of existing trees and bushes | \$ 3,500.00 |
| 26. Inspect and repair electrical wiring, breakers, receptacles | \$ 9,000.00 |
| 27. Inspect HVAC units in office and warehouse | \$ 2,200.00 |
| 28. Remove wallpaper and patch holes throughout office area | \$ 2,360.00 |

29. Prime and paint-2 coats- all office walls in reception area, kitchen and bathrooms	\$ 6,870.00
30. Remove existing tile floor in kitchen and replace with VCT flooring	\$ 2,600.00
31. Remove and replace kitchen counter top, sink and faucet	\$ 5,600.00
32. Install (50) parabolic light fixtures	\$ 8,400.00
33. Remove commode, vanity, sink, faucet and VCT floor in warehouse bathroom and install new commode, vanity, sink, faucet and VCT floor	\$ 4,400.00
34. Remove existing caulk from (6) double side windows and install new waterproofing caulk	\$ 860.00
35. Unclog gutters and repair all downspouts	\$ 1,750.00
36. Power Wash and paint block at side wall	\$ 2,910.00
37. Re-caulk all expansion joints on building exterior	\$ 575.00
38. Remove gutter and damaged fascia board, install new fascia board, install new capping, reinstall existing gutter and downspout	\$ 1,640.00
39. Patch holes in block wall	\$ 525.00
40. Repair sections of blacktop in parking lot	\$ 5,200.00
41. Repair garage doors	\$ 1,260.00
42. Repair 240 SF. of concrete flatwork, repair 30 ft. of curb	\$12,550.00

TOTAL \$ 135,210.00

Please call me at 215-778-9171 if you have any questions. Thank you.

THIRD AMENDMENT TO LEASE

THIS AGREEMENT (hereinafter referred to as the "Amendment") is made and entered into as of this JAN 11 day of 2010 in the year two thousand nine (2009), by and between **753 Springdale Drive Associates, LP**, a Pennsylvania limited partnership ("Landlord") and **Harold M. Pitman Company**, an Illinois corporation ("Tenant").

BACKGROUND

A. Landlord's predecessor in title and Tenant entered into and executed a certain Lease Agreement dated October 1, 1984 as amended by a First Amendment to Lease dated April, 1998 and a Second Amendment to Lease undated (collectively the "Lease") pursuant to which Landlord leased to Tenant, and Tenant accepted and leased from Landlord, certain Premises containing approximately 20,120 rentable square feet of space located at 753 Springdale Drive, Whiteland Business Park, West Whiteland Township, Chester County, Pennsylvania for a current term to expire on January 31, 2010.

B. Tenant wishes to extend the term of the Lease and Landlord is willing to permit Tenant to so extend the Lease, all on and subject to the terms set forth herein.

C. The parties are entering into this Third Amendment to confirm and evidence their agreement to extend and amend the Lease in certain respects, all on and subject to the terms and conditions hereinafter set forth.

TERMS

NOW THEREFORE, intending to be legally bound hereby, Landlord and Tenant hereby agree to extend and amend the Lease on and subject to the terms and conditions hereinafter set forth:

1. The term of the Lease is hereby extended for a term of two (2) calendar (* months) at the current monthly rent, and the Lease shall be deemed modified accordingly.

(*) Months ARE FEB & MARCH 2010

2. Tenant confirms that it will vacate the Premises at the expiration date of the extended term of the Lease and leave it in the condition required by Articles VII and XIX of the Lease.

3. The terms, covenants and conditions contained in this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. In the event of any conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall supersede and control the obligations and liabilities of the parties. For purposes of this Amendment,

capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals as of the date and year first above written, and acknowledge the one to the other that they possess the requisite authority to enter into this transaction and to sign this Amendment.

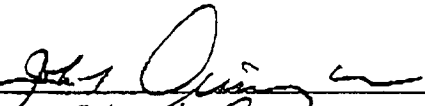
LANDLORD:

753 Springdale Drive Associates, LP

By 753 Springdale Drive GP, LLC, its general partner

By: 
Robert Kagan, Managing Member

TENANT:
Harold M. Pitman Company

By: 
Name: John L. Cunningham
Title: VP Corporate Operations

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SECOND AMENDMENT TO LEASE

THIS AGREEMENT (hereinafter referred to as the "Amendment") is made and entered into as of this _____ day of _____ in the year two thousand nine (2009), by and between **753 Springdale Drive Associates, LP**, a Pennsylvania limited partnership ("Landlord") and **Harold M. Pitman Company**, an Illinois corporation ("Tenant").

BACKGROUND

A. Landlord's predecessor in title and Tenant entered into and executed a certain Lease Agreement dated October 1, 1984 as amended by a First Amendment to Lease dated April, 1998 (collectively the "Lease") pursuant to which Landlord leased to Tenant, and Tenant accepted and leased from Landlord, certain Premises containing approximately 20,120 rentable square feet of space located at 753 Springdale Drive, Whiteland Business Park, West Whiteland Township, Chester County, Pennsylvania for a current term to expire on October 31, 2009.

B. Tenant wishes to extend the term of the Lease and Landlord is willing to permit Tenant to so extend the Lease, all on and subject to the terms set forth herein.

C. The parties are entering into this Second Amendment to confirm and evidence their agreement to extend and amend the Lease in certain respects, all on and subject to the terms and conditions hereinafter set forth.

TERMS

NOW THEREFORE, intending to be legally bound hereby, Landlord and Tenant hereby agree to extend and amend the Lease on and subject to the terms and conditions hereinafter set forth:

1. The term of the Lease is hereby extended for a term of three calendar months at the current monthly rent, and the Lease shall be deemed modified accordingly. The Premises is being leased in its "AS IS" condition.

2. The terms, covenants and conditions contained in this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. In the event of any conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall supersede and control the obligations and liabilities of the parties. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein.

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands and seals as of the date and year first above written, and acknowledge the one to the other that they possess the requisite authority to enter into this transaction and to sign this Amendment.

