



<b>UNITED STATES BANKRUPTCY COURT</b> for the District of Delaware		<b>PROOF OF CLAIM</b>
Name of Debtor: <b>J.L. French LLC</b>		Case Number: <b>09-12449</b>
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 of Creditor (the person or other entity to whom the debtor owes money or property): <b>General Electric Capital Corporation</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where notices should be sent: <b>Ann E. Pille</b> <b>Reed Smith LLP</b> <b>10 S. Wacker Drive, Suite 4000</b> <b>Chicago, Illinois 60606</b>  Telephone number: <b>(312) 207-1000</b>		
Name and address where payment should be sent (if different from above): <b>William Wilson</b> <b>c/o General Electric Capital Corporation</b> <b>10 Riverview Drive</b> <b>Danbury, CT 06810</b>  Telephone number:		
1. Amount of Claim as of Date Case Filed: \$ <u>not less than \$639,015.09</u>  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.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or 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.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) 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).  <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____).  Amount entitled to priority:  \$ _____  <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: <u>Financed Equipment</u> (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: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe:  Value of Property: \$ <u>unknown</u> Annual Interest Rate: <u>   </u> %  Amount of arrearage and other charges as of time case filed included in secured claim, If any: \$ <u>unknown</u> Basis for perfection: <u>UCC financing statements</u>  Amount of Secured Claim: \$ <u>\$639,015.09</u> Amount Unsecured: \$ <u>unknown</u>		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  7. 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 7 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 <b>9/8/2009</b>	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.  <div style="text-align: center;">   <b>Ann E. Pille, Counsel to General Electric Capital Corporation</b> </div>	

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.

JL French Auto Castings



00159

**IN RE JL FRENCH, LLC (CASE NO. 09-12449)**

**Proof of Claim Summary for General Electric Capital Corporation**

As of the Petition Date, General Electric Capital Corporation ("GE Capital") and JL French LLC, a/k/a JL French Corporation (the "JL French") were parties to certain agreements, including that certain Master Lease Agreement dated December 22, 2004, and Equipment Schedule Nos. 1 and 2 related thereto (collectively, the "ML Lease"), pursuant to which JL French Automotive Castings, Inc. and JL French leased from Merrill Lynch Capital, *inter alia*, certain air decay leak testers; a super cubing machine; an immersion washer/dryer; a virtual condition gage, a horizontal milling machine; and a coolant system described more fully therein (collectively, the "ML Equipment"). A copy of the ML Lease is attached hereto. GE Capital is a successor in interest to Merrill Lynch Capital's rights and interests under the ML Lease.

As of the Petition Date, amounts due under the ML Lease were equal to not less than \$639,015.09, which amounts are secured by GE Capital's interests in the ML Equipment.

## EXHIBIT A



ORIGINAL

MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.

MASTER LEASE AGREEMENT

This MASTER LEASE AGREEMENT (this "Lease") is made as of December 22, 2004, between MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC. ("Lessor"), and J.L. FRENCH CORPORATION and J.L. FRENCH AUTOMOTIVE CASTINGS, INC. (together, as "Lessee").

Lessee desires to lease from Lessor the equipment and other property (the "Equipment") described in each Equipment Schedule executed pursuant to this Lease (each, a "Schedule") incorporating by reference the terms and conditions of this Lease (the term "Lease" shall also include any Riders to this Lease entered into with respect to such Schedule). Certain definitions and construction of certain of the terms used in this Lease are provided in Section 19 hereof.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Lease agree as follows:

1. **AGREEMENT TO LEASE TERM.** This Lease is effective as of the date specified above. By entering into a Schedule, Lessor leases the Equipment described therein to Lessee, and Lessee leases such Equipment from Lessor, in each case, subject to the terms and conditions in this Lease and such Schedule and all of the other documents and agreements executed in connection herewith (collectively, the "Lease Documents"). Each Schedule, incorporating the terms and conditions of this Lease, will constitute a separate instrument of lease. The term of lease with respect to each item of Equipment leased under a Schedule shall commence on the date of execution of such Schedule and continue for the term provided in that Schedule.

2. **RENT.** Lessee shall pay Lessor (a) the rental installments ("Basic Rent") as and when specified in each Schedule, without demand, and (b) all of the other amounts payable in accordance with this Lease, such Schedule and/or any of the other Lease Documents ("Other Payments", and together with the Basic Rent, collectively, the "Rent"). Upon Lessee's execution thereof, the related Schedule shall constitute a non-cancelable net lease, and Lessee's obligation to pay Rent, and otherwise to perform its obligations under or with respect to such Schedule and all of the other Lease Documents, are and shall be absolute and unconditional and shall not be affected by any circumstances whatsoever, including any right of setoff, counterclaim, recoupment, deduction, defense or other right which Lessee may have against Lessor, the manufacturer or vendor of the Equipment (the "Suppliers"), or anyone else, for any reason whatsoever (each, an "Abatement"). Lessee agrees that all Rent shall be paid in accordance with Lessor's or Assignee's written direction. Time is of the essence. In the event any Rent or any other obligation required by the terms and conditions of this Lease not paid within five (5) days of the due date, Lessor may collect, and Lessee agrees to pay, an amount equal to five (5.0%) percent of the payment amount due Lessor ("hereinafter this amount shall be referred to as the "Late Charge"). Provided, however, that if such rate exceeds the highest rate permitted by applicable law, then the Late Charge Rate shall be the highest rate permitted by applicable law.

3. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF LESSEE.** Lessee represents, warrants and agrees that, as of the effective date of this Lease and of each Schedule: (a) Lessee has the form of business organization indicated, and is and will remain duly organized and existing in good standing under the Laws of the state specified, under Lessee's signature and is duly qualified to do business wherever necessary to perform its obligations under the Lease Documents, including each jurisdiction in which the Equipment is or will be located. Lessee's legal name is as shown in the preamble of this Lease; and Lessee's Federal Employer Identification Number and organizational number are as set forth under Lessee's signature. Within the previous six (6) years, Lessee has not changed its name, done business under any other name, or merged or been the surviving entity of any merger, except as disclosed to Lessor in writing. (b) The Lease



Documents (1) have been duly authorized by all necessary action consistent with Lessee's form of organization, (2) do not require the approval of, or giving notice to, any Governmental Authority, (3) do not contravene or constitute a default under any Applicable Law, Lessee's organizational documents, or any agreement, indenture, or other instrument to which Lessee is a party or by which it may be bound, and (4) constitute legal, valid and binding obligations of Lessee enforceable against Lessee, in accordance with the terms thereof. (c) There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would have a Material Adverse Effect. As used herein, "Material Adverse Effect" shall mean (1) a materially adverse effect on the business, condition (financial or otherwise), operations, performance or properties of Lessee, or (2) a material impairment of the ability of Lessee to perform its obligations under or remain in compliance with such Schedule or any of the other Lease Documents. Further, Lessee is not in default under any financial or other material agreement that, either individually, or in the aggregate, would have the same such effect. (d) All of the Equipment covered by such Schedule is located solely in the jurisdiction(s) specified in such Schedule. (e) Under the Applicable Laws of each such jurisdiction, such Equipment consists (and shall continue to consist) solely of personal property and not fixtures. Such Equipment is removable from and is not essential to the premises at which it is located. (f) The financial statements of Lessee (copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"), and fairly present Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements (subject, in the case of interim unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes), and since the date of such statements there has been no material adverse change in such conditions or operations. (g) With respect to any Collateral, Lessee has good title to, rights in, and/or power to transfer all of the same. (h) Except for any Broker specified on the applicable Schedule as retained by Lessee, Lessee has not directly or indirectly engaged or retained any broker or other loan arranger in connection with the transactions contemplated hereby. (i) None of Lessee, any person that controls Lessee or any majority owner of Lessee: (1) is an employee or member of the board of directors of Merrill Lynch & Co., Inc. or any of its subsidiaries, or (2) is a holder of more than ten (10) percent of any class of voting securities of Merrill Lynch & Co., Inc. or any of its subsidiaries. For purposes of this provision, "control" means the power to vote twenty-five (25) percent or more of any class of voting securities; the ability to control the election of a majority of directors; or the power to exercise a controlling influence over management policies.]

**4. FURTHER ASSURANCES AND OTHER COVENANTS.** Lessee agrees as follows: (a) Lessee will furnish Lessor with (1) Lessee's balance sheet, statement of income and statement of retained earnings, prepared in accordance with GAAP, certified by a recognized firm of certified public accountants, within one hundred twenty (120) days of the close of each fiscal year of Lessee, (2) Lessee's quarterly financial report certified by the chief financial officer of Lessee, within sixty (60) days of the close of each fiscal quarter of Lessee (subject, in the case of interim unaudited financial statements, to normal year-end audit adjustments and the absence of footnotes), and (3) all of Lessee's Forms 10-K and 10-Q, if any, filed with the Securities and Exchange Commission ("SEC") as and when filed (by furnishing these SEC forms, or making them publicly available in electronic form, Lessee shall be deemed to have satisfied the requirements of clauses (1), (2) and (3)). (b) Lessee shall obtain and deliver to Lessor and/or promptly execute or otherwise authenticate any documents, filings, waivers (including any landlord and mortgagee waivers), releases and other records, and will take such further action as Lessor may reasonably request in furtherance of Lessor's rights under any of the Lease Documents. Lessee irrevocably authorizes Lessor to file UCC financing statements ("UCCs"), and other filings with respect to the Equipment or any Collateral. Without Lessor's prior written consent, Lessee agrees not to file any corrective or termination statements or partial releases with respect to any UCCs filed by Lessor pursuant to this Lease. (c) Lessee shall provide written notice to Lessor: (1) thirty (30) days prior to any change in Lessee's name or jurisdiction or form of organization; (2) promptly upon the occurrence of any Event of Default (as defined in Section 15) or event which, with the lapse of time or the giving of notice, or both, would become an Event of Default (a "Default"); and (3) promptly upon Lessee becoming aware of any alleged violation of Applicable Law relating to the Equipment or this Lease.

