B 10 (Official Form 10) (12/08)

UNITED STATES BANKRUPTCY COURT for the District of Delaware

PROOF OF CLAIM

Name of Debtor: J.L. French Automotive Castings, Inc.

Case Number: 09-12455

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): General Electric Capital Corporation

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

Name and address where notices should be sent:
Ann E. Pille
Reed Smith LLP
10 S. Wacker Drive, Suite 4000
Chicago, Illinois 60606

Telephone number:
(312) 207-1000

Court Claim Number:_____
(If known)

Filed on:_____

RECEIVED
SEP 09 2009
BMC GROUP

Name and address where payment should be sent (if different from above):
William Wilson
c/o General Electric Capital Corporation
10 Riverview Drive
Danbury, CT 06810

Telephone number:

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

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

1. Amount of Claim as of Date Case Filed: $ not less than $639,015.09

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.

☐ 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.

2. Basis for Claim: Equipment financing and leases
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

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

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

Value of Property: $ unknown **Annual Interest Rate** __ %

Amount of arrearage and other charges as of time case filed included in secured claim,

If any: $ unknown **Basis for perfection:** UCC financing statements

Amount of Secured Claim: $ $639,015.09 **Amount Unsecured:** $ unknown

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:

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

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $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).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ 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).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**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.*

Date 9/8/2009

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.

Ann E. Pille, Counsel to General Electric Capital Corporation

FOR COURT USE ONLY

JL French Auto Castings
00160

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.

IN RE JL FRENCH AUTOMOTIVE CASTINGS, INC (CASE NO. 09-12455)

Proof of Claim Summary for General Electric Capital Corporation

As of the Petition Date, General Electric Capital Corporation ("GE Capital") and JL French Automotive Castings, Inc. ("Automotive Castings") were parties to certain agreements, including the following:

1. The BCC Lease and the Letter of Credit Agreement

GE Capital and Automotive Castings are parties to that certain Equipment Lease Agreement dated March 19, 2002, and as thereafter amended from time to time (the "BCC Lease"), pursuant to which BCC Equipment Leasing Corporation ("BCC") leased to Automotive Castings certain equipment, including: (a) one Tool North planetary dial index 10 station index machine with serial no. B-24150 and certain non-perishable cutting tools; (b) three OKUMA HMC machining centers with serial nos. 0399, 0472 and 0474, and certain non-perishable cutting tools; and (c) an Ingersoll vertical milling machine model 9870 with serial no. 2137 and certain non-perishable cutting tools (collectively, the "BCC Equipment"). A copy of the Lease is attached hereto as Exhibit A. GE Capital is a successor in interest to BCC's rights and interests under the BCC Lease.

As of the Petition Date, Automotive Castings was current on its payments under the BCC Lease and, therefore, no pre-petition amounts are currently due and owing with respect to this account. Rejection damages, should they be necessary, are presently equal to not less than $1,545,993.20.

GE Capital and Automotive Castings are also parties to that certain Letter of Credit Agreement (the "Letter of Credit Agreement") pursuant to which Automotive Castings agreed to provide a letter of credit in the amount of $683,747.19 in order to secure BCC's exposure under the Lease. A copy of the Letter of Credit Agreement is attached hereto as Exhibit B. GE Capital is a successor in interest to BCC's rights and interests under the Letter of Credit Agreement.

2. The ML Lease

GE Capital, Automotive Castings, and JL French Corporation ("JFC") are parties to 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 the Automotive Castings and JFC leased from Merrill Lynch Capital, *inter alia*, 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 as Exhibit C. GE Capital is a successor in interest to Merill 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.

3. The Transamerica Lease

GE Capital and Automotive Castings are also party to that certain Master Lease Agreement and Equipment Schedule No. 1 (collectively, the "Transamerica Lease") executed on October 28, 2003, pursuant to which Transamerca Equipment Financial Service Corporation ("Transamerica") leased to Automotive Castings certain equipment described more fully therein (the "Transamerica Equipment"). A copy of the Transamerica Lease is attached hereto as Exhibit D. GE Capital is a successor in interest to Transamerica under the Transamerica Lease.

As of the Petition Date, Automotive Castings was current on its payments under the Transamerica Lease and, therefore, no pre-petition amounts are currently due and owing with respect to this account. Rejection damages, should they be necessary, are presently equal to not less than $869,589.36.

4. The Guaranty

Finally, GE Capital and Automotive Castings are parties to that certain Corporate Guaranty dated April 1, 2005 (the "Guaranty"), pursuant to which Automotive Castings guaranteed the obligations of Nelson Metal Products Corporation ("Nelson Metal") under than certain Master Lease Agreement dated January 27, 1999 (the "Nelson Lease"). A copy of the Guaranty is attached hereto as Exhibit E.

Pursuant to the Guaranty, GE Capital has a contingent unliquidated claim against Automotive Castings which, as of the Petition Date, was not less than $897,724.80.

EXHIBIT A

BCC Equipment Leasing Corporation

Equipment Lease Agreement

Equipment Le

THIS EQUIPMENT LEASE AGREEMENT ("Lease"), is dated as of the 19 th day of March, and between ***BCC Equipment Leasing Corporation***, a Delaware corporation **("Lessor")** and , **JL Frenc Castings, Inc.** a Delaware corporation **("Lessee")**.

Witnesseth:

1. ***Lease.*** Lessor hereby agrees, subject to satisfaction (or waiver by Lessor)of the conditions he Lessee and Lessee hereby agrees to lease from Lessor each item of equipment **(individually called an "Item o and collectively the "Equipment")** described in each Individual Equipment Record **("IER")** executed and deliv and Lessee pursuant to the terms of this Lease. Each IER is hereby incorporated herein by this reference.

2. ***Term.*** The term **("Term")**, of this Lease shall commence, with respect to an Item of Equ acceptance date **("Acceptance Date")**, for such Item of Equipment as set forth in the applicable IER, and, subje hereof, shall continue until the end of the base term **("Base Term")**, set forth in such IER as measured from commencement date **("Base Term Commencement Date")**, set forth in such IER, plus any extensions or renew Term. This Lease shall be noncancellable for the Term except as provided herein.

3. ***Rent; Overdue Rate.*** Lessee shall pay Lessor rent for an Item of Equipment throughout the Te in the applicable IER, without deduction or offset, in the amounts and at the times set forth in such IER. An amount not paid to Lessor when due hereunder shall upon written notice to the Lessee bear interest, both befor judgment or termination hereof, at the lesser of the Prime Rate (as defined below) plus 2 % per annum or the allowed by law **(the "Overdue Rate")**. Prime Rate shall mean the rate of interest equal to the prime rate anno from time to time by Chase Manhattan Bank in New York (or any successor thereto). Acceptance of inter payments by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amc Lessor from exercising any of the other rights and remedies granted hereunder or by applicable law. Rent and all payable to Lessor hereunder shall be payable by federal funds wire transfer or, if required by a written notice Lessee, by Automated Clearing House (ACH) payment format Cash Concentration and Disbursement Plus Adde for the account of the Lessor to a bank to be designated by Lessor, together with notice so as to provide Lessor the funds on or before 11 a.m., California time, on the due date.