LANDLORD:

753 Springdale Drive Associates, LP

By 753 Springdale Drive GP, LLC, its general partner

By: _____
Robert Kagan, Managing Member

TENANT:

Harold M. Pitman Company

By: Mark Grandizio
Name: Mark Grandizio
Title: North east Regional Ops Mgr.

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4
FIRST AMENDMENT TO LEASE AGREEMENT

2 ETON 1A
THIS AGREEMENT made the ____th day of April, 1998 between
WHITELAND ASSOCIATES, a New Jersey Partnership located at 721 Union Boulevard
in the Borough of Totowa in the County of Passaic and State of New Jersey herein
designated as the Landlord and HAROLD M. PITMAN COMPANY, an Illinois
Corporation located at 721 Union Boulevard in the Borough of Totowa in the County of
Passaic and State of New Jersey herein designated as the Tenant.

WITNESSETH

1. This Agreement represents a First Amendment to the Lease between the
parties dated October 1, 1984 covering the premises at Lot 13 in Whiteland Business
Park, West Whiteland, Pennsylvania as more fully described in said lease.

2. In consideration of the mutual agreements herein contained, the parties
agree that the lease shall be amended by this Agreement in the following respects:

a) The original twenty (20) year term of the lease is hereby extended
for five (5) years so as to expire twenty five (25) years from its Commencement Date.

b) The rent for the five (5) years of this extension (i.e., beginning
twenty (20) years after the Commencement Date) shall be equal to the rent during the
immediately preceding portion of the original lease term plus an adjustment for the
increase, if any, in the cost of living from the date of the prior adjustment (i.e., the
fifteenth anniversary adjustment). To facilitate the calculation and implementation of
such adjustment there is added to the lease paragraph 2.10 to read as follows:

Section 2.10

It is agreed that a similar cost of living adjustment shall occur on
the date that occurs twenty (20) years after the Commencement
Date. The calculations of these adjustments of rental shall be
made in the same manner as set forth in Section 2.08; however,
the "current index number" utilized in the preceding adjustment
shall be the "base index number" and the corresponding number
for the month prior to the adjustment date shall be the "current
index number." In no event shall the rental be less than the base
rent as determined by the prior adjustment.

3. Except as specifically amended or made more specific herein the original
terms of the lease are confirmed and ratified and shall remain in full force and effect.

IN WITNESS WHEREOF, the said parties have respectively caused this Agreement to be executed as of the day and year first above written.

WHITELAND ASSOCIATES, A Partnership

By:

John W. Dreyer
JOHN W. DREYER, Partner

Robert P. Schmidt
ROBERT P. SCHMIDT, Partner

Gerald R. Knueven
GERALD R. KNUEVEN, Partner

ATTEST:

Kelly Dunning

HAROLD M. PITMAN CO.

By:

John W. Dreyer
JOHN W. DREYER, President

12,130

OCT 1, 04
SEPT 30 - 09

LEASE AGREEMENT

THIS LEASE AGREEMENT made the 1st day of October, 1984, between WHITELAND ASSOCIATES, a New Jersey Partnership located at 102 Hamilton Road in the Village of Ridgewood in the County of Bergen and State of New Jersey herein designated as the Landlord and HAROLD M. FITMAN COMPANY, an Illinois Corporation located at 515 Secaucus Road in the Borough of Secaucus in the County of Bergen and State of New Jersey herein designated as the Tenant.

WITNESSETH

The Landlord, in consideration of the rents, covenants and agreements herein reserved and contained on the part of the Tenant to be paid and performed, hereby demises and lets to the Tenant, and the Tenant hereby hires from the landlord the premises described in Schedule "A" attached hereto; together with the building and improvements easements and appurtenances located on the demised premises or used in connection with the operation thereof;

TO HAVE AND TO HOLD the said premises for and during the term of Twenty (20) years, commencing at 12:00 o'clock noon on the date hereinafter defined as the "Commencement Date."

ARTICLE I - PREMISES

The Landlord hereby leases to the Tenant that certain parcel of real property, in West Whiteland, Pennsylvania, known as Lot 13 of Whiteland Business Park, West Whiteland, Pennsylvania, together with a newly constructed 20,000 square foot office warehouse building as described in building plans which Tenant has previously reviewed and approved.

NAPOLITANO & NAPOLITANO
COUNSELLORS AT LAW
100 E. MAIN STREET
RAHWAY, N.J.

lfm:13859/LEAS3/A/1

ARTICLE II - PAYMENT OF RENT

Section 2.01 - Fixed Rent

The Tenant covenants and agrees to pay the Landlord as rent for and during the term hereof, the sum of One Million Two Hundred Fifty Thousand Dollars plus additional sums and adjusted sums as hereinafter provided, in the following manner:

During the first five years, the annual rent shall be Ninety Thousand Dollars (\$90,000) payable Seven Thousand Five Hundred Dollars (\$7,500) on the first day of each month, the first payment to become due and payable on the commencement date. If said commencement date is not the first day of a month, said first month's rent shall be prorated on a per diem basis.

The aforesaid rental represents a rental rate of \$4.50 per square foot of building per year. In the event the building as finally completed differs from the planned 20,000 by more than 5%, the rent shall be adjusted pro-rata. Any size difference of less than 5% shall be deemed insignificant and no adjustment shall be made.

All payments due under the terms of this lease from the Tenant to the Landlord shall be payable to: "Whiteland Associates", 102 Hamilton Road, Ridgewood, New Jersey.