**5. CONDITIONS PRECEDENT.** Lessor's agreement to purchase and lease any Equipment under a Schedule, is conditioned upon Lessor's determination that all of the following have been satisfied: (a) Lessor having received the following, in form and substance reasonably satisfactory to Lessor: (1) evidence as to due compliance with the insurance provisions of Section 11; (2) if requested, lien searches in the jurisdiction of Lessee's organization, and wherever else Lessor deems appropriate; (3) UCCs, real property waivers and all other filings required by Lessor; (4) a certificate of an appropriate officer of Lessee certifying: (A) resolutions duly authorizing the transactions contemplated in the applicable Lease Documents, and (B) the incumbency and signature of the officers of Lessee authorized to execute such documents; (5) if requested by Lessor, an opinion of counsel for Lessee as to each of the matters set forth in sub-parts (a) through (d) of Section 3; (6) the only manually executed original of the Schedule, and counterpart originals of all other Lease Documents; (7) all purchase documents pertaining to the Equipment (collectively, the "Supply Contract"); (8) if

requested by Lessor, good standing certificates from the jurisdiction of Lessee's organization and the location of the Equipment, and evidence of Lessee's organizational number; and (9) such other documents, agreements, instruments, certificates, opinions, and assurances, as Lessor reasonably may require. (b) All representations and warranties provided by Lessee in favor of Lessor in any of the Lease Documents shall be true and correct on the effective date of the related Schedule (Lessee's execution and delivery of the Schedule shall constitute Lessee's acknowledgment of the same). (c) There shall be no Default or Event of Default under the Schedule or any other Lease Documents. The Equipment shall have been delivered to and accepted by Lessee, as evidenced by the Schedule, and shall be in the condition and repair required hereby; and on the effective date of such Schedule Lessor shall have received good title to the Equipment described therein, free and clear of any claims, liens, attachments, rights of others and legal processes ("Liens").

6. **ACCEPTANCE UNDER LEASE.** Lessor hereby appoints Lessee as Lessor's agent for the sole purpose of accepting delivery of the Equipment from the Supplier. Upon delivery, Lessee shall inspect and, if conforming to the condition required by the applicable Supply Contract, accept the Equipment and execute and deliver to Lessor a Schedule describing such Equipment. The Schedule will evidence Lessee's unconditional and irrevocable acceptance under the Schedule of the Equipment described therein. However, if Lessee fails to accept delivery of any item of the Equipment, or accepts such Equipment but fails to satisfy any or all of the other conditions set forth in Section 5, Lessor shall have no obligation to purchase or lease such Equipment. In such event, Lessor's rights shall include, among other things, the right to demand that Lessee (a) fully assume all obligations as purchaser of the Equipment, with the effect of causing Lessor to be released from any liability relating thereto, (b) immediately remit to Lessor an amount sufficient to reimburse it for all advance payments, costs, taxes or other charges paid or incurred with respect to the Equipment (including any of such amounts paid by Lessor to Supplier under the Supply Contract or as a reimbursement to Lessee), together with interest at the Late Charge Rate accruing from the date or dates such amounts were paid by Lessor until indefeasibly repaid by Lessee in full, and (c) take all other actions necessary to accomplish such assumption.

7. **USE AND MAINTENANCE.** (a) Lessee shall (1) use the Equipment solely in the continental United States and in the conduct of its business, for the purpose for which the Equipment was designed, in a careful and proper manner, and shall not permanently discontinue use of the Equipment; (2) operate, maintain, service and repair the Equipment, and maintain all records and other materials relating thereto, (A) in accordance and consistent with (i) the Supplier's recommendations and all maintenance and operating manuals or service agreements, whenever furnished or entered into, including any subsequent amendments or replacements thereof, issued by the Supplier or service provider, (ii) the requirements of all applicable insurance policies, (iii) the Supply Contract, so as to preserve all of Lessee's and Lessor's rights thereunder, including all rights to any warranties, indemnities or other rights or remedies, (iv) all Applicable Laws, and (v) the prudent practice of other similar companies in the same business as Lessee, but in any event, to no lesser standard than that employed by Lessee for comparable equipment owned or leased by it; and (B) without limiting the foregoing, so as to cause the Equipment to be in good repair and operating condition and in at least the same condition as when delivered to Lessee hereunder, except for ordinary wear and tear resulting despite Lessee's full compliance with the terms hereof; (3) provide written notice to Lessor not less than thirty (30) days after any change of the location of any Equipment (or the location of the principal garage of any Equipment, to the extent that such Equipment is mobile equipment) as specified in the Equipment Schedule; (4) not attach or incorporate the Equipment to or in any other property in such a manner that the Equipment may be deemed to have become an accession to or a part of such other property; and (5) at Lessor's request, Lessee will make, tag or affix on each item of the Equipment an identifying label showing Lessor's interest. (b) Within a reasonable time, Lessee will replace any parts of the Equipment which become worn out, lost, destroyed, damaged beyond repair or otherwise unfit for use, by new or reconditioned replacement parts which are free and clear of all Liens and have a value, utility and remaining useful life at least equal to the parts replaced (assuming that they were in the condition required by this Lease). Any modification or addition to the Equipment that is required by this Lease shall be made by Lessee. Title to all such parts, modifications and additions to the Equipment immediately shall vest in Lessor, without any further action by Lessor or any other Person, and they shall be deemed incorporated in the Equipment for all purposes of the related Schedule. Unless replaced in accordance with this Section, Lessee shall not remove any parts originally or from time to time attached to the Equipment, if such parts are essential to the operation of the Equipment, are required by any other provision of this Lease or cannot be detached from the Equipment without materially interfering with the operation of the Equipment or adversely affecting the value, utility and remaining useful life which the Equipment would have had without the addition of such parts. Except as permitted in this Section, Lessee shall not make any material alterations to the Equipment. (c) Upon forty-eight (48) hours' notice, Lessee shall afford Lessor and/or its designated representatives access to the premises where the Equipment is located for the purpose of inspecting such Equipment and all applicable maintenance or other records relating thereto at any reasonable time during normal business hours; provided, however, if a Default or Event of Default shall have occurred and then be continuing, no notice of any inspection by Lessor shall be required. If any discrepancies are found as they pertain to the general condition of the Equipment, Lessor will communicate these discrepancies to Lessee in writing. Lessee shall then have thirty (30) days

to rectify these discrepancies at its sole expense. Lessee shall pay all expenses of a re-inspection by Lessor's appointed representative, if corrective measures were required.

**8. DISCLAIMER: QUIET ENJOYMENT.** (a) THE EQUIPMENT IS LEASED HEREUNDER "AS IS, WHERE IS". LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING ANY PART, OR ANY MATTER WHATSOEVER, INCLUDING, AS TO EACH ITEM OF EQUIPMENT, ITS DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, ABSENCE OF ANY PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR LATENT DEFECT (WHETHER OR NOT DISCOVERABLE BY LESSEE), COMPLIANCE OF SUCH ITEM WITH ANY APPLICABLE LAW, CONFORMITY OF SUCH ITEM TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE DOCUMENT OR TO THE DESCRIPTION SET FORTH IN THE RELATED SCHEDULE OR ANY OF THE OTHER LEASE DOCUMENTS, OR ANY INTERFERENCE OR INFRINGEMENT (EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8(b)), OR ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE, NOR SHALL LESSOR BE LIABLE, FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR STRICT OR ABSOLUTE LIABILITY IN TORT; AND LESSEE HEREBY WAIVES ANY CLAIMS ARISING OUT OF ANY OF THE FOREGOING. Without limiting the foregoing, Lessor will not be responsible to Lessee or any other Person with respect to, and Lessee agrees to bear sole responsibility for, any risk or other matter that is the subject of Lessor's disclaimer; and Lessor's agreement to enter into this Lease and any Schedule is in reliance upon the freedom from and complete negation of liability or responsibility for the matters so waived or disclaimed herein or covered by the indemnity in this Lease. So long as no Event of Default has occurred, Lessee may exercise Lessor's rights, if any, under any warranty with respect to the Equipment. Lessee's exercise of such rights shall be at its sole risk, shall not result in any prejudice to Lessor, and may be exercised only during the term of the related Schedule. Lessee shall not attempt to enforce any such warranty by legal proceeding without Lessor's prior written approval. Lessee shall obtain no interest in any Licensed Products associated with the Equipment, which at all times remain the property of the owner of any such Licensed Products. A license from the owner of any Licensed Products may be required even if Lessor finances the applicable license fee and it is Lessee's responsibility to obtain any required license before use of any Licensed Products. Lessee agrees to treat any Licensed Products as confidential information of the owner, to observe all copyright restrictions and not to reproduce or sell any such Licensed Products. (b) Lessor warrants that during the term of each Schedule, so long as no Event of Default has occurred, Lessee's possession and use of the Equipment leased thereunder shall not be interfered with by Lessor or anyone rightfully claiming an interest through Lessor. The preceding warranty is in lieu of all other warranties by Lessor, whether written, oral or implied, with respect to this Lease or the Equipment. Any actual or purported breach of this warranty shall not give rise to any Abatement, but Lessee may bring a direct cause of action against Lessor for any actual damages directly resulting from any such breach.