4. ***Taxes Against Lessor or Equipment.*** Lessee agrees to pay and to indemnify against an harmless from, all license and registration fees and sale, use, transfer, personal property, stamp or other taxes, l duties, charges or withholdings of any nature whatsoever together with any penalties, fines or interest thereor **"Taxes")** imposed against Lessor, Lessee or the Equipment or any part thereof by any foreign, Federal, government or taxing authority, during the Term or in connection with the termination of this Lease, upon or witl Equipment or any part thereof or upon the purchase, ownership, delivery, lease, possession, use, operation, r disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Le however: (i) any taxes imposed by the Federal government on, based on, or measured by, the net income of Less income or franchise taxes imposed by any taxing authority other than the Federal government on, based on, or me net income of Lessor which in the aggregate do not exceed the amount of any such taxes which would be payabl authorities of the jurisdictions, other than the United States of America, in which Lessor has its principal pla assuming no allocation or apportionment to any other taxing authority). In case any report or return is required tc respect to any obligation of Lessee under this Section or arising out of this Section, Lessee will notify L requirement and Lessee will prepare such report or return for filing by Lessor in such manner as shall be satisfac If claim is made against Lessor for any Taxes, Lessor shall promptly notify Lessee. If reasonably requested writing, Lessor shall, at Lessee's expense, take such action as Lessee may reasonably request with respect to liability, provided that Lessee furnishes an opinion of independent counsel, which opinion and counsel shall both to Lessor, to the effect that such action is prudent, reasonable and proper, and if reasonably so requested by Lessee by Lessor of such Taxes shall be made under protest, if protest is necessary and proper. Notwithstanding the abov have the sole control over the contest of such asserted liability. In addition, Lessor shall have the right to pay

liability at any time in its sole discretion in which case Lessor shall, at Lessee's expense, take such action reasonably request to recover such payment and shall, if requested, permit Lessee in Lessor's name to file a claim action to recover such payment. All of the obligations of Lessee under this Section with respect to any Ta accrued before the expiration or other termination of this Lease shall continue in full force and effect notwi expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor an and assigns.

5. ***Lessor's Right to Pay or Perform for Lessee.*** Should Lessee fail to make any payment o herein required, then Lessor shall have the right, but not the obligation, without releasing Lessee from any oblig to make or do the same, and to pay, purchase, contest or compromise any Lien (as defined in Section 20 hereo hereunder which in Lessor's judgment may affect the Equipment or Lessor's rights with respect thereto, and in such rights, incur any liability. All actual out of pocket fees and expenses incurred in exercising such rights by immediately due and payable by Lessee and shall bear interest at the Overdue Rate from the date so incurred Lessor to the date Lessor is reimbursed therefor by Lessee.

6. ***Use and Ownership.*** Lessee shall use, operate, maintain and store the Equipment in a car manner and shall comply with all laws, ordinances, rules, regulations and insurance requirements in any way possession, use, operation or maintenance of the Equipment. Lessee shall use the Equipment only in the mann by the manufacturer thereof. Lessee agrees to pay all costs incurred in connection with the use and operation of during the Term thereof, including but not limited to repairs, maintenance, storage and servicing.

Lessee acknowledges and agrees that it does not have and will not acquire legal title to the Equ expressly understood that this Lease is an agreement of lease only. If requested by Lessor, Lessee shall promptly maintain upon each Item of Equipment labels provided by Lessor indicating Lessor's ownership of the Equipmen

Lessee shall keep the Equipment free from any markings or labeling which might be interpret ownership thereof by Lessee or any party other than Lessor and its successors or assigns. Lessee shall not rem Equipment from the location set forth in the IER applicable to such Item of Equipment or transfer possession of in any manner without Lessor's prior written consent. Upon reasonable request by Lessor, Lessee promptly sh written notice of the exact location of the Equipment.

7. ***Alterations.*** Lessee shall not make any alterations, additions or improvements to the Equipm prior written consent of Lessor except such alterations, additions, or improvements that are required in order to c terms of this Lease or are required by law. All such alterations, additions or improvements shall automatica property of Lessor and shall be free of all Liens and Lessee shall provide a bill of sale to Lessor for all such altera or improvements.

8. ***Maintenance and Repair.*** Lessee, at its sole cost and expense, shall keep the Equipment in order, repair and , condition and shall furnish any and all parts, mechanisms or devices required to keep the Equ mechanical and working order. In performing maintenance and repair, Lessee shall in all material respects con the manufacturer's specifications.

9. ***Delivery and Acceptance.*** Prior to execution of each IER, Lessee shall have made at its expen inspections and tests of the applicable Equipment, to determine whether such Equipment conforms to Lessee's Upon execution of each IER by Lessee, the applicable Equipment shall be deemed (as between Lessor and Lessee Lessee's specifications, to be in good condition and without defects and to be Equipment accepted for all pu subject to the terms of, this Lease.

10. ***Inspection and Lessee Reports.*** Upon prior reasonable notice to the Lessee, Lessor shall business hours have the right to enter the premises where the Equipment may be located for the purpose of examining the Equipment, its condition, use, and operation to ensure compliance by Lessee with its obligati provided, however, that Lessor shall have no duty to inspect and shall not incur any liability or obligation by making any such inspection.

Lessee shall promptly notify Lessor of any accident involving the Equipment of which Less which may give rise to any claim by a third party for personal injury or property damage including to the exte reasonably practicable in such report the time, place and nature of the accident, the damage caused to property addresses of persons injured and of witnesses, and such other information as may be relevant to such accident.

Lessee shall, as soon as practicable but no later than: (i) 90 days after the close of each of the quarters of each fiscal year and, (ii) 120 days after the close of each fiscal year, of Lessee during the Term, fi copies of Lessee's financial reports prepared by it in accordance with generally accepted accounting principles a the period ended, including Lessee's balance sheet and profit and loss statement, with said fiscal year repor recognized firm of independent certified public accountants reasonably satisfactory to Lessor. If Lessee is a c publicly held debt or equity, Lessee also agrees to furnish Lessor during the Term, promptly upon their availabili financial statements, reports, notices and proxy statements, if any, sent by Lessee to its public security holders, a and periodic reports filed by Lessee with the principal securities exchange on which the securities of Lessee are with the Securities and Exchange Commission, including but not limited to 10-K and 10-Q reports. Further, I furnish Lessor from time to time such other information as Lessor may reasonably request.

11. *Warranties.* ***LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A SIMILAR EQUIPMENT AND HAS NOT INSPECTED THE EQUIPMENT PRIOR TO DELIVEI ACCEPTANCE BY LESSEE. LESSOR HAS NOT MADE AND DOES NOT MAKE, BY VIRTUE LEASED THE EQUIPMENT UNDER THIS LEASE OR BY VIRTUE OF ANY NEGOTIATIONS IN F THIS LEASE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE, COMPLIANCE WITH SPECIFICATIONS OR REGULATIONS, QUALITY, VALUE, DURABILITY, S MERCHANTABILITY OR FITNESS FOR USE OR FITNESS FOR A PARTICULAR PURPOSE OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPM EQUIPMENT IS LEASED HEREUNDER BY LESSOR "AS-IS"***

Lessor hereby covenants that, so long as no event of default has occurred and is continuing, co Lessee performing all of the terms, covenants and conditions hereof, Lessor, its successors and assigns, will not quiet possession and use of the Equipment during the Term of this Lease.

So long as no Event of Default (as hereafter defined) has occurred and is continuing, Lessor he Lessee during the Term of this Lease to assert for Lessor's account all of its right, title and interest in, under and in respect of the Equipment issued by the manufacturer thereof, and agrees to execute and deliver such further may be reasonably necessary to enable Lessee to enforce such warranty. All claims or actions on any warranty sl prosecuted by Lessee, at its sole cost and expense, and Lessor shall have no obligation whatsoever to make any warranty. The parties agree that this Lease is intended to qualify as a "finance lease" under Article 2A c Commercial Code. Lessee acknowledges that prior to execution of any IER Lessor has informed Lessee in writ may have rights under the purchase contract(s) under which Lessor acquired the Equipment and that Lessee sho supplier(s) for a description of any such rights.