Section 2.02 - Additional Rent

A. It is understood and agreed that the rent herein specified shall be net to the Landlord in each year during the term of this lease, that all costs, expenses and obligations of every kind related to the leased property and to the building which may arise or become due during the term of this lease shall be paid by the tenant, and that the Landlord shall be fully indemnified by the tenant against such costs, expenses and obligations. Accordingly, the tenant shall pay when due, all utilities, insurance premiums, snow removal, lawn maintenance,

building and property maintenance and upkeep, all assessments and other charges or levies of any kind, nature or name whatsoever, including sewer charges, tax or assessments or rentals and any other taxes of any nature or description which may be made or imposed upon the lands and premises herein leased and all buildings and improvements now or hereafter to be placed thereon at any time during the term of this Lease. Tenant shall pay all said charges on or before they are due. The Tenant further covenants and agrees that upon written request of the Landlord, it will promptly deliver to said Landlord for inspection, receipts for the payment of any and all taxes, assessments or charges which were due and payable up to 30 days prior to said request. All taxes, assessments and other charges shall be pro rated to date of commencement and termination of this Lease. In the event the holder of the first mortgage requires payment of taxes to be made to it, the Tenant shall comply.

B. It is understood that at the outset and for the foreseeable future Tenant will be leasing 100% of the building and hence will pay 100% of all items of additional rent that may arise out of the existence or use of the entire property and building; in the event the building is expanded and leased to others at some future date, Tenant's share of the additional rent shall be adjusted so that all tenants collectively shall pay 100% of such items and each tenant shall pay its share of same based upon the gross square footage of building leased by each tenant, respectively.

C. If at any time during the term of this Lease the method or scope of taxation prevailing at the commencement of the lease term shall be altered, modified or enlarged so as to cause the method of taxation to be changed in whole or in part so that in substitution for the real estate taxes now assessed there may be, in whole or in part, a capital

levy or other imposition based on the value of the premises or the rents received therefrom or some other form of assessment based in whole or in part on some other valuation of the Landlord's real property comprising the demised premises, then, in such event such substituted tax or imposition shall be payable and discharged by the Tenant in the manner required pursuant to such law promulgated which shall authorize such change in the scope of taxation and as required by the terms and conditions of the within lease. That portion of the substituted tax for which the Tenant shall be responsible is intended to be equivalent to that portion of the full real estate taxes that the Tenant would be obligated to pay under the Lease if the scope or method of taxation had not changed.

In the event the parties cannot agree on the amount of such substituted tax or the equivalency to be paid by the Tenant as above provided, the matter shall be submitted to binding arbitration by the American Arbitration Association, the cost of which shall be borne equally by the parties.

Section 2.03

It is further distinctly understood and agreed by and between the parties hereto that the tenant shall not be liable for the payment of any income, inheritance, transfer or gift taxes which may be imposed or are required to be paid by the Landlord or any interest or amortization on mortgages given by Landlord encumbering the fee title at any time.

Section 2.04

All taxes, charges, costs, and expenses which the tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of the tenant's failure to pay such amounts, and all damages, costs, and expenses which the Landlord may incur by reason of any default of the tenant or failure on the tenant's

part to comply with the terms of this lease, shall be deemed to be additional rent, and in the event of nonpayment by the tenant, the Landlord shall have the rights and remedies with respect thereto as the Landlord has for the nonpayment of the base rent.

Section 2.05

The Tenant is hereby granted the right, at its own cost and expense, to contest or appeal in the name of the landlord or Tenant, any tax or assessment which may hereafter be imposed upon the demised premises. Nothing herein contained shall be deemed to afford the Tenant the right to withhold the payment of any tax and/or assessment when due.

Section 2.06

In the case of assessments for local improvements or betterments which are assessed or imposed during the term hereof, and which, by law, be payable in installments, Tenant shall be obliged to pay only such installments as fall due during the term hereof, together with interest on deferred payments.

Section 2.07

In the event that this lease expires according to its terms after twenty (20) years and is not thereafter renewed or extended or upon the expiration of the option period as the case may be, Tenant shall be responsible for payment of all rent due through the expiration date. (or date of physical vacation, if later). If Tenant shall have paid an item of "additional rent" for a period beyond said date which inures to the benefit of the Landlord (such as real estate taxes) Landlord shall refund to Tenant a sum equal to the item of "additional rent" attributable to such period beyond the expiration vacation date within 30 days of said date.

Section 2.8

Commencing with the 5th anniversary of the commencement date of the within lease, the previous minimum rental of Ninety Thousand Dollars per

annum (\$90,000) shall be adjusted as follows:

- (a) The minimum annual rental for the following five year portion of the term shall be increased by a percentage equal to the percentage increase in the Consumer Price Index for the area including West Whiteland Pennsylvania (presently "Philadelphia, Pennsylvania-New Jersey") as shall be published by the Bureau of Labor Statistics of the United States Department of Labor. As promptly as practicable after the end of the initial five (5) years of this Lease, the Landlord shall compute the increase, if any, in the cost of living over said preceding 5 year period, computed as stated herein.
- (b) The index number indicated in the column entitled "All items for the month and year when the commencement date occurred shall be the "base index number" and the corresponding index number for the corresponding month five years later shall be the "current index number."
- (c) The current index number shall be divided by the base index number. The resulting figure less the integer "1" and the decimal point shall be deemed to be the percentage of increase in the cost of living.
- (d) The percentage of increase multiplied by the previous minimum rental per annum shall be the increase required to be determined by paragraph (a) of this section.
- (e) The Landlord shall, within a reasonable time after obtaining the appropriate data necessary for computing such increase, give the Tenant notice of any increase so determined, together with the calculations thereof, and

the computation thereof shall be conclusive and binding but shall not preclude any adjustment which may be required in the event of a published amendment of the index figures upon which the computation was based unless the Tenant shall, within sixty (60) days after giving of such notice, notify the Landlord of any claimed error therein. Any dispute between the parties as to any such computation shall be determined by arbitration.