**9. FEES AND TAXES.** Lessee agrees to: (a) (1) if permitted by Law, file in Lessee's own name or on Lessor's behalf, directly with all appropriate taxing authorities all declarations, returns, inventories and other documentation with respect to any personal property taxes (or any other taxes in the nature of or imposed in lieu of property taxes) due or to become due with respect to the Equipment, and if not so permitted by Law, to promptly notify Lessor and provide it with all information required in order for Lessor to timely file all such declarations, returns, inventories, or other documentation, or (2) if Lessee is not permitted by law to file in Lessee's own name or on Lessor's behalf, Lessee agrees to notify Lessor of such requirements and furnish Lessor all information required by Lessor so that it may effect all such filings, and (3) pay on or before the date when due all such taxes assessed, billed or otherwise payable with respect to the Equipment directly to the appropriate taxing authorities; (b) (1) pay when due as requested by Lessor, and (2) defend and indemnify Lessor on a net after-tax basis against liability for all license and/or registration fees, assessments, and sales, use, property, excise, privilege, value added and other taxes or other charges or fees now or hereafter imposed by any governmental body or agency upon the Equipment or with respect to the manufacture, shipment, purchase, ownership, delivery, installation, leasing, operation, possession, use, return, or other disposition thereof or the Rent hereunder (other than taxes on or measured solely by the net income of Lessor); and (c) indemnify Lessor against any penalties, charges, interest or costs imposed with respect to any items referred to in clauses (a) and (b) above (the items referred to in clauses (a), (b), and (c) above being referred to herein as "impositions"). Any Impositions which are not paid when due and which are paid by Lessor shall, at Lessor's option, become immediately due from Lessee to Lessor.

**10. TITLE: GRANTING CLAUSE.** (a) Lessee and Lessor intend that each Schedule, incorporating by reference the terms of this Lease, constitutes the retention of a security interest by Lessor in the Equipment described therein and not a true "lease" as defined in the UCC. (b) In order to secure the prompt payment of the Rent and all of the other amounts from time to time outstanding with respect hereto and to each Schedule, and the performance and observance by Lessee of all

of the provisions hereof and thereof and of all of the other Lease Documents, Lessee hereby collaterally assigns, grants, and conveys to Lessor, a security interest in and lien on all of Lessee's right, title and interest in and to all of the following (whether now existing or hereafter created, and including any other collateral described on any rider hereto; the "Collateral"): (1) the Equipment described in such Schedule or otherwise covered thereby (including all inventory, fixtures or other property comprising the Equipment), together with all related software (embedded therein or otherwise) and general intangibles, all additions, attachments, accessories and accessions thereto whether or not furnished by the Supplier; (2) all subleases, chattel paper, accounts, security deposits, and general intangibles relating thereto, and any and all substitutions, replacements or exchanges for any such item of Equipment or other collateral, in each such case in which Lessee shall from time to time acquire an interest; and (3) any and all insurance and/or other proceeds of the property and other collateral in and against which a security interest is granted hereunder. The collateral assignment, security interest and lien granted herein shall survive the termination, cancellation or expiration of each Schedule until such time as Lessee's obligations thereunder and under the other Lease Documents are fully and indefeasibly discharged. (c) If a court of competent jurisdiction determines that any Schedule is a sale and extension of credit, a lease intended for security, a loan secured by the Equipment described in such Schedule, or other similar arrangement, any obligation to pay Basic Rent or any Other Payment, to the extent constituting the payment of interest, shall be at an interest rate that is equal to the lesser of the maximum lawful rate permitted by Applicable Law or the effective interest rate used by Lessor in calculating such amounts. (d) Lessee hereby acknowledges and agrees that, to the extent that Lessor's participation in any purchase and lease of an item or items of Equipment pursuant to this Lease constitutes a financing of Lessee's acquisition of such item or items of Equipment, Lessee's repayment of the amounts of such financing shall apply on a "first-in/first-out" basis so that portions of the amounts of such financing used to purchase such item or items of Equipment shall be deemed repaid in the chronological order of the use of such amounts to purchase the same.

11. **INSURANCE.** Upon acceptance under a Schedule, until the Equipment is returned to Lessor in accordance with this Lease, Lessee shall maintain all-risk insurance coverage with respect to the Equipment insuring against, among other things: (a) any casualty to the Equipment (or any portion thereof), including loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the full replacement value of the Equipment; and (b) any commercial liability arising in connection with the Equipment, including both bodily injury and property damage with a combined single limit per occurrence of not less than the amount specified in the Schedule; having a deductible reasonably satisfactory to Lessor. The required insurance policies (including endorsements) shall (i) be in form and amount reasonably satisfactory to Lessor, and written by insurers of recognized reputation and responsibility satisfactory to Lessor (but such insurer shall carry a current rating by A.M. Best Company of at least "A" for a general policyholder and a financial rating of at least "VIII"), (ii) be endorsed to name Lessor as an additional insured (but without responsibility for premiums), (iii) provide that any amount payable under the required casualty coverage shall be paid directly to Lessor as sole loss payee, (iv) provide for thirty (30) days' written notice by such insurer of cancellation, material change, or non-renewal; and (v) provide that in respect of the interests of Lessor in such policies, the insurance shall not be invalidated by any action or inaction of Lessee or any other Person operating or in possession of the Equipment regardless of any breach or violation of any warranties, declarations or conditions contained in such policies by or binding upon Lessee or any other Person operating or in possession of the Equipment. Lessee agrees that it shall obtain and maintain such other coverages (including pollution coverage), or cause adjustments to be made to the scope, amount or other aspects of the existing coverages, promptly upon Lessor's request, as and when Lessor deems such additional coverages or modifications to be appropriate in light of any changes in Applicable Law, prudent industry practices, Lessee's anticipated use of the Equipment or other pertinent circumstances.

12. **LOSS AND DAMAGE.** (a) At all times until the Equipment is returned to Lessor in accordance with this Lease, Lessee shall bear the risk of loss, theft, confiscation, taking, unavailability, damage or partial destruction of the Equipment and shall not be released from its obligations under any Schedule or other Lease Document in any such event. (b) Lessee shall provide prompt written notice to Lessor of any Total Loss or any material damage to the Equipment. Any such notice must be provided together with any damage reports provided to any Governmental Authority, the insurer or Supplier, and any documents pertaining to the repair of such damage, including copies of work orders, and all invoices for related charges. (c) Without limiting any other provision hereof, Lessee shall repair all damage to any item of Equipment from any and all causes, other than a Total Loss, so as to cause it to be in the condition and repair required by this Lease. (d) A "Total Loss" shall be deemed to have occurred to an item of Equipment upon: (1) the actual or constructive total loss of any item of the Equipment, (2) the loss, disappearance, theft or destruction of any item of the Equipment, or damage to any item of the Equipment that is uneconomical to repair or renders it unfit for normal use, or (3) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of any item of the Equipment or the imposition of any Lien thereon by any Governmental Authority. On the next rent payment date following a Total Loss (a "Loss Payment Date"), Lessee shall pay to Lessor the Basic Rent due on that date plus the Stipulated Loss Value of the item or items of the Equipment with respect to which the Total Loss has occurred (the "Lost Equipment"), together with any Other Payments



due hereunder with respect to the Lost Equipment. Upon making such payment, (i) Lessee's obligation to pay future Basic Rent shall terminate solely with respect to the items of Lost Equipment so paid for, but Lessee shall remain liable for, and pay as and when due, all Other Payments, and (ii) Lessor shall convey to Lessee all of Lessor's right, title and interest in the Lost Equipment, "AS IS WHERE IS", but subject to the requirements of any third party insurance carrier in order to settle an insurance claim. As used in this Lease, "Stipulated Loss Value" shall mean the product of the Total Invoice Cost of the Lost Equipment, times the percentage factor applicable to the Loss Payment Date, as set forth on the schedule of Stipulated Loss Values attached to such Schedule. After the final rent payment date of the original term or any renewal term of a Schedule, the Stipulated Loss Value shall be determined as of the last rent payment date during the applicable term of such Schedule, and the applicable percentage factor shall be the last percentage factor set forth on the schedule of Stipulated Loss Values incorporated in such Schedule. (e) Lessor shall be under no duty to Lessee to pursue any claim against any Person in connection with a Total Loss or other loss or damage. (f) If Lessor receives a payment under an insurance policy required under this Lease in connection with any Total Loss or other loss of or damage to an item of Equipment, and such payment is both unconditional and indefeasible, then provided Lessee shall have complied with the applicable provisions of this Section, Lessor shall either (1) if received pursuant to a Total Loss, remit such proceeds to Lessee up to an amount equal to the amount paid by Lessee to Lessor as the Stipulated Loss Value, or credit such proceeds against any amounts owed by Lessee pursuant to Section 12(d), or (2) if received with respect to repairs made pursuant to Section 12(c), remit such proceeds to Lessee up to an amount equal to the amount of the costs of repair actually incurred by Lessee, as established to Lessor's satisfaction.

13. **REDELIVERY.** Upon the expiration or earlier termination of any Schedule, Lessee shall return the Equipment to Lessor free and clear of all Liens whatsoever, to such place(s) within the continental United States as Lessor shall specify. Lessee shall provide, at its expense, transit insurance for the redelivery period in an amount equal to the replacement value of the Equipment and Lessor shall be named as the loss payee on all such policies of insurance. Lessee shall cause: (1) the Supplier's representative or other qualified Person acceptable to Lessor (the "Designated Person") to de-install the Equipment in accordance with the Supplier's specifications (as applicable) and pack the Equipment properly and in accordance with the Supplier's recommendations (as applicable); and (2) the Equipment to be transported in a manner consistent with the Supplier's recommendations and practices (as applicable). Upon return, the Equipment shall be: (i) in the same condition as when delivered to Lessee under the related Schedule, ordinary wear and tear excepted; (ii) mechanically and structurally sound, capable of performing the functions for which the Equipment was originally designed, in accordance with the Supplier's published and recommended specifications (as applicable); (iii) redelivered with all component parts in good operating condition (and all components must meet or exceed the Supplier's minimum recommended specifications, unless otherwise agreed by Lessor in writing); and (iv) cleaned and cosmetically acceptable, with all Lessee-installed markings removed and all rust, corrosion or other contamination having been removed or properly treated, and in such condition so that it may be immediately installed and placed in service by a third party. Upon delivery, the Equipment shall be in compliance with all applicable Federal, state and local Laws, and health and safety guidelines. Lessee shall be responsible for the cost of all repairs, alterations, inspections, appraisals, storage charges, insurance costs, demonstration costs and other related costs necessary to cause the Equipment to be in full compliance with the terms of this Lease. (c) If requested by Lessor, Lessee shall also deliver all related records and other data to Lessor, including all records of maintenance, modifications, additions and major repairs, computerized maintenance history, and any maintenance and repair manuals (collectively, the "Records"). All manuals or other documents delivered to Lessor that are subject to periodic revision will be fully up-to-date and current to the latest revision standard of any particular manual or document. In the event any such Records are missing or incomplete, Lessor shall have the right to cause the same to be reconstructed at Lessee's expense. (d) In addition to Lessor's other rights and remedies hereunder, if the Equipment and the related Records are not returned in a timely fashion, or if repairs are necessary to place any item of Equipment in the condition required in this Section, Lessee shall (i) continue to pay to Lessor per diem rent at the last prevailing lease rate under the applicable Schedule with respect to such item of Equipment, for the period of delay in redelivery, and/or for the period of time reasonably necessary to accomplish such repairs, and (ii) pay to Lessor an amount equal to the aggregate cost of any such repairs. Lessor's acceptance of such rent on account of such delay and/or repair does not constitute an extension or renewal of the term of the related Schedule or a waiver of Lessor's right to prompt return of the Equipment in proper condition. Such amount shall be payable upon the earlier of Lessor's demand or the return of the Equipment in accordance with this Lease. (e) Without limiting any other terms or conditions of this Lease, the provisions of this Section are of the essence of each Schedule, and upon application to any court of equity having jurisdiction, Lessor shall be entitled to a decree against Lessee requiring Lessee's specific performance of its agreements in this Section.