12. *Insurance.* Throughout the Term of this Lease, Lessee at its own expense shall maintain with Item of Equipment, as provided in the applicable IER: (a) all risk physical loss insurance on such Item of Eq amount at least equal to the greater of the Stipulated Loss Value set out in the applicable IER from time to time, market value with respect to such Item of Equipment and, (b) public liability and property damage insurance such Item of Equipment as set forth in the IER. Such liability insurance shall be on an occurrence basis rathe made basis and it will operate with respect to the Lessor as a separate policy, except as to the limits of liability. shall be primary insurance up to and including the stated policy limits and not excess over other coverage. Such i (i) with respect to liability insurance, name Lessor as an additional insured, (ii) with respect to all risk physical name Lessor as loss payee and additional insured, (iii) waive any and all rights of subrogation which the insure may acquire against the Lessor and, (iv) be with companies satisfactory to Lessor. The Lessor has the right to c insurance at its own expense, provided that such additional insurance does not increase the cost to the Lessee required insurance. There shall be no right of contribution with respect to any insurance maintained by Lessor, other person.. All insurance required hereunder shall provide that coverage may not be altered or canceled without thirty (30) days' prior written notice to Lessor. Losses shall be adjusted only with and paid to, Lessor a and shall reduce Lessee's obligations hereunder. Such insurance shall not be invalidated, as against Lessor, b

inaction of Lessee or any other person and shall insure Lessor regardless of any breach or violation by Less person of any warranties, declarations or conditions contained in the policies evidencing such insurance or in such insurance. All such insurance required hereunder shall be satisfactory to Lessor and shall contain such othe as may be requested by Lessor. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, r of and execute and endorse all documents, checks or drafts for loss or damages or return premium under any i issued on the Equipment; provided however, Lessor shall not exercise this power of attorney unless an Event occurred and is continuing. Lessee's obligations to keep the Equipment insured as provided herein shall co Equipment is returned to Lessor pursuant to the provisions hereof.

The insurance policy shall be endorsed to provide that the Lessor will have no liability for premium of the insurance required hereby. The insurance carried by Lessee with respect to the Equipment shall be no l scope or amount than that carried by Lessee with respect to other comparable equipment. Such insurance shall self-insured retentions. Such insurance shall not include any deductibles except for any deductibles which are Lessee's industry standard and are acceptable to Lessor.

Lessee shall furnish Lessor with insurance certificates evidencing such insurance prior to the A of the applicable IER and prior to the earlier of the expiration of such certificates or each anniversary date of Date. Each certificate of insurance shall be attached to a letter from an insurance broker acceptable to Lessor con underlying insurance policy summarized by the certificate of insurance complies with the requirements of this Lessor's request, Lessee shall provide to Lessor a copy of the entire insurance policy covering the Equipment.

For purposes of this Lease the term "Stipulated Loss Value" for an Item of Equipment as computation shall be the product of (x) the cost paid by Lessor for such Item of Equipment as set forth in the app (y) that Stipulated Loss Value percentage set forth in such IER opposite the applicable rental payment with respe of Equipment.

13. ***Risk, Event of Loss and Condemnation.***

(a) ***Risk:*** Commencing on the Acceptance Date and continuing until the expiration of the Ten and the return by Lessee of the Equipment to Lessor pursuant to the provisions hereof, Lessee assumes the en Event of Loss (as defined below) and no such Event of Loss shall relieve Lessee of any of its obligations hereund

(b) ***Definition - Event of Loss:*** For purposes of this Section an Event of Loss with respec Equipment shall mean any of the following events: **(i)** the actual or constructive total loss of such Item of Equip Item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit use for any reason whatsoever; **(iii)** the condemnation, confiscation or seizure of, or requisition of title to or use o Equipment or, **(iv)** the termination, for any reason whatsoever, of this Lease by operation of law.

(c) ***Deprivation Constituting an Event of Loss:*** Upon the occurrence of an Event of Los promptly give notice thereof to Lessor and shall pay or cause to be paid to Lessor, on the earlier of the next renta or thirty (30) days after the occurrence of an Event of Loss, in immediately available funds: **(i)** accrued rentals on any, with respect to such Item of Equipment to the payment date, **(ii)** the greater of the Stipulated Loss Value f Equipment computed as of such payment date or the then fair market value with respect to such Item of Equipme on the unpaid balance of the amount set forth in (i) and (ii) above at the Overdue Rate from the date such payme date of receipt and, **(iv)** all other unpaid amounts due hereunder. At such time as Lessor has received the sum of ((iv) above, the obligation of Lessee to pay rent hereunder with respect to such Item of Equipment shall terminate transfer to Lessee, without recourse or warranty, ***"AS IS, WHERE IS"***, all of Lessor's right, title and interest, if the Item of Equipment with respect to which such Event of Loss occurred.

(d) ***Deprivation Not Constituting an Event of Loss:*** In the event of damage to any Item of constituting an Event of Loss, Lessee shall promptly notify Lessor in writing of such damage and shall remain obl all payments of rent and other amounts due with respect to such Item of Equipment which may become due h same manner as if such damage had not occurred. Lessee shall repair and restore such Item of Equipment with n components to the condition it was in immediately prior to the occurrence of such damage (assuming such Item was maintained in accordance with the terms of this Lease). So long as no Event of Default shall have oc continuing, all payments from insurance proceeds or otherwise with respect to any such damage shall be use

Lessee for its expenses upon receipt by Lessor of reasonably satisfactory evidence that Lessee has repaire Equipment.

(e) ***Application of Payments:*** Upon the occurrence of any Event of Loss, Lessor shall be enti receive the entire award, judgment, settlement, insurance proceeds or payments and all installments thereof t Lessee's obligations under 13(c) hereof. Lessee hereby assigns to Lessor, to the extent provided in the immedi sentence any right or interest Lessee may have or may hereafter acquire in any such award or payment.

14. ***Indemnity; Exemption of Lessor from Liability.*** Lessee agrees to defend at its own cost an and hold harmless Lessor, its successors and assigns, and their respective agents and employees, from and aga losses, claims, patent infringements, reasonable costs, reasonable expenses (including reasonable, out of pocket damages and liabilities (including those for strict liability in tort), however caused, resulting directly or indirectly from the issuance of Lessor's purchase order, assignment of Lessee's purchase order or agreement to purchase, I delay or refusal to accept delivery, the ownership, purchase, lease, maintenance, possession, return or dis Equipment, or directly or indirectly from or pertaining to the use, condition, design (including without limitatior defects whether or not discoverable) or operation of the Equipment or the performance of this Lease (inc limitation such actual losses, claims, reasonable costs, reasonable expenses, damages and liabilities arising fro injury to agents or employees of Lessee or Lessor or any third person, or damage to the property of Lessee agents or employees, or any third person) except for such damages, losses, expenses or liabilities arising o negligence or willful misconduct of Lessor, its agents or employees. This indemnification shall survive cancellation or other termination of this Lease and is for the benefit of and enforceable by Lessor and its successo

Lessee hereby agrees that Lessor shall not be liable for any damage to Lessee's business or any therefrom or for damage to the goods, wares, merchandise or other property of Lessee, or for injury to the Less officers, directors, agents or invitees, resulting from this Lease or caused in any way by an Item of Equipment.