- (f) The fixed rent, as so determined (i.e., the aggregate of previous minimum rental and the "increase" calculated in accordance with paragraphs (a) to (e) of this Section shall be due and payable to the Landlord in equal monthly installments commencing with the first month of the next five (5) years of this lease, viz., the 61st month of the lease (any retroactive payments then due being payable within thirty (30) days after the giving of such notice), and in the event of any subsequent redetermination of such amount, the adjustment thus indicated shall be made promptly between the Landlord and the Tenant. Said rent as adjusted shall be due and payable monthly over the next five (5) years of this Lease.
- (g) If publication of the Consumers Price Index shall be discontinued, the parties hereto shall thereafter accept a comparable statistic on the cost of living for Philadelphia, Pennsylvania as they shall be computed and published by any agency of the United States or by a responsible financial periodical of recognized authority then to be selected by the parties hereto, or, if the parties cannot agree upon a selection, by arbitration.

In the event of (1) use of comparable statistics in place of the Consumers Price Index as above mentioned, or (2) publication of the Index figure at other than monthly intervals, there shall be any changes made in the method of computation herein provided for such revisions as the circumstances may require to carry out the intent of this Section, and any dispute between the parties as to the making of such adjustment shall be determined by arbitration.

- (h) In no event shall the aforesaid minimum rental be less than \$90,000 per year, (the previous minimum rental) (for each subsequent adjustment the previous five year base rent shall be the floor for the new adjusted rent)

Section 2.09

It is agreed that a similar cost of living adjustment shall occur on the 10th and 15th anniversaries of the commencement of the within lease. The calculations of this second and third adjustment of rental shall be made in the same manner as set forth in Section 2.08; however, the "current index number" utilized in the preceeding five (5) year adjustment shall be the "base index number" and the corresponding number for five years later shall be the "current index number." In no event shall the rental be less than the base rent as determined by the prior fifth anniversary adjustment.

ARTICLE III - COMMENCEMENT DATE OF LEASE

Section 3.01

For all purposes under this lease, the commencement date of this lease shall be deemed to be the later of (i) when the Landlord obtains title from the present owners of the premises ROUGH/LOEW ASSOCIATES, INC., (ii) when the building has been completed so as to be ready for

Tenant finishes to be provided by Tenant, if any; and (iii) issuance of a Certificate Of Occupancy by the applicable governmental agency/official provided however that this phrase (iii) shall be deemed satisfied when the contract seller to Landlord has completed virtually all of its work and a Certificate of Occupancy can not be obtained solely due to the non completion of work by the Tenant.

Section 3.02

Landlord and Tenant agree to exchange letters or co-sign one letter agreeing upon the actual commencement date of this lease within 10 days thereof which shall thereafter be absolutely binding on all parties as establishing said date for all purposes hereunder.

ARTICLE IV - LIABILITY INSURANCE

Section 4.01

The Tenant, at Tenant's own cost and expense, shall obtain or provide and keep in full force for the benefit of the Landlord during the term hereof, general public liability insurance, insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by, or resulting from any accident or otherwise in or about the leased premises; for injuries to any person or persons, for limits of not less than \$1,000,000 for injuries to one person and \$2,000,000 for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons for not less than \$100,000. This policy or policies of insurance shall be of a company or companies authorized to do business in the State (both New Jersey and Pennsylvania) and shall be delivered to the Landlord, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the term hereof or of the date when the Tenant shall enter into possession, whichever occurs sooner. At least fifteen (15) days prior

to the expiration or termination date of any policy, the Tenant shall deliver a renewal or replacement policy, with proof of the payment of the premium therefor. The Tenant also agrees to and shall save, hold and keep harmless and indemnify the Landlord from and for any and all payments, expenses, costs and from and for any and all claims and liability for losses or damage to property or injuries to persons occasioned wholly or in part by or resulting from any acts or omissions by the Tenant or the Tenant's agents, employees, guests, licensees, invitees, subtenants, assignees or successors, or for any cause or reason whatsoever arising out of or by reason of the occupancy by the Tenant and the conduct of the Tenant's business.

Section 4.02

Tenant agrees to have these limits reviewed by a qualified insurance appraiser a minimum of every five (5) years during the lease term, and give Landlord a copy of said appraisal. Tenant shall adjust its limits in accordance with said appraisal's recommendations.

ARTICLE V - FIRE INSURANCE

Section 5.01

Tenant shall, from and after the date of the commencement of the term hereof, as provided hereinafter, keep the building on the demised premises, including any improvements or betterments which may be made by Tenant, insured for their full replacement value against fire, for the benefit of Landlord, Landlord's mortgagee and Tenant as their interests may appear, including extended coverage, without allowance for depreciation. Tenant agrees to give Landlord, or its mortgagee, originals of all policies, together with endorsements, etc.

Section 5.02

Tenant agrees to have these limits reviewed by a qualified insurance appraiser a minimum of every five (5) years during the term of

this Lease, and give Landlord a copy of said appraisal. Tenant agrees to adjust its limits in accordance with said appraisal's recommendation.

ARTICLE VI - USE OF THE PREMISES

Section 6.01

The herein demised and leased premises may be used for manufacturing, warehousing, general office purposes, as well as any other legal purpose, provided such use complies with the necessary zoning ordinance and State regulations pertaining to said building.

Section 6.02

Tenant has reviewed the Protective Covenants for Whiteland Business Park and agrees to comply therewith. Tenant understands and agrees that any material breach of said covenants shall be deemed to be a Default under this Lease.

ARTICLE VII - REPAIRS

Section 7.01

Tenant shall, at its own cost and expense, make all structural repairs in and about the demised and leased premises, including, but not limited to, the parking lot, driveways, curbs, sidewalks, roof, plumbing, and H.V.A.C. systems.

Section 7.02

Tenant agrees to comply with all statutes, ordinances, rules, orders, and regulations and requirements of the Federal, State, County and Municipal governments applicable to said premises, and with all rules, orders and regulations of the Board of Fire Underwriters for the prevention of fires.