14. **INDEMNITY.** Lessee shall indemnify, defend and keep harmless Lessor and any Assignee (as defined in Section 17), and their respective agents and employees (each, an "Indemnitee"), from and against any and all Claims (other than such as may directly and proximately result from the actual, but not imputed, gross negligence or willful misconduct of such Indemnitee), by paying, on a net after-tax basis, or otherwise discharging same, when and as such Claims shall become due. Lessee agrees that the indemnity provided for in this Section includes the agreement by Lessee to indemnify each Indemnitee from the consequences of its own simple negligence, whether that negligence is the sole or concurring cause of the Claims, and to further indemnify each such Indemnitee with respect to Claims for which such Indemnitee is strictly liable. Lessor shall give Lessee prompt notice of any Claim hereby indemnified against and Lessee shall be entitled to control the defense of and/or to settle any Claim, in each case, so long as (a) no Default or Event of Default has occurred and is then continuing, (b) Lessee confirms, in writing, its unconditional and irrevocable commitment to indemnify each Indemnitee with respect to such Claim, (c) Lessee is financially capable of satisfying its obligations under this Section, and (d) Lessor approves the defense counsel selected by Lessee. The term "Claims" shall mean all claims, allegations, harms, judgments, settlements, suits, actions, debts, obligations, damages (whether incidental, consequential or direct), demands (for compensation, indemnification, reimbursement or otherwise), losses, penalties, fines, liabilities (including strict liability), charges that Lessor has incurred or for which it is responsible, in the nature of interest, Liens, and costs (including attorneys' fees and disbursements and any other legal or non-legal expenses of investigation or defense of any Claim, whether or not such Claim is ultimately defeated or enforcing the rights, remedies or indemnities provided for hereunder, or otherwise available at Law or equity to Lessor), of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, by or against any Person, arising on account of (1) any Lease Document, including the performance, breach (including any Default or Event of Default) or enforcement of any of the terms thereof, or (2) the Equipment, or any part or other contents thereof, any substance at any time contained therein or emitted therefrom, including any hazardous substances, or the premises at which the Equipment may be located from time to time, or (3) the ordering, acquisition, delivery, installation or rejection of the Equipment, the possession or any property to which it may be attached from time to time, maintenance, use, condition, ownership or operation of any item of Equipment, and by whomsoever owned, used, possessed or operated, during the term of any Schedule with respect to that item of Equipment, the existence of latent and other defects (whether or not discoverable by Lessor or Lessee) any claim in tort for negligence or strict liability, and any claim for patent, trademark or copyright infringement, or the loss, damage, destruction, theft, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof, including, Claims involving or alleging environmental damage, or any criminal or terrorist act, or for whatever other reason whatsoever. If any Claim is made against Lessee or an Indemnitee, the party receiving notice of such Claim shall promptly notify the other, but the failure of the party receiving notice to so notify the other shall not relieve Lessee of any obligation hereunder.

15. **DEFAULT.** A default shall be deemed to have occurred hereunder and under a Schedule upon the occurrence of any of the following (each, an "Event of Default"): (a) non-payment of Basic Rent on the applicable rent payment date; (b) non-payment of any Other Payment within five (5) days after it is due; (c) failure to maintain, use or operate the Equipment in compliance with Applicable Law; (d) failure to obtain, maintain and comply with all of the Insurance coverages required under this Lease; (e) any transfer or encumbrance, or the existence of any Lien, that is prohibited by this Lease; (f) a payment or other default by Lessee under any loan, lease, guaranty or other financial obligation to Lessor or its Affiliates which default entitles the other party to such obligation to exercise remedies; (g) a payment or other default by Lessee under any material loan, lease, guaranty or other material financial obligation to any third party which default has been declared; (h) an inaccuracy in any representation or breach of warranty by Lessee (including any false or misleading representation or warranty) in any financial statement or Lease Document, including any omission of any substantial contingent or unliquidated liability or Claim against Lessee; (i) the failure by Lessee generally to pay its debts as they become due or its admission in writing of its inability to pay the same, or the commencement of any bankruptcy, insolvency, receivership or similar proceeding by or against Lessee or any of its properties or business (unless, if involuntary, the proceeding is dismissed within sixty (60) days of the filing thereof) or the rejection of this Lease or any other Lease Document in any such proceeding; (j) Lessee shall (1) enter into any transaction of merger or consolidation, where Lessee is not the surviving entity (such actions being referred to as an "Event"), unless the surviving entity is organized and existing under the Laws of the United States or any state, and prior to such Event: (A) such Person executes and delivers to Lessor (x) an agreement satisfactory to Lessor, in its sole discretion, containing such Person's effective assumption, and its agreement to pay, perform, comply with and otherwise be liable for, in a due and punctual manner, all of Lessee's obligations having previously arisen, or then or thereafter arising, under any and all of the Lease Documents, and (y) any and all other documents, agreements, instruments, certificates, opinions and filings requested by Lessor; and (B) Lessor is satisfied as to the creditworthiness of such Person, and as to such Person's conformance to the other standard criteria then used by Lessor when approving transactions similar to the transactions contemplated in this Lease; (2) cease to do business as a going concern, liquidate, or dissolve; or (3) sell, transfer, or otherwise dispose of all or substantially all of its assets or property; (k) if Lessee is privately held and effective control of Lessee's voting capital stock/membership

interests/partnership interests, issued and outstanding from time to time, is not retained by the present holders (unless Lessee shall have provided thirty (30) days' prior written notice to Lessor of the proposed disposition and Lessor shall have consented thereto in writing); (l) if Lessee is a publicly held corporation and there is a material change in the ownership of Lessee's capital stock, unless Lessor is satisfied as to the creditworthiness of Lessee and as to Lessee's conformance to the other standard criteria then used by Lessor for such purpose immediately thereafter; (m) there occurs a default or anticipatory repudiation under any guaranty executed in connection with this Lease; (n) failure to satisfy the requirements of any financial covenants set forth herein, or in any rider to this Lease or any Schedule; or (o) breach by Lessee of any other covenant, condition or agreement (other than those in items (a)-(n)) under this Lease or any of the other Lease Documents that continues for thirty (30) days after Lessor's written notice to Lessee (but such notice and cure period will not be applicable unless such breach is curable by practical means within such notice period).

16. **REMEDIES.** (a) If an Event of Default occurs with respect to any Schedule, the Lessor thereunder may (in its sole discretion) exercise any one or more of the following remedies with respect to such Schedule and any or all other Schedules to which such Lessor is then a party: (1) proceed at Law or in equity, to enforce specifically Lessee's performance or to recover damages; (2) declare each such Schedule in default, and terminate each such Schedule or otherwise terminate Lessee's right to use the Equipment and Lessee's other rights, but not its obligations, thereunder and Lessee shall immediately assemble, make available and, if Lessor requests, return the Equipment to Lessor in accordance with the terms of this Lease; (3) enter any premises where any item of Equipment is located and take immediate possession of and remove (or disable in place) such item (and/or any unattached parts) by self-help, summary proceedings or otherwise without liability; (4) use Lessee's premises for storage without liability; (5) sell, re-lease or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, at public or private sale, with or without notice to Lessee, and apply or retain the net proceeds of such disposition, with Lessee remaining liable for any deficiency and with any excess being for the account of Lessee; (6) enforce any or all of the preceding remedies with respect to any related Collateral, and apply any deposit or other cash collateral, or any proceeds of any such Collateral, at any time to reduce any amounts due to Lessor; (7) demand and recover from Lessee all Liquidated Damages and all Other Payments whenever the same shall be due; and (8) exercise any and all other remedies allowed by Applicable Law, including the UCC. As used herein, "Liquidated Damages" shall mean the liquidated damages (all of which, Lessee hereby acknowledges, are damages to be paid in lieu of future Basic Rent and are reasonable in light of the anticipated harm arising by reason of an Event of Default, and are not a penalty) described in the first sentence of Section 16(b).