15. ***Return of Equipment.*** Upon the expiration or earlier termination of the Term of this Lease wi Item of Equipment, or upon request of Lessor pursuant to Section 16(b)(1), Lessee shall return such Item o Lessor, free of all advertising or insignia placed thereon by Lessee, except in the case of payment by Lessee o Loss Value in connection with an Event of Loss, free and clear of all mortgages, liens, security interests, charges, and claims, and in the same operating order, repair, condition and appearance as when received, and shall pay for refurbishing necessary to restore such Item of Equipment to its original condition, ordinary wear and tear excepte return such Item of Equipment to Lessor and shall load and ship same, freight and insurance prepaid, to a destinat Lessor.

In addition, Lessee shall permit Lessor to store any such Item of Equipment for a period not tc (90) days after the expiration of the Term. Until such Item of Equipment shall have been delivered to Lessor, Le any costs of storage and risk of loss. Notwithstanding anything to the contrary contained herein, commencing or of the Term, Lessee shall provide Lessor, or any person designated by Lessor, during normal business hours u prior notice access to such Equipment and will allow Lessor to demonstrate the Equipment to authorized repr agent(s) of prospective purchasers or lessees of such Equipment or Lessor's representative(s) or agent(s), and w representative(s) or agent(s) to examine the maintenance, operating performance or other records relating to su The delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of the L application to any court of equity having jurisdiction Lessor shall be entitled to a decree against Lessee req performance of the covenants of Lessee to assemble, deliver, store and transport the Equipment.

So long as Lessee is in possession of the equipment and `in the event Lessee fails to complete repairs or replacements or return any Item of Equipment as provided in this Section or otherwise fails to co provision of this Section, Lessor may, at its option and in addition to any other remedy or remedies afforded Less law, charge Lessee, and Lessee agrees to pay, interim rent equal to the daily rent equivalent of the rental installm the applicable IER for each day until: **(i)** such repairs and replacements are completed, **(ii)** such Item of Equipmen Lessor and, **(iii)** Lessee takes such other action as is necessary to comply with the provisions of this Section. continuation period Lessee shall, in addition to the payment of interim rent, continue to perform all obligations u Lessor may terminate such continued leasehold interest upon ten (10) days notice to Lessee.

Notwithstanding the foregoing, if Lessor and Lessee have agreed to specific return condition Equipment (which shall be included either as an addendum to this Lease, or contained within the applicable l return conditions shall be controlling to the extent that the conditions are inconsistent with those contained in this

16. ***Default, Remedies and Damages.***

(a) ***Defaults:*** For purposes of this Lease, the following events shall each constitute an "Event

(1) Lessee shall fail to make any payment to Lessor or to third parties when due unde such failure to pay shall continue for a period of thirty (30) or more days after the due date thereof.

(2) There shall occur any termination of, material alteration in the scope of the reduction in the maximum amounts payable under any insurance required to be maintained by Lessee pursuant to

(3) Any representation or warranty made by Lessee herein or by Lessee or any guara obligations to Lessor hereunder (**"Guarantor"**) in any document or certificate furnished Lessor in connection prove to be incorrect when made in any material respect.

(4) Lessee or Guarantor shall fail to perform or observe any other covenant, condition, be performed or observed hereunder or under any guaranty of this Lease and such failure shall continue unremed of thirty (30) days.

(5) Lessee or any Guarantor shall fail to pay any obligation for borrowed money in e million dollars ($11,000,000.00), for the deferred purchase price of property or for the payment of rent or hi scheduled maturity, required prepayment, acceleration, demand or otherwise), which event shall give rise to a cro not a cross default, of the outstanding indebtedness due Lessor.

(6) There shall be entered any judgment, against Lessee or any Guarantor for the pay not paid or covered by insurance in the amount of six million five hundred thousand ($6,500,000.00) or more wh not discharged, appealed or bonded within thirty (30) days.

(7) There shall be: (i) entered a decree or order for relief by a court having jurisdictic Lessee or any Guarantor in an involuntary case under any applicable federal, state or foreign bankruptcy, inso similar law as now or hereafter constituted (collectively, "Bankruptcy Laws"), or the appointing of a receive similar official ("Receiver") of Lessee or any Guarantor for a material portion of its assets, or ordering the liquidation of its affairs and the continuance of any such decree or order remains unstayed and in effect for a peri consecutive days or, (ii) commenced by Lessee or any Guarantor a voluntary case under the Bankruptcy Laws, or it to the appointment of or taking possession by a Receiver for Lessee or any Guarantor or for a material portion the making by it of any assignment for the benefit of creditors, or the admission by it of its insolvency or inal debts as they come due, or (iii) any seizure or attachment of a material portion of the assets of Lessee or of any G is not vacated or bonded within sixty (60) days.

(b) ***Remedies:*** Upon the occurrence and during the continuance and at any time during the any Event of Default, Lessor may in its sole discretion do any one or more of the following with respect to the Eq Item of Equipment:

(1) Instruct Lessee to immediately comply with the provisions of Section 15 (and Lesse to then so comply).

(2) Terminate this Lease.

(3) Enter, with or without legal process, any premises where any Item(s) of Equipmen be and take possession thereof (and Lessee hereby authorizes Lessor to do so).

(4) Instruct Lessee to pay Lessor the Stipulated Loss Value of the Equipment. Lessee than five (5) business days following its receipt of such instruction pay to Lessor: (i) the Stipulated Loss Value o Equipment (calculated as of the rental date immediately preceding the declaration of default) and, (ii) all rentals then due and payable hereunder.

(5) Lessor may, but shall not be required to, sell any Item(s) of Equipment at private o bulk or in parcels, with or without notice, and without having the Item(s) of Equipment present at the place of may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and l Lessee's premises for any or all of the foregoing without liability for rent, costs, damages or otherwise. The pı lease or other disposition, if any, shall be applied upon receipt by Lessor in the following order of priorities: (Lessor's reasonable, out-of-pocket costs, charges and expenses incurred in repossessing, recovering, storing, re leasing or otherwise disposing of Equipment including without limitation reasonable, out-of-pocket attorneys' then, (ii) to the extent not previously paid by Lessee, to pay Lessor all sums then due and payable from Less reimburse Lessee any sums previously paid by Lessee under (4) above and, (iv) any surplus shall be retained by shall pay the sums described in (i) above within five (5) days of billing therefor.

The foregoing remedies are cumulative, and any or all thereof may be exercised in lieu of or in a other or any remedies at law, in equity or under statute. Waiver of any default shall not be waiver of any othe default.

Any Event of Default under the terms of this or any other agreement between Lessor and Lesse waived by Lessor may be declared by Lessor an Event of Default under this and any such other agreement.

17. *Assignment, Merger or Asset Sale By Lessee.* ***WITHOUT THE PRIOR WRITTEN C LESSOR (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD), LESSEE S TRANSFER, SUBLEASE, ASSIGN, PLEDGE OR HYPOTHECATE THIS LEASE, THE EQUIPME PART THEREOF OR ANY INTEREST THEREIN, MERGE INTO OR CONSOLIDATE WITH A CORPORATION OR ENTITY, OR SELL, LEASE OR OTHERWISE DISPOSE OF A MAJORITY OF I IN THE EVENT LESSOR CONSENTS TO ANY OF THE FOREGOING ACTS, LESSEE AGREES TH MAY CHARGE LESSEE A REASONABLE DOCUMENTATION AND ADMINISTRATION FEE NOT ONE THOUSAND DOLLARS ($1,000.00). CONSENT TO ANY OF THE FOREGOING ACTS SH DEEMED TO BE CONSENT TO ANY SUBSEQUENT SIMILAR ACT.***

18. *Assignment by Lessor.* Lessor may assign, pledge or in any other way transfer this Lease and in whole or in part, or any interest therein, without the prior written consent of Lessee, which shall not unreaso and Lessee shall execute such consents thereto as may be required by Lessor. Should this Lease or any inte assigned or should the rentals hereunder be assigned, no breach or default by Lessor of this Lease or any o between Lessee and Lessor shall excuse performance by Lessee of any provision hereof, and no assignee shall perform any covenant, condition or obligation required to be performed by Lessor hereunder. The right of such as free of all defenses, setoffs and counterclaims which Lessee might now or hereafter be entitled to assert against event any assignee agrees to assume the obligations of Lessor, Lessee shall look solely to such assignee, and l released from all further liability hereunder.