ARTICLE VIII - LANDLORD'S RIGHTS ON TENANT'S FAILURE TO REPAIR

Section 8.01

In case the Tenant shall fail or neglect to comply with the aforesaid statutes, ordinances, rules, orders, regulations and

requirements or any of them, or in case the Tenant shall fail or neglect to make any necessary repairs as and to the extent required by the Tenant pursuant to this Lease, then the Landlord or its agents, upon fifteen (15) days' written notice, may enter said premises and make said repairs and comply with any and all of the said statutes, ordinances, rules, orders, regulations or requirements at the cost and expense of the Tenant and, in the case of the Tenant's failure to pay therefor, the said cost and expense shall be added to the next month's rent and be due and payable as such. This provision is in addition to the right of the Landlord to terminate this Lease by reason of any default on the part of the Tenant. However, if Tenant commences making said repairs within the 15-day period, Landlord shall have no right to perform said work itself.

ARTICLE IX - LANDLORD'S RIGHT OF INSPECTION AND REPAIR

Section 9.01

Tenant agrees that the Landlord and Landlord's agents and other representatives shall have the right to enter into and upon said premises or any part thereof at all reasonable hours and intervals for the purpose of examining the same or making such repairs or alterations therein as may be necessary for the safety and preservation thereof.

ARTICLE X - SUBLETTING

Section 10.01

It is understood that Tenant may sublet any part or all of the premises for any legal purpose with the prior written consent of the Landlord; which shall not be unreasonably withheld. However, if Tenant's subtenant pays any rental over and above what is being paid to the Landlord hereunder it is agreed that the parties shall share such excess rent on a 50/50 basis.

ARTICLE XI - ASSIGNMENT

Section 11.01

Tenant shall not assign or otherwise dispose of this Lease, or any interest therein, except as otherwise provided, unless it obtains Landlord's prior consent, which consent shall not be unreasonably withheld, provided:

- (a) At the time of such assignment, this Lease must be in full force and effect, without any default hereunder on the part of the Tenant;
- (b) The assignee shall assume, by written recordable instrument, in form and content satisfactory to Landlord, the due performance of all of Tenant's obligations hereunder, including any accrued obligations at the time of assignment; and
- (c) A copy of the assignment and the assumption agreement, in form and content satisfactory to Landlord, fully and properly executed, shall be delivered to Landlord not less than thirty (30) days prior to the effective date of such assignment or subletting.
- (d) Such assignment will in no manner release Tenant of its obligations under this lease agreement.

ARTICLE XII - LANDLORD'S RIGHT OF RE-ENTRY AND ABANDONMENT

Section 12.01

Except as otherwise stated herein, if the said premises shall become vacant during the term herein or should Tenant be evicted by summary proceedings or otherwise, the Landlord or its representatives may re-enter the same, either by force or otherwise, without being liable to prosecution therefor, and re-let said premises as the agent of the Tenant and receive the rent thereof, applying the same first to the payment of the rent due by these presents and the Tenant shall remain liable for any deficiency. At the Landlord's option, if default is made

in the covenants herein contained, and, if the Tenant shall not have undertaken to remedy such default within the time limits as set forth herein, it shall be lawful for the Landlord to re-enter the said premises and the same to have again, repossess and enjoy it.

ARTICLE XIII - TENANT'S FAILURE TO COMPLY WITH GOVERNMENTAL REGULATIONS

Section 13.01

In the event the Tenant fails to comply with governmental regulations or those of the Whiteland Business Park pertaining to the use of the premises, or in the event of any breach or nonperformance of any covenant or condition of the within Lease by the Tenant, which may result in proceedings, suits, or fines, the Tenant agrees to hold the Landlord harmless from such fines and costs that may arise in connection therewith and to promptly abate the violation. This paragraph shall not be construed to extend to any liability which is intended to be covered by insurance as otherwise provided in this Lease, provided, however, such insurance is in effect.

ARTICLE XIV - REMEDIES OF LANDLORD UPON DEFAULT

Section 14.01

It is expressly understood and agreed that in case of a ten (10) day default in the payment of the rent or any part thereof, after giving of written notice of said default by Landlord to Tenant, and if said default is not cured within five (5) days after the giving of such notice, or, if (without the consent of the Landlord) the Tenant shall assign this Lease, except as herein provided, or if default be made in the performance of any of the covenants and agreements in this Lease on the part of the Tenant to be kept and performed, the Tenant shall have failed to cure or to diligently commence to cure such default within five (5) days after the giving of notice, or, if, the Tenant shall file a petition in bankruptcy or be adjudicated a bankrupt or make an

assignment for the benefit of creditors or take advantage of any insolvency act, the Landlord, in its sole discretion may at any time thereafter terminate this lease and the term thereof upon giving to the Tenant five (5) days' written notice of its intention to do so and upon the giving of such notice, this Lease and the term thereof, shall terminate, expire and come to an end on the date fixed in said notice as if said date were the date originally fixed in this Lease for the termination or expiration thereof.

On the occurrence of any of the foregoing, Tenant agrees that the rent and all other sums payable hereunder as additional rent at the option of the Landlord, shall immediately, without act or notice, become due and payable monthly, and Landlord may immediately proceed to distrain, collect or bring action for the said rental or such part thereof as aforesaid, as rent being in arrears, or may file a proof of claim in any bankruptcy or insolvency proceeding for such rent, or Landlord may institute any other proceedings, whether similar to the foregoing or not, to enforce payment thereof.

It is expressly understood that Landlord shall cooperate with Tenant in releasing the premises and in mitigating the damages of the Landlord and, in the event it shall be re-letting the demised premises, the rent collected by Landlord shall be attributed to the account of the Tenant in mitigation of the Landlord's damages after all expenses due and against Tenant are charged against Tenant.

It is further understood and agreed that in the event of a breach by Tenant of any of the agreements, conditions, covenants or terms hereof, the Landlord shall have the right to injunctive relief to restrain the Tenant and the right to invoke any remedy allowed by law or in equity, whether or not other remedies, indemnity or reimbursements are herein provided. It is further agreed that the rights and remedies

given to Landlord in this Lease are distinct, separate and cumulative remedies, and that no one of them, whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others.