(b) If an Event of Default occurs with respect to any Schedule, upon demand, Lessee shall pay to Lessor an amount calculated as the Stipulated Loss Value of the Equipment (determined as of the next rent payment date after the date of the occurrence of the subject Event of Default), together with all other Rent due with respect to the related Schedule as of such determination date, and all Enforcement Costs (defined in Section 16(c)), less a credit for any disposition proceeds, if applicable pursuant to the application provisions in the next sentence. If Lessor demands the liquidated damages under this Section 16(b), and recovers and sells the Equipment, any proceeds received in good and indefeasible funds shall be applied by Lessor, with respect to the related Schedule: first, to pay all Enforcement Costs, to the extent not previously paid; second, to pay to Lessor an amount equal to any unpaid Rent due and payable, together with the liquidated damage amounts specified in this Section 16(b), to the extent not previously paid; third, to pay to Lessor any interest accruing on the amounts covered by the preceding clauses, at the Late Charge Rate, from and after the date the same becomes due, through the date of payment; and fourth, (A) if the Lessor under such Schedule is also the Lessor under any other Schedules (whether by retaining the same, or as Assignee), to satisfy any remaining obligations under any or all such other Schedules, or (B) if such Lessor is not the Lessor under any other Schedule, or if Lessee's obligations to such Lessor under such other Schedules have been fully and indefeasibly satisfied, to reimburse Lessee for such amounts to the extent paid by Lessee as liquidated damages pursuant to this Section 16(b).

(c) A termination of any Schedule shall occur only upon written notice by Lessor to Lessee. Unless already specifically provided for in Section 16(b), if an Event of Default occurs with respect to any Schedule, Lessee shall also be liable for all of the following ("Enforcement Costs"): (1) all unpaid Rent due before, during or after exercise of any of the foregoing remedies, and (2) all reasonable legal fees (including consultation, drafting notices or other documents, expert witness fees, sending notices or instituting, prosecuting or defending litigation or arbitration) and other enforcement costs and expenses incurred by reason of any Default or Event of Default or the exercise of Lessor's rights or remedies, including all expenses incurred in connection with the return or other recovery of any Equipment in accordance with the terms of this Lease or in placing such Equipment in the condition required hereby, or the sale, re-lease or other disposition (including but not limited to costs of transportation, possession, storage, insurance, taxes, lien removal, repair, refurbishing, advertising and brokers' fees), and all other pre-judgment and post-judgment enforcement related actions taken by Lessor or any actions taken by Lessor in any bankruptcy case involving Lessee, the Equipment, or any other Person. Late Charges shall accrue with respect to any amounts payable under this Section for as long as such amounts

remain outstanding, and shall be paid by Lessee upon demand. No right or remedy is exclusive and each may be used successively and cumulatively. Any failure to exercise the rights granted hereunder upon any Default or Event of Default shall not constitute a waiver of any such right. The execution of a Schedule shall not constitute a waiver by Lessor of any pre-existing Default or Event of Default. With respect to any disposition of any Equipment or Collateral pursuant to this Section, (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the same for disposition, (ii) Lessor may comply with any Applicable Law in connection with any such disposition, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition thereof, (iii) Lessor may disclaim any title or other warranties in connection with any such disposition, (iv) if Lessor purchases any of the Equipment or Collateral at a public or private sale pursuant hereto, Lessor may pay for the same by crediting some or all of Lessee's obligations under any Schedule, and (v) Lessee shall remain responsible for any deficiency remaining after application of any funds or credits against Lessee's obligations under any Schedule, and Lessee shall be entitled to any excess after such application. Lessor shall have the further right to set-off, appropriate and apply toward payment of Lessee's obligations hereunder any cash, credit, deposits, accounts, financial assets, investment property, securities and any other property of Lessee which is in transit to or in the possession, custody or control of Lessor or its affiliates, or any agent, bailee or affiliate thereof. Lessee hereby collaterally assigns and grants to Lessor a continuing security interest in all such property as additional collateral for Lessee's obligations under this Lease.

**17. ASSIGNMENT.** (a) LESSEE SHALL NOT ASSIGN, DELEGATE, TRANSFER OR ENCUMBER ANY OF ITS RIGHTS OR OBLIGATIONS HEREUNDER OR UNDER ANY SCHEDULE, OR ITS LEASEHOLD INTEREST OR ANY COLLATERAL, SUBLET THE EQUIPMENT OR OTHERWISE PERMIT THE EQUIPMENT TO BE OPERATED OR USED BY, OR TO COME INTO OR REMAIN IN THE POSSESSION OF, ANYONE BUT LESSEE. Without limiting the foregoing, (1) Lessee may not attempt to dispose of any of the Equipment, and (2) Lessee shall (A) maintain the Equipment free from all Liens, other than Permitted Liens, (B) notify Lessor immediately upon receipt of notice of any Lien affecting the Equipment, and (C) defend Lessor's title to the Equipment. A "Permitted Lien" shall mean any Lien for Impositions, Liens of mechanics, materialmen, or suppliers and similar Liens arising by operation of Law, provided that any such Lien is incurred by Lessee in the ordinary course of business, for sums that are not yet delinquent or are being contested in good faith and with due diligence, by negotiations or by appropriate proceedings which suspend the collection thereof and, in Lessor's sole discretion, (i) do not involve any substantial danger of the sale, forfeiture or loss of the Equipment or any interest therein, and (ii) for the payment of which adequate assurances or security have been provided to Lessor. No disposition referred to in this Section shall relieve Lessee of its obligations, and Lessee shall remain primarily liable under each Schedule and all of the other Lease Documents. (b) Lessor may at any time with or without notice to Lessee grant a security interest in, sell, assign, delegate or otherwise transfer (an "Assignment") all or any part of its interest in the Equipment, this Lease or any Schedule and any related Lease Documents or any Rent thereunder, or the right to enter into any Schedule, and Lessee shall perform all of its obligations thereunder, to the extent so transferred, for the benefit of the beneficiary of such Assignment (such beneficiary, including any successors and assigns, an "Assignee"). Lessee agrees not to assert against any Assignee any Abatement (without limiting the provisions of Section 2) or Claim that Lessee may have against Lessor, and Assignee shall not be bound by, or otherwise required to perform any of Lessor's obligations, unless expressly assumed by such Assignee. Lessor shall be relieved of any such assumed obligations. If so directed in writing, Lessee shall pay all Rent and all other sums that become due under the assigned Schedule and other Lease Documents directly to the Assignee or any other party designated in writing by Lessor or such Assignee. Lessee acknowledges that Lessor's right to enter into an Assignment is essential to Lessor and, accordingly, waives any restrictions under Applicable Law with respect to an Assignment and any related remedies. Upon the request of Lessor or any Assignee, Lessee also agrees (i) to promptly execute and deliver to Lessor or to such Assignee an acknowledgment of the Assignment in form and substance satisfactory to the requesting party, an insurance certificate and such other documents and assurances reasonably requested by Lessor or Assignee, and (ii) to comply with all other reasonable requirements of any such Assignee in connection with any such Assignment. Upon such Assignment and except as may otherwise be provided herein, all references in this Lease to "Lessor" shall include such Assignee. (c) Subject always to the foregoing, this Lease and each Schedule shall inure to the benefit of, and are binding upon, Lessee's and Lessor's respective successors and assigns (and, without limiting the foregoing, shall bind all Persons who become bound as a "new debtor" to this Lease and any Schedule, as set forth in UCC Section 9-203(e)).

**18. MISCELLANEOUS.** (a) This Lease, each Schedule and any Riders hereto or thereto, constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and shall not be amended or modified in any manner except by a document in writing executed by both parties. (b) Any provision of this Lease that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. (c) The representations,

warranties and agreements of Lessee herein shall be deemed to be continuing and to survive the execution and delivery of this Lease, each Schedule and any other Lease Documents. With respect to each Schedule, the obligations of Lessee under Sections 8, 9, 10, 12, 13 and 14 hereof, together with any of Lessee's obligations under the other provisions of this Lease (as incorporated therein) which have accrued but not been fully satisfied, performed or complied with prior to the expiration or earlier cancellation or termination of such Schedule, shall survive the expiration or earlier cancellation or termination thereof. (d) All of Lessee's obligations hereunder and under any Schedule shall be performed at Lessee's sole expense. Lessee shall reimburse Lessor promptly upon demand for all expenses incurred by Lessor in connection with (1) any action taken by Lessor at Lessee's request, or in connection with any option, (2) the filing or recording of real property waivers and UCCs, (3) any Enforcement Costs not recovered pursuant to Section 16, (4) all inspections, and (5) all lien search reports (and copies of filings) requested by Lessor. If Lessee fails to perform any of its obligations with respect to a Schedule, Lessor shall have the right, but shall not be obligated, to effect such performance, and Lessee shall reimburse Lessor, upon demand, for all expenses incurred by Lessor in connection with such performance. Lessor's effecting such compliance shall not be a waiver of Lessee's default. All amounts payable under this Section, if not paid when due, shall be paid to Lessor together with interest thereon at the Late Charge Rate. (e) Lessee irrevocably appoints Lessor as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by this Lease, but only to the extent that the same relates to the Equipment. (f) **LESSOR AND LESSEE HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH LESSEE AND/OR LESSOR MAY BE PARTIES ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS LEASE.** (g) All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, personally delivered, delivered by overnight courier service, sent by facsimile transmission (with confirmation of receipt), or sent by certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt. (h) This Lease shall not be effective unless and until accepted by execution by an officer of Lessor at the address, in the State of Illinois (the "State"), as set forth below the signature of Lessor. **THIS LEASE AND ALL OF THE OTHER LEASE DOCUMENTS, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER, SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF THE STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT.** The parties agree that any action or proceeding arising out of or relating to this Lease may be commenced in any state or Federal court in DuPage or Cook County, Illinois, and agree that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at the mailing address below Lessee's signature, or as it may provide in writing from time to time, or as otherwise provided under the Laws of the State. (i) This Lease and all of the other Lease Documents may be executed in counterparts. The transfer or possession of the "Original" of this Lease shall be irrelevant to the full or collateral assignment of, or grant of security interest in, any Schedule; provided, however, no security interest in any Schedule may be created through the transfer, possession or control, as applicable, of any counterpart of such Schedule other than the original thereof, which shall be identified as the document or record (as applicable) marked "Original" and all other counterparts shall be marked "Duplicate". (j) If Lessor is required by the terms hereof to pay to or for the benefit of Lessee any amount received as a refund of an imposition or as insurance proceeds, Lessor shall not be required to pay such amount, if any Default has occurred and not been cured or any Event of Default shall have occurred and not been waived by Lessor. In addition, if Lessor is required by the terms hereof to cooperate with Lessee in connection with certain matters, such cooperation shall not be required if a Default or Event of Default has then occurred and is continuing. (k) To the extent Lessor is required to give its consent or approval with respect to any matter, the reasonableness of Lessor's withholding of such consent shall be determined based on the then existing circumstances; provided, that Lessor's withholding of its consent shall be deemed reasonable for all purposes if (i) the taking of the action that is the subject of such request, might result (in Lessor's discretion), in (A) an impairment of Lessor's rights, title or interests hereunder or under any Schedule or other Lease Document, or to the Equipment, or (B) expose Lessor to any Claims or Impositions, or (ii) Lessee fails to provide promptly to Lessor any filings, certificates, opinions or indemnities required by Lessor as a condition to such consent. (l) Lessee will not directly or indirectly publish, disclose or otherwise use in any advertising or promotional material, or press release or interview, the name, logo or any trademark of Lessor, Merrill Lynch & Co., Inc., or any of its or their affiliates.