19. *Personal Property.* The Equipment shall remain personal property regardless of whether it b or attached to real property or permanently rests upon any real property or any improvement thereon, and Lessee s and enter into all agreements necessary to ensure that the Equipment remains personal property.

Lessee shall keep the Equipment free and clear of any liens, charges, encumbrances or claims of any interest in the real estate on which it is located and any purchaser of or present or future creditor obtaining real estate, and shall promptly obtain and deliver to Lessor a waiver of any such liens or claims as to the recordable form satisfactory to Lessor.

20. *Liens.* Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mo lien, charge, encumbrance, security interest, right or claim of any kind ("Lien") on, or with respect to, any Item title thereto or any interest therein.

Lessee will promptly notify Lessor in writing of the existence of any Lien and will, at Lessee's any such Lien to be duly discharged, dismissed and removed or fully bonded within thirty (30) days after the e same shall have first become known to Lessee or sooner if necessary to prevent the loss of possession of any Item

21. ***Prohibition Against Setoff, Counterclaim, Etc.*** Lessee's obligation to pay all amounts due be absolute and unconditional and shall not be affected by any circumstance whatever, including, without li setoff, counterclaim, defense, or other right which Lessee may have against Lessor, (ii) any defect in the title, cc operation, or fitness for use of, or any damage to or loss or destruction of, or breach of warranty with respect to or any interruption or cessation in the use or possession thereof by Lessee for any reason whatsoever, or (iii) bankruptcy, reorganization or similar proceedings by or against Lessee or Lessor.

22. ***Representations, Warranties and Covenants of Lessee.*** Lessee represents, warrants and cov is duly organized and existing in good standing under the laws of the state in which it is organized, with the nece: qualifications to perform this Lease, **(ii)** that this Lease has been duly authorized by all necessary action on th and will not contravene or breach any legal, **(i)** of the Lessee's organizational documents, **(ii)** material law or re material contract to which Lessee is a party, (iii) that this Lease constitutes valid, binding and enforceable oblig and is enforceable in accordance with its terms, **(iv)** that as of the date of each IER there are no suits or proceed threatened against Lessee which there is a reasonably possibility of an adverse determination and that, if advers would reasonably be expected to have a material adverse effect on Lessee's financial condition or business, (v date of each IER, to the Lessee's knowledge, no material adverse change in Lessee's financial condition as re most recent financial statements submitted to Lessor has occurred and, **(vi)** the Lessee has reviewed the effect o Issue on the computer software, hardware and firmware systems and equipment containing embedded micro operated by or for the Lessee or used or relied upon in the conduct of its business (including systems and equipm others or with which such computer systems of the Lessee interface) and that the costs to the Lessee of any required as a result of the Year 2000 Issue to permit the proper functioning of such systems and equipment processing of data, and the testing of such reprogramming, and of the reasonably foreseeable consequences of Issue to the Lessee (including reprogramming errors and the failure of systems or equipment supplied by others) material adverse effect on the Lessee's earnings, cash flow or financial condition. "Year 2000 Issue" shall me the computer software, hardware and firmware systems and equipment containing embedded computer chips to p transmit, process, manipulate, store, retrieve, re-transmit or in any other way utilize date and information due to of the year 2000 or the inclusion of dates on or after January 1, 2000.

23. ***Attorneys' Fees.*** Lessee shall pay all costs and reasonable out-of-pocket attorneys' fees incur collecting or attempting to collect any sums owed under this Lease or in enforcing any of Lessor's rights or rem Lease including without limitation obtaining possession of the Equipment or seeking relief from stay or otl bankruptcy court.

24. ***Notices.*** All notices, requests and demands to or upon any party hereto shall be deemed duly when sent if given by telecopier, when delivered if given by personal delivery or overnight commercial carri calendar day after deposit in the United States mail, certified mail, return receipt requested, addressed to such par set forth below. All notices required under the terms and provisions hereof shall be in writing and addressed **(i)** if

IF TO LESSEE:

Mark Burgess
JL French Automotive Castings, Inc.
3101 South Taylor Drive
Sheboygan, WI 53082-1024

or at such other address as Lessee shall from time to time designate in writing to Lessor or, **(ii)** if to Lessor:

IF TO LESSOR:

BCC Equipment Leasing Corporation
3780 Kilroy Airport Way, Suite 750
Long Beach, California 90806-6806

Attention: Vice President -
Commercial Equipment Leasing

or at such other address as Lessor shall from time to time designate in writing to Lessee.

25. ***Conditions Precedent.*** As conditions precedent to Lessor's duties under this Lease, Lessee Lessor on or before the Acceptance Date for each IER under this Lease the following, all of which shall be sati waived by) Lessor: **(a)** an opinion of counsel for Lessee with respect to those representations set forth in Sectio (iv) inclusive hereof and with respect to such other matters as Lessor may require, **(b)** board of directors' partnership authorizations, as the case may be, authorizing this Lease and Lessee's performance hereunder, **(c)** insurance, **(d)** real property waivers, if applicable, and (e) such other documents and evidence of authority for L may require.

26. ***Miscellaneous.*** No delay or omission to exercise any right, power or remedy accruing to L breach or default by Lessee under this Lease shall impair any such right, power or remedy; nor shall any such del be construed as a waiver of any breach or default, or of any similar breach or default thereafter occurring; nor shal a single breach or default be deemed a waiver of any subsequent breach or default; nor shall consent by Lesso Lessee be deemed to be consent to any subsequent similar act.

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction sha jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remain hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unen provision in any other jurisdiction.

To the extent permitted by applicable law, Lessee hereby waives any provision of law whi provision of this Lease prohibited or unenforceable in any respect. Any action by Lessee against Lessor for Lessor under this Lease shall be barred unless commenced within one (1) year after any such default occurs.

This Lease shall be binding upon, and inure to the benefit of, Lessee and Lessor and t successors and permitted assigns. If there is more than one Lessee, the obligations of Lessee hereunder are joi Time is of the essence of each and every obligation under this Lease.

Lessee hereby authorizes Lessor to correct patent errors and to fill in such blanks as serial num herein and in the Individual Equipment Records and in any document executed in connection herewith.

27. ***Recording, Registration and Filing.*** All searches, recordings, registrations, and filings required by law or requested by Lessor to protect Lessor's title and interest in the Equipment, shall be accomplis expense in a manner satisfactory to Lessor. Lessee agrees to execute all documents deemed necessary by Le Lessor's interest in the Equipment. Provided an Event of Default has occurred and is continuing, Lessee hereby a as Lessee's irrevocable agent and attorney-in-fact to execute all such documents.