ARTICLE XV - DESTRUCTION BY FIRE

In case the demised premises, or any part thereof, shall be damaged by fire or any other casualty, then:

Section 15.01

Definitions. Whenever used in this ARTICLE XV, the following terms shall have the following meanings:

"Total destruction" shall mean damage to the demised premises having a cost of repair equal to or greater than sixty-five percent (65%) of the value of the building and improvements immediately prior to the event of destruction. The value of the building and improvements immediately prior to the event of destruction shall be determined by independent appraisal, and, if necessary, arbitration.

"Partial destruction" shall mean any damage less than "total destruction" as defined above.

Section 15.02

Partial Destruction. In case the buildings or improvements on the demised premises shall be partially destroyed or damaged by fire or any other casualty, Tenant at its own cost and expense shall promptly repair, replace and rebuild the same, at least to the extent of the value and as nearly as possible to the character of the buildings, improvements and equipment therein existing immediately prior to such fire or other casualty.

Landlord shall make available all insurance proceeds received, if any, under insurance policies covering such loss, which policies are required to be carried by the Tenant hereunder in accordance with ARTICLE V hereunder. Said insurance proceeds shall be made available to

the party or parties whom Tenant may employ to repair, replace or rebuild the said demised premises, or to Tenant, if at Tenant's option, Tenant shall make and pay for such repairs and replacements, or in reimbursement for work and materials actually incorporated in the demised premises and paid for by the Tenant.

Tenant shall maintain full and accurate accounts of all insurance proceeds received and monies disbursed, which accounts shall be open for Landlord's inspection and audit at any reasonable times and intervals. After the full repair and restoration of the premises, any surplus insurance monies, if any, shall be delivered promptly to Landlord.

Section 15.03

Total Destruction. In case damage should result in total destruction, then, in that event:

(a) Tenant shall have the option to terminate this Lease, in writing, directed to the Landlord in the manner provided in this Lease, within thirty (30) days from the occurrence of such total destruction.

(b) In the event Tenant does not so elect to terminate this Lease as provided in subparagraph (a) hereinabove, the Tenant shall rebuild the said premises in a prompt manner, employing all insurance proceeds derived by Landlord and Tenant as aforesaid.

Section 15.04

The destruction of, or damage to, the demised premises or building, or any part thereof, shall not terminate this Lease, except as otherwise provided herein. If there is total destruction and the Tenant agrees to rebuild, etc., Landlord shall lease to Tenant temporary facilities or ground space on the premises, if said facilities or space is available and legally permitted, and Tenant shall pay a fair market rental, which shall be agreed upon between the parties, which if not able to be agreed

upon, shall be settled by arbitration, the cost of which shall be shared equally between the parties. Tenant agrees to carry rent insurance for the benefit of Landlord for a maximum of a 12 month period.

ARTICLE XVI - ABANDONMENT OF TRADE FIXTURES

Section 16.01

If, after default in the payment of rent or violation of any other provision of this Lease, or upon the expiration of this Lease, the Tenant moves out or is dispossessed and fails to remove any trade fixtures or other property prior to such said removal or dispossession, then, and in that event, the said fixtures and property shall be deemed abandoned by the said Tenant and shall become the property of the Landlord.

ARTICLE XVII - MORTGAGE SUBORDINATION AND ATTORNMENT

Section 17.01

This Lease shall be subject and subordinate at all times to the lien of any mortgage which may now or hereafter affect the leased property, and to all renewals, modifications, amendments, consolidations, replacements, and extensions thereof. The Tenant will execute and deliver any instruments which may be reasonably required by the Landlord in confirmation of such subordination promptly upon the Landlord's request. However, such subordination of the Lease shall only be effective provided that the holder of the mortgage shall issue to the Tenant its agreement of non-disturbance to the effect that if by foreclosure or otherwise such holder of the mortgage, or a successor in interest shall come into possession of the leased property, or take over the right of the Landlord in the leased property, it will not disturb the possession, use or enjoyment of the leased property by the Tenant, its successors or assigns, nor disaffirm this Lease or any extensions thereof or the Tenant's rights or estate hereunder so long as all the

obligations of the Tenant are fully performed in accordance with the terms of this Lease. Said mortgagee shall permit the Tenant, at its option, to pay the mortgage payments and/or otherwise cure the default of Landlord, whereupon proper credit shall be given to Tenant under the terms of this Lease. However, said Mortgagee's agreement of non-disturbance shall not be construed to bind Mortgagee to cure any defaults of Landlord's duties as set forth in the lease agreement.

In consideration of said mortgagee's non-disturbance agreement, Tenant agrees that if any mortgagee shall succeed to the interest of Landlord by reason of the exercise of its right under such mortgage (or the execution of voluntary conveyance in lieu thereof) then Tenant shall have no right to terminate this Lease by reason thereof and such successor may, at its option, to be exercised by giving of written notice to Tenant of its desire so to do, succeed to the interest of Landlord under this Lease; and in such event the Tenant shall attorn to such successor and shall ipso facto be and become bound directly to such successor in interest to Landlord to perform and observe all the Tenant's obligations under this Lease without the necessity of the execution of any further instrument. Nevertheless, Tenant agrees at any time and from time to time during the term hereof to execute a suitable instrument in confirmation of Tenant's agreement to attorn as aforesaid.

ARTICLE XVIII - CONDEMNATION

Section 18.01

For the purposes of this section, "materially all of the demised premises" shall be deemed to have been taken if the portion of the demised premises not so taken cannot be so repaired or reconstructed as to constitute a reasonably complete rentable structure with ample parking and good traffic access and loading facilities in order to permit the continuation of the prior use of the premises without

unreasonable restriction. A dispute between the parties over whether or not the building has lost its reasonable function as a result of a condemnation shall be settled by arbitration.