**19. DEFINITIONS AND RULES OF CONSTRUCTION.** (a) The following terms when used in this Lease or in any of the Schedules have the following meanings: (1) **AS IS, WHERE IS**: AS IS, WHERE IS, without warranty, express or implied, with respect to any matter whatsoever; (2) **"Applicable Law" or "Law"**: any law, rule, regulation, ordinance, order, code, common law, interpretation, judgment, directive, decree, treaty, injunction, writ, determination, award, permit or similar norm or decision of any Governmental Authority; (3) **"Business Day"**: any day, other than a Saturday, Sunday, or

legal holiday for commercial banks under the Laws of the state of the Lessor's notice address; (4) "UCC" or "Uniform Commercial Code": the Uniform Commercial Code as in effect in the State or in any other applicable jurisdiction; and any reference to an article (including Article 2A) or section thereof shall mean the corresponding article or section (however termed) of any such applicable version of the Uniform Commercial Code; (5) "Governmental Authority": any federal, state, county, municipal, regional or other governmental authority, agency, board, body, instrumentality or court, in each case, whether domestic or foreign; (6) "Licensed Products": any software or licensed products not embedded or considered part of the Equipment under the UCC; and (7) "Person": any individual, corporation, partnership, joint venture, or other legal entity or a governmental authority, whether employed, hired, affiliated, owned, contracted with, or otherwise related or unrelated to Lessee or Lessor. (b) The following terms when used herein or in any of the Schedules shall be construed as follows: (1) "herein," "hereof," "hereunder," etc.: in, of, under, etc. this Lease or such other Lease Document in which such term appears (and not merely in, of, under, etc. the section or provision where the reference occurs); (2) "including": means including without limitation unless such term is followed by the words "and limited to," or similar words; and (3) "or": at least one, but not necessarily only one, of the alternatives enumerated. Any defined term used in the singular preceded by "any" indicates any number of the members of the relevant class. Any Lease Document or other agreement or instrument referred to herein means such agreement or instrument as supplemented and amended from time to time. Any reference to Lessor or Lessee shall include their permitted successors and assigns. Any reference to an Applicable Law shall also mean such Law as amended, superseded or replaced from time to time.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Master Lease Agreement to be duly executed as of the day and year first above set forth.

MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.  
Lessor

By: Steve Foley  
Name: STEVE FOLEY  
Title: VP Credit Manager

222 N. LaSalle Street  
16<sup>th</sup> Floor  
Chicago, Illinois 60601  
Facsimile: 312.750.6108

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.  
Lessee

By: James Amodio  
Name: JAMES AMODIO  
Title: CFO

3101 South Taylor Drive  
P.O. Box 1024  
Sheboygan, WI 53082-1024  
Facsimile: 920.458.0140

Form of Organization: Corporation  
Jurisdiction of Organization: Delaware  
Organizational No. \_\_\_\_\_  
Federal Employer Identification No. 13-3983670

J.L. FRENCH CORPORATION  
Lessee

By: James Amodio  
Name: JAMES AMODIO  
Title: CFO

3101 South Taylor Drive  
P.O. Box 1024  
Sheboygan, WI 53082-1024  
Facsimile: 920.458.0140

Form of Organization: Corporation  
Jurisdiction of Organization: Wisconsin  
Organizational No. \_\_\_\_\_  
Federal Employer Identification No. 39-1098901

ORIGINAL



MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.

EQUIPMENT SCHEDULE NO. 1

This EQUIPMENT SCHEDULE NO. 1 (this "Equipment Schedule") is made as of December 22, 2004 and is executed pursuant to that certain Master Lease Agreement dated as of December 22, 2004 (the "Lease"; which is incorporated herein by reference). This Equipment Schedule, incorporating by reference the terms and conditions of the Lease, constitutes a separate instrument of lease.

1. **EQUIPMENT.** The Equipment leased hereunder shall be as set forth in the schedule attached hereto.

TOTAL INVOICE COST: \$6,480,518.00

2. **TERM.** Upon and after the date of execution hereof, the Equipment shall be subject to the terms and conditions provided herein and in the Lease.

A full term of lease with respect to said Equipment shall commence on the date hereof and shall extend for sixty (60) months after the first day of January 1, 2005 (the "Base Lease Commencement Date").

3. **RENT.**

(a) During the period from the date hereof to the Base Lease Commencement Date (the "Interim Term"), the pro-rated daily rent for said Equipment shall be \$4,433.25 per day; computed as .0684088% of the Total Invoice Cost specified above, calculated as specified in that certain commitment letter dated December 20, 2004, executed by the parties. This pro-rated payment shall be made on the last day of the month for each month during the Interim Term.

(b) From and after the Base Lease Commencement Date, the monthly rent for said Equipment during the term of this Lease shall be \$132,997.37, computed as 2.052265% of the Total Invoice Cost specified above, calculated as specified in that certain commitment letter dated December 20, 2004, executed by the parties. Rent payments shall be made, in advance, on the first day of the month for each month during the term of this Lease.

4. **LESSEE'S CONFIRMATION.** Lessee hereby confirms and warrants to Lessor that the Equipment: (a) was duly delivered to Lessee at the location specified in Section 5 hereof; (b) has been received, inspected and determined to be in compliance with all applicable specifications and that the Equipment is hereby accepted for all purposes of the Lease; and (c) is a part of the "Equipment" referred to in the Lease and is taken subject to all terms and conditions therein and herein provided.

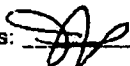
5. **LOCATION OF EQUIPMENT.** The location of the Equipment is specified on the Schedule of Equipment attached hereto.

6. **LATE CHARGE RATE.** The Late Charge Rate shall be five (5) percent per month of the amount in arrears for the period such amount remains unpaid (provided, however, that if such rate exceeds the highest rate permitted by applicable law, then the Late Charge Rate shall be the highest rate permitted by applicable law).

7. **PUBLIC LIABILITY INSURANCE.** The amount of public liability insurance referenced in Section 11 of the Lease is \$9,000,000.00.



**8. PERSONAL PROPERTY TAXES.**

Lessee's Initials: 

(Applicable in Jurisdictions Permitting Lessee to List Equipment): Lessee agrees that it will (a) list and designate as Owner of all such Equipment, (b) report all property taxes assessed against such Equipment, and (c) pay all such taxes when due directly to the appropriate taxing authority until Lessor shall otherwise direct in writing.

9. **SCHEDULE OF STIPULATED LOSS VALUES.** This Schedule of Stipulated Loss Values shall be applicable solely to the Equipment described in this Equipment Schedule.

Date	Adjusted Termination Value % of Cost	Date	Adjusted Termination Value % of Cost
1/1/2005	104.4949176	9/1/2007	52.80314019
2/1/2005	103.0358621	10/1/2007	51.01055101
3/1/2005	101.5659883	11/1/2007	49.20644096
4/1/2005	100.0852756	12/1/2007	47.38993271
5/1/2005	98.59633159	1/1/2008	45.56248788
6/1/2005	97.09778289	2/1/2008	43.72338848
7/1/2005	95.59090499	3/1/2008	41.87172768
8/1/2005	94.0743538	4/1/2008	40.00744674
9/1/2005	92.5467461	5/1/2008	38.13148044
10/1/2005	91.01064936	6/1/2008	36.2432478
11/1/2005	89.4647673	7/1/2008	34.34319806
12/1/2005	87.90769191	8/1/2008	32.43078963
1/1/2006	86.34196542	9/1/2008	30.50547761
2/1/2006	84.76634001	10/1/2008	28.56814448
3/1/2006	83.17938257	11/1/2008	26.61830964
4/1/2006	81.58104003	12/1/2008	24.65539655
5/1/2006	79.97340792	1/1/2009	22.68025551
6/1/2006	78.35535577	2/1/2009	20.69246773
7/1/2006	76.7279058	3/1/2009	18.69142464
8/1/2006	75.08995992	4/1/2009	16.67708432
9/1/2006	73.44039118	5/1/2009	14.64966483
10/1/2006	71.78125124	6/1/2009	12.60895544
11/1/2006	70.11149385	7/1/2009	10.55506189
12/1/2006	68.42996519	8/1/2009	8.48775681
1/1/2007	66.73868954	9/1/2009	6.40682521
2/1/2007	65.03667324	10/1/2009	4.31248812
3/1/2007	63.32273518	11/1/2009	2.20458433
4/1/2007	61.59681962	12/1/2009	0
5/1/2007	59.86046571		
6/1/2007	58.11280654		
7/1/2007	56.35458951		
8/1/2007	54.58498345		

Termination values are due in addition to any advance or arrears rent due on the same date.