28. ***Tax Indemnity***

(a) Lessee hereby represents and warrants to Lessor (such term for the purpose of th meaning Lessor and the corporations with which Lessor consolidates its United States Federal incom that:

(1) all of the Equipment has a Class Life as set forth in the IER and is deprecia extent of Lessor's cost for such Item of Equipment, as set forth in the IER (**"Equipment Co** to Section 168 of the Internal Revenue Code of 1986, as amended from time to time, and an that are or may be promulgated thereunder (**"Code"**), under the method and over the recov forth in the IER;

(2) the Equipment Cost does not exceed the fair market value of the Equipme Lessor purchased the Equipment from the Lessee, the Lessee's adjusted basis in the Equipmen prior to such acquisition; and

(3) each Item of Equipment will be placed in service on the Acceptance Date;

(b) Lessee covenants to Lessor and agrees that:

(1) it will characterize the relationship herein established as a lease and will for all purposes;

(2) it shall not utilize or claim or attempt to utilize or claim the accelerate deductions equal to 100% of Equipment Cost provided by Section 168 of the Code and com method and over the recovery period set forth in the IER (**"ACRS Deductions"**), an deductions equal to 100% of Equipment Cost based on those allowable for property with a C forth in the IER using the most accelerated method available under applicable state or local alternative minimum tax law (**"Depreciation Deductions"**) on the Equipment in the c Federal, state, and local tax returns and reports for each year during the Term of this Lease;

(3) each Item of Equipment will be used only in the continental United State normal business operations of the Lessee; and

(4) it will neither take any action, nor fail to take any action (including wit actions or failures to act otherwise permitted hereunder), which will have the result of cau recognize any item of income with respect to this Lease, except amounts received by Le characterized as rent or additional rent by this Lease (**"Other Income"**), or to lose or to r any part of the ACRS Deductions or Depreciation Deductions attributable to the Equ ownership thereof.

In the event any of Lessee's representations, warranties or covenants set forth in this Se incorrect for any reason whatsoever at any time or Lessee breaches any covenant hereunder and Les Other Income or loses all or part of the benefit of the ACRS Deductions or Depreciation Deductions the Equipment or is required to recapture all or any part of the ACRS Deductions or Depreciati attributable to the Equipment (**"Loss"**), Lessee shall indemnify and shall pay to Lessor, with respect t sum, which, after deduction of all taxes required to be paid by Lessor in respect of the receipt of such laws of any Federal, state or local government or taxing authority in the United States (or which wo required to be paid by Lessor upon such receipt had Lessor had sufficient gross income within th Section 61 of the Code, or the applicable state or local law, to actually pay such tax) shall be eq amount of additional Federal, state, or local income taxes required to be paid with respect to such I would have been required to be paid by Lessor for such Loss had Lessor had sufficient gross inco meaning of Section 61 of the Code, or the applicable state or local law, to actually pay such tax or der of such deduction), plus, **(b)** the amount of any penalties, interest, and other additions to tax (incl limited to, any additions to tax because of underpayment of estimated tax) which may be payable connection with the Loss. The amount of payment will be reduced by any savings in Federal inco realized by Lessor in the future as a result of the Loss discounted to present value using the Discount R

The liability of Lessee to make any indemnity payments hereunder shall become fixed at th makes payment of the tax attributable to the Loss, or if Lessor is not required to make payment of tax the Loss, the date on which Lessor files its tax return for the taxable year in which such Loss occur due and payable within 15 days after receipt by Lessee of written notice from Lessor as to the liability. Lessee shall pay interest on any indemnity payment not made when due at the Overdue Rate.

The indemnification provided herein shall survive the expiration or other termination of the L

29. ***Counterparts.*** This Lease may be executed by the parties hereto in separate counterparts, each so executed and delivered shall be an original, but all such counterparts shall together constitute the same instrume

30. ***Written Amendments to Lease.*** This Lease, together with each IER and any exhibits, amen addenda or other documents or instruments executed by Lessee and/or Lessor in connection herewith, constit agreement between Lessor and Lessee and shall supersede all prior or contemporaneous discussions, ne agreements, whether written or oral, between Lessor and Lessee with respect to the lease of the Equipment incl limitation, any term sheet, proposal or commitment letter prepared in connection with this Lease. This Lease ma waived, discharged or terminated only by an instrument in writing signed by the party against which the enfo change, waiver, discharge or termination is sought.

By executing this provision below, Lessee agrees that the provision concerning a separately si pursuant to California Commercial Code Section 10208(b) (UCC Section 2A-208) has been complied with.

31. *Quiet Enjoyment.* So long as no Event of Default has occurred and is continuing, interfere with Lessee's quiet enjoyment and use of the Equipment during the Term hereof.

Lessee's signature

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their officers on the date and year first written above.

LESSOR:	**LESSEE:**
BCC Equipment Leasing Corporation	**JL FRENCH AUTOMOTICE CASTINGS,**
By:	**By:**
Printed Name James C. Hammersmith	**Printed Name:** Mark S / Bryan
Title: Senior Documentation Officer	**Title:** EVP + CFO

ITEM	P. O. NUMBER	MANUFACTURER	DESCRIPTION	OPERATION	SERIAL NUMBER	COST
(1)	EN 76343-00	Tool North	One (1) Planetary Dial Index 10 Station Index Machine Non-Perishable Cutting Tools	Op 40	B-24150	$1,363,515.00 $ 77,400.00
					SUB TOTAL	$1,440,915.00
(2)	EN 76244	OKUMA HMC	Three (3) Machining Center Non Perishable Cutting Tools	Op 20	0399 0472 0474	$ 990,968.00 $ 17,110.00
					SUB TOTAL	$1,008,078.00
(3)	EN76173-00	Ingersoll	Vertical Milling Machine Model 9870 Non Perishable Cutting Tools	Op 10	2137	$221,000.00 $ 11,000.00
					SUB TOTAL	$232,000.00

INITIAL: LESSOR: LESSEE:

BCC EQUIPMENT LEASING CORPORATION

Lease Addendum No. 1
to
Equipment Lease Agreement No. 3974-0

In connection with that certain Equipment Lease Agreement dated as of March 19, 200 between BCC Equipment Leasing Corporation (**"Lessor"**), and JL French Automotive ((**"Lessee"**), covering the items of equipment (**"Equipment"**), described in any and all exist Individual Equipment Records (**"IERs"**), thereto, it is agreed that upon execution hereof b hereto, this Lease Addendum No. 1 shall constitute a part of the Lease. Capitalized terms defined herein shall have the meanings assigned to them in the Lease.

Lessee is hereby granted an option, which option shall not be assignable, to purch **WHERE-IS"** all, but not less than all, of the Equipment covered by all of the IERs, at the exp Base Term of each IER, for its then fair market value (**"FMV"**), as hereinafter defined.

FMV shall mean the selling price that would be obtained in an arms-length transactio informed and willing buyer and an informed and willing seller each under no compulsion tc FMV shall be determined on the basis that the Equipment is in complete compliance with a specified in the Lease and IER and that the Equipment is installed and/or in service and removal, preparation for shipment or transportation, or diminution in value caused by transportation shall not be deducted in determining the FMV of the Equipment.

Lessee's right to exercise this option is subject to the following conditions preceden shall have performed all of the terms and conditions of the Lease and of all other agreem Lessor and Lessee at the time and in the manner required therein and neither an Event of D event which with notice and/or lapse of time would constitute an Event of Default under default under any other such agreement shall have occurred and be continuing; **(b)** Lesso received written notice of the election to exercise said option at least 120 days prior to the exp Base Term of the first expiring IER and, **(c)** Lessee shall have paid to Lessor the FMV of th covered by any expired IER together with all Taxes due under the Lease or arising from or sale of the Equipment.