Section 18.02

If at any time during the term of this Lease, title to the whole or materially all of the demised premises shall be taken by the exercise of condemnation or eminent domain, or by agreement between Landlord and Tenant and those authorized to exercise such right, this Lease shall terminate and expire on the date of such taking, and the rent provided to be paid by Tenant shall be apportioned and paid to the date of such taking. In such event, Tenant shall be entitled to receive refunds for any apportionment of deposits, assessments, or other levies theretofore paid or payable by Tenant covering any period of time subsequent to the date of taking. Such termination shall be without prejudice to the rights of either the Landlord or the Tenant to recover compensation from the condemning authority for any loss or damage caused by such condemnation. Neither the Landlord nor the Tenant shall have any rights in or to any award made to the other by the condemning authority. The Landlord shall not settle any such eminent domain proceedings or sell the leased property to the condemning party or any part thereof under threat of such proceedings, without the thirty (30) day prior written notice of the Tenant, which within said period shall have the option to agree to pay Landlord in full the amount offered to Landlord in settlement of the condemnation; upon such payment, Landlord shall assign all its ownership in the property to Tenant.

Section 18.03

If at any time during the term of this Lease, title to less than the whole, or materially all, of the demised premises shall be taken as aforesaid, all of the award or awards collected by the Landlord for

improvements made by Tenant shall be promptly delivered to the Tenant and applied and paid over toward the cost of demolition, repair and restoration of the premises for the purpose of restoring the same to an economic architectural unit — susceptible to the same use as that which was in effect immediately prior to the taking. Tenant shall with reasonable promptness make said necessary repairs and alterations. Any disputes, etc. shall be settled by arbitration.

Section 18.04

In the event the taking, etc renders more than 25% of the land area of the premises untenable, a just proportion of the minimum fixed rent payable hereunder according to the nature and extent of the injury shall be abated for the period from the date of the taking and shall reduce the basic rent as herein set forth in ARTICLE II.

Section 18.05

Any disputes as to termination, apportionment and/or abatement following condemnation of all or part of the premises shall be submitted to the American Arbitration Association, whose decision shall be binding upon the parties hereto.

ARTICLE XIX - SURRENDER BY TENANT

Section 19.01

On the last day of the term hereof, or on the earlier termination thereof, Tenant shall peaceably and quietly leave, surrender and deliver up to Landlord the demised premises, broom clean, together with the building or any new building and all alterations, changes, additions and improvements which may have been made upon the premises (except movable furniture or movable trade fixtures put in at the expense of the Tenant), in thorough repair and good order and safe condition, reasonable wear and tear expected. Tenant, on or before said date, shall remove all of the Tenant's personal property from the demised

premises, and all property not so removed shall be deemed to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant and without obligation to account therefor, and any surplus monies shall be paid to the Landlord.

In the event that this Lease is cancelled or terminated by Landlord by notice pursuant to any provision hereof, except for non-payment of rent, Tenant shall have sixty (60) days after the giving of such notice to remove all of the Tenant's personal property and movable trade fixtures from the premises.

ARTICLE XX - NON-WAIVER BY LANDLORD

Section 20.01

The failure of the Landlord to insist upon strict performance of any of the covenants or conditions of this Lease, or to exercise any option herein conferred in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions of this Lease or option, but the same shall be and remain in full force and effect.

ARTICLE XXI - NOTICE

All notices, demands or communications of either party hereunder shall be sent by registered or certified mail to the Tenant and Landlord at their respective addresses as set forth herein, and the date of depositing the same in the Post Office shall be taken as the date of the giving thereof. Either party shall have the right to designate another address for such notice by giving written notice of said change of address by registered mail or certified mail.

ARTICLE XXII - COVENANT OF QUIET ENJOYMENT

Section 22.01

The Landlord covenants and agrees that immediately upon the commencement of the term hereof, the Tenant shall have the right to take

possession of the premises herein demised, as specified, pursuant to the terms and conditions of this Lease Agreement, and the Tenant may quietly have and enjoy the use of the demised premises for the balance of the term.

ARTICLE XXIII - SIGNS - RESTRICTIONS

Section 23.01

Tenant may install, at its own cost and expense, signs on the premises demised herein, provided that the same conform with all governmental rules, ordinances, statutes and regulations. Landlord shall approve these signs, which approval shall not be unreasonably withheld.

ARTICLE XXIV - NO BROKER

Section 24.01

The parties represent to each other that neither party has contacted a real estate broker and knows of no party entitled to a fee or commission in connection with this Lease, and agrees to indemnify the other party if any such commission or fee shall be deemed to be owed.

ARTICLE XXV - OPTION TO RENEW

Section 25.01

So long as Tenant is not in default hereunder, the Tenant shall have an option to one 5-year renewal of this Lease on the same terms and conditions as in the original term except that the rental shall be adjusted by the cost of living increase in a similar manner as set forth in Section 2.08 for the 5th, 10th and 15th years. Tenant shall give written notice of its intention to exercise such renewal option not less than 180 days prior to the expiration of the current lease term. In the event that notice is not so given, Landlord shall give Tenant a 15 day written notice of demand to know whether it intends to renew, and, if Tenant fails to reply within the following fifteen (15) days, it shall

be conclusively presumed that Tenant has elected not to renew its lease and this agreement shall thereafter expire at the expiration of the remaining term of the Lease.

ARTICLE XXVI - RIGHT OF FIRST REFUSAL

Section 26.01

In the event that Landlord desires to sell the premises to a third party, it shall give Tenant thirty (30) days' written notice of the pendency and terms of the sale within which time Tenant shall have the privilege of purchasing the premises upon the same terms and condition.

ARTICLE XXVII - ALTERATIONS

Section 27.01

It is understood and agreed that throughout the term of this Lease and all extensions the Tenant shall be permitted, at its own cost, and subject to governmental approval, to make any installations, alterations and additions without on each occasion obtaining prior written approval of the Landlord, unless the alterations, etc. shall be an exterior structural one exceeding the cost of \$50,000.00. If said exterior changes will substantially change the character and appearance of the building, it shall require the prior consent of the Landlord, which consent will not be unreasonable withheld. Landlord shall issue its consent or denial within thirty (30) days of submission of Tenant's plans.