10. **\$1.00 BUYOUT AT THE END OF THE BASIC TERM**

Provided that Lessee has paid all amounts due and owing and no event of default exist, in consideration of the payment by Lessee of \$1.00, title free and clear of all claims, liens and encumbrances to the Property will automatically vest in Lessee at the end of the Basic Term.

THE PROPERTY IS BEING SOLD "AS IS". LESSOR MAKES NO OTHER WARRANTIES; EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. **PAYMENT AUTHORIZATION.** Lessor is hereby irrevocably authorized and directed to pay the Total Invoice Cost specified above as follows:

<u>Company Name</u>	<u>Address</u>	<u>Amount</u>
J.L.French Corporation	3101 S. Taylor Sheboygan, WI. 53082	6,480,518.00
<u>Account Name</u>	<u>Bank Name/Bank City &amp; State</u>	<u>Bank Account Number:</u>
J.L. French Corporation	U.S. BANK NA Milwaukee, WI. 53259	<u>1-823-2263-0845</u>
	<u>Bank ABA Number:</u>	<u>075000022</u>

12. **PURCHASE/ LEASEBACK**

The Property will be purchased by Lessor from Lessee and leased by Lessor to Lessee hereunder.

- Evidence of Purchase.** Lessee shall provide Lessor with copies of purchase documentation, invoices and bill of sale, as requested, to verify Lessee's purchase of the Property. Purchase of the Property by Lessor is contingent upon Lessee leasing such Property from Lessor.
- Disclaimer of Warranty.** In connection with Lessee's sale of the Property to Lessor, Lessee as seller MAKES NO WARRANTIES OTHER THAN THOSE SPECIFICALLY SET OUT IN THIS LEASE (IF ANY), AND SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- Title to Equipment.** Lessee represents that title to the Property is free and clear of all liens, claims and encumbrances of any kind whatsoever, and will vest in Lessor upon payment by Lessor of the Property Cost. Lessee, as seller of the Property to Lessor, agrees to provide Lessor, as buyer, with a Bill of Sale in form satisfactory to Lessor, to evidence such title.

13. **BROKER.** Lessor is responsible to pay the broker fee directly to Deerfield Capital Partners ("Broker") in connection with the transaction contemplated by this Schedule. Lessee acknowledges and agrees that: (a) Broker is an independent contractor and neither Broker nor Lessor is the agent of the other; (b) Broker has no authority to make representations or warranties on behalf of Lessor with respect to the transactions contemplated herein; (c) Lessee has, in its sole discretion, determined whether or not to accept this Lease or any applicable Schedule from Lessor on the pricing, terms and conditions thereof; and (d) Lessee hereby agrees that under no circumstances will Lessor have any liability to Lessee for, and Lessee shall indemnify, defend and save Lessor harmless from, any and all Claims of any nature whatsoever arising from any representation or warranty made by Broker to Lessee, or any act or omission of Broker in connection with its

dealings with Lessee. Lessee further acknowledges and agrees that: (1) Broker and Lessor are or may be parties to a referral agreement covering the terms of the referral of Lessee to Lessor by Broker; and (2) under the terms of the referral arrangement, Lessor may be obligated to pay Broker a fee in connection with the funding of the Lease or this Schedule.

Lessor is hereby authorized to insert such factually correct information as is necessary to complete this Equipment Schedule, including (without limitation) the date of execution, and the rental payment amount(s) and factor(s).

DATE OF EXECUTION: December 22, 2004

MERRILL LYNCH, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.  
Lessor

By: [Signature]  
Name: STEVE COLBY  
Title: VP, Group Credit Manager

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.  
Lessee

By: [Signature]  
Name: James Amodeo  
Title: CFO

J.L. FRENCH CORPORATION  
Lessee

By: [Signature]  
Name: James Amodeo  
Title: CFO

SCHEDULE OF EQUIPMENT

EXHIBIT OF EQUIPMENT

SCHEDULE OF EQUIPMENT TO EQUIPMENT SCHEDULE NO. 1 DATED DECEMBER 22, 2004

LESSEE: J.L. FRENCH CORPORATION & J.L. FRENCH AUTOMOTIVE CASTINGS, INC.

DESCRIPTION OF PROPERTY: *air decay Leak Testers, Super Culling Machine, Immersion Washer/Dryer, Vertical Condition Gage, Horizontal Milling Machine*

Line Item Description	Sub-Supplier Name, Internal Lab #, O. Number, P.O. Date	Number
CNC Machine H9630	Stra Machine 000006 07/01/03	5120
	Stra H9630, H963109	5132
		5082
A new machine found mounted into CNC		
This PO split with Capital = 73.7%, Total = 26.3%		
Provide Serial #s - None		
	Tool Norm 03/21/11 07/21/03	6486
		6513
		6514
		6586
		6584
		6579
		6435
		6528
Cad Jet High Pressure Coolant System Mon	Cyber CNC 04/088 03/31/04	204015
	Provide Serial # - None	

Line Item Description	Sub-Supplier Name, Internal Lot/O Number P.O. Data	Number
CNC Audit Machine		

[illegible]

Study CS leak checker and seal replace	Leader Engineering	0-6901	04/22/14	21181
Reqs status on 1st machines added	Senior Engineering	0-7183	05/21/14	21314
This PO Split with Cap(45 %)	Tool (54 %)			21337
Study A 2 liter cylinders or bulk head chips	Senior Engineering	0-9824	07/20/14	21339
This PO Split with Cap(50%) Tool(50%)				
at Production 2 station leak checker	002751-1-1A & 002751-1-B			
Used for Procs then move to off site warehouse	Leader Engineering	00912-2-1	04/24/13	20642
	Air under way	COMPLETE		20783
				20782
				20850

Link Testers					
This includes the Coolant system.					
	Grub Systems Inc.	024029	08/10/03	2'-32	
	REVISED % SPLIT=00L 44.11% CAPT 55.89% 10/21			2'-54	
	Scaled P# 011244			2'-53	
	Furzeon Systems # 6851				
	Control	023803	10/22/04	520070	

freight to move equipment from Group

OP 10,20,30, tube system, Index unit,dls add to op10, feed conveyor,  
codant system, training, Ship machine, rigging

Electrical run in biding for Crab	S & S Electric	06/21/04	1882
	Florida Dental #3 - Nonno		1882
			1902
			1907

# SCHEDULE OF EQUIPMENT

Line Item Description	Sub-Supplier Name, Internal Lab's Q. Number P.O. Date	Number
Utilities for machine		
Super Cubing Machine Line		

Ranschoff	4423
Serial # 4423	25933
	28258
	20258
	28275
	20384

Washer Dryer		
Alaska Mfg Corp	016310	050404
Total 57% Capital		31287
Serial # 42021		31861

VC Gage		
LOCATION OF PROPERTY:		
3101 S. Taylor, Sheboygan, WI 53082		



ORIGINAL

MERRILL LYNCH CAPITAL, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.

## EQUIPMENT SCHEDULE NO. 2

This **EQUIPMENT SCHEDULE NO. 2** (this "Equipment Schedule") is made as of March 31, 2005 and is executed pursuant to that certain Master Lease Agreement dated as of December 22, 2004 (the "Lease"; which is incorporated herein by reference). This Equipment Schedule, incorporating by reference the terms and conditions of the Lease, constitutes a separate instrument of lease.

1. **EQUIPMENT.** The Equipment leased hereunder shall be as set forth in the schedule attached hereto.

**TOTAL INVOICE COST: \$ 1,903,762.51**

2. **TERM.** Upon and after the date of execution hereof, the Equipment shall be subject to the terms and conditions provided herein and in the Lease.

A full term of lease with respect to said Equipment shall commence on the date hereof and shall extend for sixty (60) months after the first day of April, 2005 (the "Base Lease Commencement Date").

3. **RENT.**

(a) From and after the Base Lease Commencement Date, the monthly rent for said Equipment during the term of this Lease shall be \$40,003.83, computed as 2.101304% of the Total Invoice Cost specified above, calculated as specified in that certain commitment letter dated December 20, 2004, executed by the parties. Rent payments shall be made, in advance, on the first day of the month for each month during the term of this Lease.

4. **LESSEE'S CONFIRMATION.** Lessee hereby confirms and warrants to Lessor that the Equipment: (a) was duly delivered to Lessee at the location specified in Section 5 hereof; (b) has been received, inspected and determined to be in compliance with all applicable specifications and that the Equipment is hereby accepted for all purposes of the Lease; and (c) is a part of the "Equipment" referred to in the Lease and is taken subject to all terms and conditions therein and herein provided.

5. **LOCATION OF EQUIPMENT.** The location of the Equipment is specified on the Schedule of Equipment attached hereto.

6. **LATE CHARGE RATE.** The Late Charge Rate shall be five (5) percent per month of the amount in arrears for the period such amount remains unpaid (provided, however, that if such rate exceeds the highest rate permitted by applicable law, then the Late Charge Rate shall be the highest rate permitted by applicable law).

7. **PUBLIC LIABILITY INSURANCE.** The amount of public liability insurance referenced in Section 11 of the Lease is \$9,000,000.00.

8. **PERSONAL PROPERTY TAXES.**

Lessee's Initials: 

(Applicable in Jurisdictions Permitting Lessee to List Equipment): Lessee agrees that it will (a) list and designate as Owner of all such Equipment, (b) report all property taxes assessed against such Equipment, and (c) pay all such taxes when due directly to the appropriate taxing authority until Lessor shall otherwise direct in writing.

9. **SCHEDULE OF STIPULATED LOSS VALUES.** This Schedule of Stipulated Loss Values shall be applicable solely to the Equipment described in this Equipment Schedule.