The FMV for each IER shall be determined as follows:

(1) Between 150 and 120 days prior to the expiration of the Base Term, Lessee s reasonable estimate of the FMV of the applicable Equipment to the Lessor;

(2) At least 60 days prior to expiration of the Base Term, Lessor shall either: **(i)** estimate, **(ii)** negotiate a mutually acceptable FMV with Lessee or, **(iii)** employ a independent appraiser consented to by Lessee, which consent shall not be unreasonably determine the FMV;

(3) At least 30 days prior to the expiration of the Base Term, if an appraiser ha selected and consented to, the Lessor and Lessee shall each appoint a recognized independ to determine the FMV; and

(4) At least 15 days prior to the expiration of the Base Term, if the appraise under (3) above have not agreed upon the FMV, the two appraisers shall by mutual cons third party independent appraiser who shall determine the FMV. If the appraisers cann mutually acceptable third party appraiser at least 10 days prior to the expiration of the Lessor shall submit the determination of FMV to the American Arbitration Associa successor thereto) which shall appoint an appraiser whose determination shall be final Lessee shall pay to Lessor the FMV of the Equipment covered by any expired IER on the expiration, together with all Taxes due under the Lease or arising from or related to th Equipment. The FMV, as finally determined, and any other amounts due under this Leas No. 1, shall bear interest at the Overdue Rate for the period, if any, from the date of exp IER to the date of payment, and the cost of all appraisals shall be borne by Lessee.

By Lessee's purchase of the Equipment covered by the first expiring IER entered int the Lease, Lessee agrees that it shall thereafter purchase, upon the terms and conditions set fo remainder of the Equipment covered by the Lease.

Lessor:	Lessee:
BCC Equipment Leasing Corporation	**JL French Automotive Castin**
By:	**By:**
Printed Name: James C. Hammersmith	**Printed Name:**
Senior Documentation Officer	
Title:	**Title:** EVP & CFO

BCC EQUIPMENT LEASING CORPORATION

Lease Addendum No. 2
to
Equipment Lease Agreement No. 3974-0

In connection with that certain Equipment Lease Agreement dated as of March 1 **"Lease"**), between BCC Equipment Leasing Corporation (**"Lessor"**), and JL French Automot Inc. (**"Lessee"**), covering the items of equipment (**"Equipment"**), described in any and al future Individual Equipment Records (**"IERs"**), thereto, it is agreed that upon execution h parties hereto, this Lease Addendum No. 2 shall constitute a part of the Lease. Capitalized te not defined herein shall have the meanings assigned to them in the Lease.

Lessee is hereby granted an option, which option shall not be assignable, to renew th with respect to all, but not less than all, of the Equipment covered by all of the IERs, commen Item of Equipment at the expiration of the Base Term of each IER and ending one year ther Equipment's then **"Fair Rental Value"** (as hereinafter defined).

The Fair Rental Value shall mean the monthly rental that would be obtained in an arms transaction for the Equipment for the renewal term between an informed and willing lessor and and willing lessee each under no compulsion to lease. Fair Rental Value shall be determined that the Equipment is in complete compliance with all conditions specified in the Lease and the Equipment is installed and/or in service and any cost of removal, preparation for transportation or diminution in value caused by removal or transportation shall not be determining the Fair Rental Value of the Equipment.

Lessee's right to exercise this option is subject to the following conditions precedent shall have performed all of the terms and conditions of the Lease and of all other agreeme Lessor and Lessee at the time and in the manner required therein and neither an Event of D event which with notice and/or lapse of time would constitute an Event of Default under default under any other such agreement shall have occurred and be continuing and, **(b)** Less received written notice of the election to exercise said option at least one hundred twenty (120) the date upon which the Base Term of the first expiring IER under the Lease expires.

The Fair Rental Value for each IER shall be determined as follows:

(1) Between 150 and 120 days prior to the expiration of the Base Term, Lessee s reasonable estimate of the Fair Rental Value of the applicable Equipment to the Lessor;

(2) At least 60 days prior to the expiration of the Base Term, Lessor shall either: **(i)** estimate, **(ii)** negotiate a mutually acceptable Fair Rental Value with Lessee or, **(iii)** employ independent appraiser consented to by Lessee, which consent shall not be unreasonably determine the Fair Rental Value;

(3) At least 30 days prior to the expiration of the Base Term, if the appraiser has selected and consented to, Lessor and Lessee shall each appoint a recognized independent determine the Fair Rental Value; and

(4) At lease 15 days prior to the expiration of the Base Term, if the appraisers app (3) above have not agreed upon the Fair Rental Value, the two appraisers shall by mutual cons third party independent appraiser who shall determine the Fair Rental Value. If the appraisers on a mutually acceptable third party appraiser at least 10 days prior to the expiration of the Lessor shall submit the determination of the Fair Rental Value to the American Arbitration As any successor thereto) which shall appoint an appraiser whose determination shall be final Lessee shall pay to Lessor applicable rental, based on the Fair Rental Value of the Equipmen any expired IER on the due date(s) of such rent, together with all Taxes due under the Lease or or related to the rental of the Equipment. The Fair Rental Value, as finally determined, a amounts due under this Lease Addendum No. 2, shall bear interest at the Overdue Rate for any, from the date of expiration of the IER to the date of payment, and the cost of all appra borne by Lessee.

By Lessee's renewal of the Lease Term for the Equipment covered by the first expiring into pursuant to the Lease, Lessee agrees that it shall thereafter renew the Lease Term, upon t conditions set forth herein, for the remainder of the Equipment covered by the Lease. If renewed, all terms of the Lease shall remain in full force and effect unamended, except that th be as set forth herein.

Lessor:	**Lessee:**
BCC Equipment Leasing Corporation	**JL French Automotive Castings, I**
By:	**By:**
Printed Name: James C. Hammersmith	**Printed Name:**
Title: Senior Documentation Officer	**Title:** EVP + CFO

LEASE RENEWAL AMENDMENT
1018065-001

THIS LEASE RENEWAL AMENDMENT dated as of December 1, 2006 ("Amendment") amends BCC Equipment Leasing Corporation IER No. 39740-001 ("Schedule") to the Master Lease Agreement dated as of March 19, 2002 ("Agreement"), such Schedule and Agreement, as the same may have been heretofore amended or otherwise modified, are hereinafter collectively referred to as the ("Lease") between General Electric Capital Corporation as assigned by BCC Equipment Leasing Corporation (Lessor") and J L French Automotive Castings, Inc. ("Lessee"). Capitalized terms not defined herein shall have the meanings assigned to them in the Lease.

WITNESSETH

WHEREAS, the term of the Lease is scheduled to expire on March 30, 2007 ("Primary Term Expiration Date"); and

WHEREAS, Lessee desires to renew the Lease pursuant to the terms set forth herein; and

WHEREAS, Lessor is willing to consent to such renewal pursuant to the terms set forth herein;

NOW, THEREFORE, in consideration of the above premises and the mutual promises contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Commencing on December 1, 2006 the Lease shall be renewed for an additional period of Forty-Eight (48) months ("Renewal Term") on and subject to the same terms and conditions as set forth in the Lease, except as otherwise expressly provided herein:

(a) Commencing on December 1, 2006 and on the same day of each month thereafter throughout the Renewed Term, Lessee shall pay to Lessor One (1) payment of Twenty thousand six hundred eighty one Dollars and 61/100 ($20,681.61) ,directly followed by Two (2) payments of Zero Dollars ($0.00) ,directly followed by Forty-Five (45) monthly payments of Forty-nine thousand seven hundred two Dollars and 81/100 ($49,702.81) as periodic rent ("Periodic Rent") plus all applicable sales, use and other taxes thereon.

(b) During the Renewed Term, the Stipulated Loss Value and Termination Value for any Equipment shall be equal to its Capitalized Lessors Cost (as such cost amount is specified in the Lease) multiplied by the appropriate percentage set forth in Exhibit A hereto.