Section 27.02

The parties acknowledge that the Landlord's site is large enough so as to probably permit expansion of the building from its original size of 20,000 square feet. Landlord shall at all times have the right to expand the building and lease the new area to others subject to giving Tenant a sixty (60) day right of first refusal to lease same on the same terms and conditions as Landlord expects to offer the space to third

parties. The Notice and consequent 60 day first refusal period shall occur at the beginning of construction or upon substantial completion whichever Landlord selects. If any building expansion occurs, Landlord and Tenant agree to cooperate in the design and construction thereof, whether or not Tenant agrees to lease same, so that Tenant's leased space and Tenant's business operations are not unduly hindered.

Section 27.03

Tenant agrees not to record this Lease, but each party hereto agrees to execute a Notice or Short Form of this Lease at the time of execution of this Lease, in recordable form in compliance with applicable statutes, and reasonably satisfactory to Landlord's and Tenant's attorneys. In no event shall such document set forth the rental or other charges payable by Tenant under this Lease; and any such document shall expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

ARTICLE XXVIII - LANDLORD'S EXCULPATION

Section 28.01

In case the Landlord shall be a joint venture, partnership, tenancy in common, association or other form of joint ownership, the individual members thereof shall have absolutely no personal liability or obligation with respect to any provision in this Lease or any obligation or liability arising therefrom or in connection therewith. Tenant shall look solely to the equity of the then owner of the demised premises in the demised premises for the satisfaction of any remedies of Tenant in the event of a breach by the Landlord of any of its obligations hereunder. Such exculpation of liability and obligations are to be absolute and without any exception whatsoever.

ARTICLE XXIX - ARBITRATION

Section 29.01

Wherever "arbitration" is referred to in this Lease, it shall be construed to mean arbitration before and under the rules of the American Arbitration Association. The situs of said arbitration shall be Hackensack, New Jersey.

ARTICLE XXX - SUCCESSORS AND ASSIGNS

Section 30.01

The terms, provisions, covenants and agreements contained in this Lease shall in every respect be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

ARTICLE XXXI - SECURITY DEPOSIT

Section 31.01

Tenant shall deposit the sum of Seventy Six Thousand Dollars (\$76,000) as a rental security deposit to be held by Landlord to secure the obligations of the Tenant hereunder.

During the term hereof, the Landlord may, if the Landlord so elects, have recourse to such security to make good any default by the Tenant, in which event the Tenant shall, on demand, promptly restore said security to its then proper amount. Liability to repay said security to the Tenant shall run with the reversion and title to said premises, whether any change in ownership thereof be by voluntary alienation or as the result of judicial sale, foreclosure or other proceedings, or the exercise of a right of taking or entry by any mortgagee. The Landlord shall assign or transfer said security, for the benefit of the Tenant, to any subsequent owner or holder of the reversion or title to said premises, in which case the assignee shall become liable for the repayment thereof as herein provided, and the assignor shall be deemed to be released by the Tenant from all liability

to return such security. This provision shall be applicable to every alienation or change in title and shall in no wise be deemed to permit the Landlord to retain the security after termination of the landlord's ownership of the reversion or title. The Tenant shall not mortgage, encumber or assign said security without the written consent of the Landlord.

Provided there is no default hereunder Landlord shall refund said security deposit beginning October 1, 1985 in equal annual installments without interest over the term of the Lease. Should a default have occurred resulting in a charge to the security fund by Landlord, the scheduled annual refund shall be suspended until the amount of the charge has been made up.

IN WITNESS WHEREOF, the said parties have respectively caused these presents to be executed by their proper corporate officers and their corporate seal to be hereunto affixed and the parties hereto have hereunto set their hands and seals, with sufficient proof of authority to bind the corporations and partnership attached hereto and made a part hereof, all as of the day and year first above written.

WHITELAND ASSOCIATES, A Partnership

By: John W. Dreyer
JOHN W. DREYER, Partner

Robert P. Schmidt
ROBERT P. SCHMIDT, Partner

Gerald K. Knueven
GERALD K. KNUEVEN, Partner

Barton E. Young
BARTON E. YOUNG, Partner

ATTEST:

[Signature]

HAROLD M. PITMAN CO.

By: John W. Dreyer
JOHN W. DREYER, President

NAPOLITANO & NAPOLITANO
COUNSELLORS AT LAW
180 E. MAIN STREET
RAMSEY, N. J.

lfm:13859/LEAS3/A/27

LEASE AGREEMENT

WHITELAND ASSOCIATES

TO

HAROLD M. PITMAN CO.

Dated: October 1, 1984

NAPOLITANO & NAPOLITANO
COUNSELLORS AT LAW
180 EAST MAIN STREET
RAMSEY, NEW JERSEY 07446

From: (610) 293-9500 Origin ID: WAYA
Graham Miles
LAW OFFICES OF GRAHAM M. MILES
125 STRAFFORD AVENUE
SUITE 230
WAYNE, PA 19087



Ship Date: 02FEB11
ActWgt: 1.0 LB
CAD: 5787311/INET3130

Delivery Address Bar Code



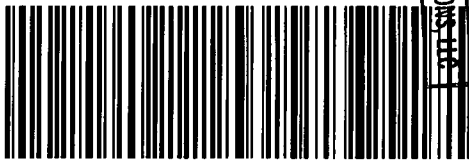
SHIP TO: (610) 293-9500 BILL SENDER
Claims Processing Center
HMP Services Holding Sub III
757 3RD AVE FL 3
C/O EPIQ BANKRUPTCY SOLUTIONS, LLC
NEW YORK, NY 10017

Ref # Kagan/Springdale
Invoice #
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Dept #

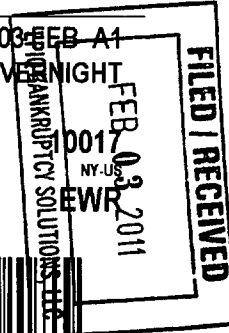
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