Date	Adjusted Termination Value % of Cost	Date	Adjusted Termination Value % of Cost
4/1/2005	99.90323694	11/1/2007	52.91006811
5/1/2005	98.57349269	12/1/2007	51.20392672
6/1/2005	97.2127187	1/1/2008	49.48614029
7/1/2005	95.84269249	2/1/2008	47.75572686
8/1/2005	94.46176229	3/1/2008	46.01146717
9/1/2005	93.06877283	4/1/2008	44.2532903
10/1/2005	91.66633623	5/1/2008	42.48256354
11/1/2005	90.25285984	6/1/2008	40.69847104
12/1/2005	88.82715766	7/1/2008	38.90167206
1/1/2006	87.39181046	8/1/2008	37.09139824
2/1/2006	85.94528561	9/1/2008	35.26686974
3/1/2006	84.48636589	10/1/2008	33.42939028
4/1/2006	83.01498774	11/1/2008	31.57826567
5/1/2006	81.53392188	12/1/2008	29.7126775
6/1/2006	80.04169153	1/1/2009	27.83389019
7/1/2006	78.5396476	2/1/2009	25.94128479
8/1/2006	77.02635152	3/1/2009	24.03400378
9/1/2006	75.50031916	4/1/2009	22.11197204
10/1/2006	73.96426892	5/1/2009	20.17575292
11/1/2006	72.41682417	6/1/2009	18.22490844
12/1/2006	70.85646859	7/1/2009	16.25970239
1/1/2007	69.28588768	8/1/2009	14.27974962
2/1/2007	67.70376775	9/1/2009	12.28467447
3/1/2007	66.10855976	10/1/2009	10.27497035
4/1/2007	64.50019662	11/1/2009	8.25033316
5/1/2007	62.88077935	12/1/2009	6.21034512
6/1/2007	61.24914677	1/1/2010	4.15545659
7/1/2007	59.60631952	2/1/2010	2.08544583
8/1/2007	57.95117907	3/1/2010	0
9/1/2007	56.28257716	Termination values are due in addition to any advance or arrears rent due on the same date.	
10/1/2007	54.60255709		



**10. \$1.00 BUYOUT AT THE END OF THE BASIC TERM**

Provided that Lessee has paid all amounts due and owing and no event of default exist, in consideration of the payment by Lessee of \$1.00, title free and clear of all claims, liens and encumbrances to the Property will automatically vest in Lessee at the end of the Basic Term.

THE PROPERTY IS BEING SOLD "AS IS". LESSOR MAKES NO OTHER WARRANTIES; EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**11. PAYMENT AUTHORIZATION.** Lessor is hereby irrevocably authorized and directed to pay the Total Invoice Cost specified above as follows:

<u>Company Name</u>	<u>Address</u>	<u>Amount</u>
J.L.French Corporation	3101 S. Taylor Sheboygan, WI. 53082	\$1,903,762.51
<u>Account Name</u>	<u>Bank Name/Bank City &amp; State</u>	<u>Bank Account Number:</u>
J.L. French Corporation	Wells Fargo Bank San Francisco, CA. 94104	4121057608
	<u>Bank ABA Number:</u>	121000248
	<u>Amount</u>	
	April 1 <sup>st</sup> rent payment to be deducted up-front	-\$40,003.83
	<u>Total Amount</u>	<b>\$1,863,758.68</b>

**12. PURCHASE/LEASEBACK**

The Property will be purchased by Lessor from Lessee and leased by Lessor to Lessee hereunder.

- Evidence of Purchase.** Lessee shall provide Lessor with copies of purchase documentation, invoices and bill of sale, as requested, to verify Lessee's purchase of the Property. Purchase of the Property by Lessor is contingent upon Lessee leasing such Property from Lessor.
- Disclaimer of Warranty.** In connection with Lessee's sale of the Property to Lessor, Lessee as seller MAKES NO WARRANTIES OTHER THAN THOSE SPECIFICALLY SET OUT IN THIS LEASE (IF ANY), AND SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- Title to Equipment.** Lessee represents that title to the Property is free and clear of all liens, claims and encumbrances of any kind whatsoever, and will vest in Lessor upon payment by Lessor of the Property Cost.

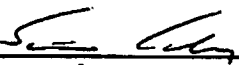
Lessee, as seller of the Property to Lessor, agrees to provide Lessor, as buyer, with a Bill of Sale in form satisfactory to Lessor, to evidence such title.

**13. BROKER.** Lessor is responsible to pay the broker fee directly to Deerfield Capital Partners ("Broker") in connection with the transaction contemplated by this Schedule. Lessee acknowledges and agrees that: (a) Broker is an independent contractor and neither Broker nor Lessor is the agent of the other; (b) Broker has no authority to make representations or warranties on behalf of Lessor with respect to the transactions contemplated herein; (c) Lessee has, in its sole discretion, determined whether or not to accept this Lease or any applicable Schedule from Lessor on the pricing, terms and conditions thereof; and (d) Lessee hereby agrees that under no circumstances will Lessor have any liability to Lessee for, and Lessee shall indemnify, defend and save Lessor harmless from, any and all Claims of any nature whatsoever arising from any representation or warranty made by Broker to Lessee, or any act or omission of Broker in connection with its dealings with Lessee. Lessee further acknowledges and agrees that: (1) Broker and Lessor are or may be parties to a referral agreement covering the terms of the referral of Lessee to Lessor by Broker; and (2) under the terms of the referral arrangement, Lessor may be obligated to pay Broker a fee in connection with the funding of the Lease or this Schedule.


Lessor is hereby authorized to insert such factually correct information as is necessary to complete this Equipment Schedule, including (without limitation) the date of execution, and the rental payment amount(s) and factor(s).

**DATE OF EXECUTION:** March 31, 2005

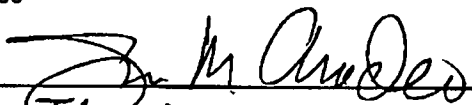
**MERRILL LYNCH, A DIVISION OF  
MERRILL LYNCH BUSINESS FINANCIAL SERVICES INC.**  
Lessor

By:   
Name: STEVE LUBY  
Title: VP, GROUP CREDIT MANAGER

**J.L. FRENCH AUTOMOTIVE CASTINGS, INC.**  
Lessee

By:   
Name: JAMES M. AMODEO  
Title: CHIEF FINANCIAL OFFICER

**J.L. FRENCH CORPORATION**  
Lessee

By:   
Name: JAMES M. AMODEO  
Title: CHIEF FINANCIAL OFFICER

SCHEDULE OF EQUIPMENT TO EQUIPMENT SCHEDULE NO. 2 DATED March 31, 2005

LESSEE: J.L. FRENCH CORPORATION & J.L. FRENCH AUTOMOTIVE CASTINGS, INC.

DESCRIPTION OF PROPERTY:

Air Decay Leak Testers, Super Cubing Machines, Immersion Washer/Dryer, Virtual Condensate

LESSOR'S CAPITALIZED COST OF PROPERTY: \$ 1,903,762.51

LOCATION OF PROPERTY: 3101 S. Taylor, Sheboygan, WI 53082

Subject/Part Number: 04884657AA & 04884658AA CEB90033

Part Number Description: Chrysler Engine Block

Line Item Description	Sub-Supplier Name, Internal Labor	P.O. Number	P.O. Date	Invoice #	Date	AMOUNT
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This includes the Coolant system.

OP 16,20,30, tube system, index unit, d81 add to op 10, feed conveyor, coolant system, training, Ship machine, rigging

Serial #s GU1244

Grob Systems, Inc

034689

09/18/03

REVISED % SPLIT TOOL 44.11% CAPT 55.89% 10/26/04 SMS

2236	02/18/05	\$	29,130.57	03/14/05
2235	02/18/05	\$	40,784.89	03/14/05
2234	02/18/05	\$	17,872.97	03/14/05
2132-8	03/18/05	\$	259,447.87	03/18/05
2164-8	03/18/05	\$	583,820.85	03/18/05
2153-8	03/18/05	\$	686,908.13	03/18/05
2236-8	03/18/05	\$	9,710.19	03/18/05
2234-8	03/18/05	\$	5,990.99	03/18/05
2235-8	03/18/05	\$	27,125.96	03/18/05

Electrical run in bldg for washer

S & S Electric

051289

08/27/04

Electrical run in bldg for Grob

LABOR  
Provide Serial #s - None

048477

08/21/04

1914	12/03/04	\$	42,762.00	01/24/05
1930	01/21/05	\$	10,689.00	01/24/05

Grob Line Capital Lease

Washer/Dryer

Serial # 4423

Ranscoff

046522-02

05/06/04

Block Washer LEASED

28861	12/31/04	\$	72,362.50	01/21/05
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Alexis Mfg  
Tool=57% Capt 43%  
Serial # 42021

046310

05/04/04

VC Gage LEASED

33773	01/06/05	\$	105,070.00	01/12/05
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Total Equip on DCX Block Line Leased

Total: \$ 1,903,762.51

LESSEE'S INITIALS:

LESSEE'S INITIALS:

# ReedSmith

Ann E. Pille  
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September 8, 2009

## Via Overnight Courier

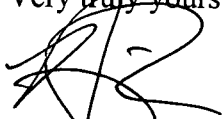
J.L. French Automotive Castings, Inc.  
c/o BMC Group, Inc.  
18750 Lake Drive East  
Chanhassen, MN 55317

### In re JL French Automotive Castings, *et al.* (Case No. 09 - 12455)

To Whom it May Concern:

Enclosed herewith please find an original and one copy of: (a) a secured claim in the amount of not less than \$639,015.09 to be filed on behalf of General Electric Capital Corporation ("GE Capital") against JL French Automotive Castings, LLC (Case No. 09-12455); (b) a secured claim in the amount of not less than \$639,015.09 to be filed on behalf of GE Capital against JL French LLC (Case No. 09-12449); and (c) a contingent general unsecured claim in the amount of \$897,724.80 to be filed on behalf of GE Capital against Nelson Metal Products LLC (Case No. 09-12447). In addition, I have included a self-addressed stamped envelope. I would greatly appreciate it if you could return the file-stamped copies of the proofs of claim to me. Please do not hesitate to contact me if you should have any questions. I can be reached at (312) 207-3870.

Very truly yours,



Ann E. Pille