2. Lessee hereby represents and warrants that all of the representations and warranties included in the Lease are true and correct as of the date first above written.

3. Except as expressly modified herein, all terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Amendment as of the date first above written.

LESSOR:	LESSEE:
GENERAL ELECTRIC CAPITAL CORPORATION	J L FRENCH AUTOMOTIVE CASTINGS, INC.
By:	By:
Title: Portfolio Growth Manager	Title: VP Finance & Treasurer

EXHIBIT A
TO
LEASE RENEWAL AMENDMENT
DATED AS OF 12/01/06
1018065-001
CAPITALIZED LESSORS COST- $4,556,314.01
STIPULATED LOSS VALUE AND TERMINATION VALUE TABLES

RENTAL PAYMENT NUMBER	T/V AND S/L/V PERCENTAGE *
1	53.7527
2	53.6488
3	54.0001
4	54.3443
5	53.5899
6	52.8274
7	52.0567
8	51.2778
9	50.4916
10	49.6972
11	48.8944
12	48.0843
13	47.2659
14	46.4392
15	45.6050
16	44.7634
17	43.9159
18	43.0624
19	42.2031
20	41.3378
21	40.4649
22	39.5862
23	38.7014
24	37.8090
25	36.9107
26	36.0063
27	35.0942
28	34.1748
29	33.2488
30	32.3168
31	31.3786
32	30.4342
33	29.4821
34	28.5236
35	27.5588
36	26.5861
37	25.6071
38	24.6217
39	23.6282
40	22.6268
41	21.6194
42	20.6060
43	19.5864
44	18.5608
45	17.5270
46	16.4870
47	15.4408
48	14.3863

INITIALED: SS JDN INITIALED: SS

*The Stipulated Loss Value or Termination Value for any unit of Equipment shall be equal to its Capitalized Lessor's Cost (as such cost amount is specified in the Lease) multiplied by the appropriate percentage derived from the above tables.

EXHIBIT B

LETTER OF CREDIT AGREEMENT

THIS LETTER OF CREDIT AGREEMENT ("Agreement"), is mad entered into as of the 19 th day of March, 2002, by and between BCC Equipment Le Corporation, a Delaware corporation (**"Lessor"**), and JL French Automotive Cas Inc., a Delaware corporation (**"Lessee"**).

RECITALS

A. The parties hereto have entered into that Equipment Lease Agreemer 3974-0 dated as of March 19, 2002 (together with all existing and future supplen amendments, addenda, individual equipment records, supplements and riders th collectively the **"Lease"**), providing for the lease by Lessor and the hire by Less certain die casting machining centers, **(collectively referred to as the "Equipment'**

B. In order to induce Lessor to enter into and fund the Lease, Lesse caused to be issued to Lessor by a commercial bank satisfactory to Lessor an irrevo standby letter of credit in the face amount of Six Hundred, Eighty Three Thousand, S Hundred, Forty Seven and, 19/100 ($683,747.19) Dollars, including any renew replacement thereof, **(the "Letter of Credit")**; and

C. The parties hereto have entered into this Agreement for the purpo clarifying the rights of Lessor with respect to the Letter of Credit.

AGREEMENT

1. Upon the occurrence of an Event of Default by Lessee under the Lea any IER entered into pursuant to said Lease, Lessor shall have the right, in additi and without limiting its rights to exercise any and all remedies available to it unde Lease, the Payment Agreement or any other agreement or at law, upon ten (10) prior written notice to Lessee, to draw against the Letter of Credit in an amount suffi to compensate Lessor for all damages, losses, costs and expenses suffered or incurr Lessor subject to the terms of the Lease.

2. Lessor shall have the right to draw up to the then available balance Letter of Credit if Lessee fails to cause the issuing bank, or another bank satisfact Lessor in its sole discretion, to furnish to Lessor its written commitment to ren replace the Letter of Credit on the same terms and conditions, or such other term conditions as may be satisfactory to Lessor in its sole discretion, on or before the fifth day preceding its expiry date then in effect, provided the term of any renev replacement shall not exceed a date which is ninety (90) business days after the expi of the Base Term of the Lease. In this event the Lease shall continue in full forc effect and sums so drawn shall be held by Lessor without interest as a security d and may be applied by Lessor, following the occurrence of an Event of Default und Lease, to compensate Lessor for all damages, losses, costs and expenses suffer incurred by Lessor arising under the Lease or any other agreement or at law. Any held as a security deposit shall be returned to Lessee upon expiration of the Lease or Lessee obtaining the Moody's ratings as reference in Section 5 below and performan Lessee of all of its obligations thereunder.

3. If Lessor applies all or any portion of the proceeds of the Letter of (on account of an Event of Default or default as authorized by Section 1 hereof, application shall not be deemed a cure of such Event of Default or default unless L shall within ten (10) calendar days cause the Letter of Credit to be replaced on the terms and conditions (including the same face amount), or such other terms conditions as may be satisfactory to Lessor in its sole discretion by the issuing ba another bank satisfactory to Lessor in its sole discretion.

4. Subject to the preceding sections and to compliance with the terms (Letter of Credit, Lessor shall have the right to draw against the Letter of Credit in o more installments of any amount in its sole discretion.

5. Lessee shall maintain the Letter of Credit in effect until the earlier o the date which is fifty (50) days following expiration of the Base Term of the Lea (b) the date when Lessee attains a Moody's rating of Ba3 or better.

6. This Agreement may be executed in two or more counterparts \ together shall constitute one and same instrument.

7. Any conflict between the terms of this Agreement and the terms c Letter of Credit shall be resolved in favor of the Letter of Credit.

IN WITNESS WHEREOF, the parties hereto have executed this Agreem of the date first above written.

BCC EQUIPMENT LEASING CORPORATION, LESSOR	**JL FRENCH AUTOMOTIVE CASTINGS, INC., LESSEE**
By:	**By:**
Printed Name: ~~James C. Hammersmith~~ Senior Documentation Officer	**Printed Name:**
Title:	**Title:** EVP + CFO

EXHIBIT C

ORIGINAL

Merrill Lynch

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, than 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

EXHIBIT
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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. <u>ASSIGNMENT.</u> (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. <u>MISCELLANEOUS.</u> (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.

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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: _____

Name: Steve Coley

Title: VP Group Credit Manager

222 N. LaSalle Street
16th Floor
Chicago, Illinois 60601
Facsimile: 312.750.6108

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.
Lessee

By: _____

Name: James Amodeo

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: _____

Name: James Amodeo

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

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	16.67706432
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:

Company Name	Address	Amount
J.L.French Corporation	3101 S. Taylor Sheboygan, WI. 53082	6,480,518.00

Account Name	Bank Name/Bank City & State	Bank Account Number:
J.L. French Corporation	U.S. BANK NA Milwaukee, WI. 53259	1-823-2263-0845
		Bank ABA Number:
		075000022

12. **PURCHASE/ LEASEBACK**

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

a. 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.

b. 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.

c. 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: _____

Name: Steve Cooley

Title: VP, Group Credit Manager

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.
Lessee

By: _____

Name: James Amodeo

Title: CFO

J.L. FRENCH CORPORATION
Lessee

By: _____

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 Cutting Machine, Immersion Washer/Dryer, Virtual Condition Gage, Horizontal Milling Machine*

Line Item Description	Sub-Supplier Name, Internal Lab	P.O. Number	P.O. Date	Number
CNC Machine HS630	State Machine	033006	07/01/03	5120
	Serial # HS630, HS63109			5132
				5292
Add machine Fixtures mounted into CNC	Tool North	033421-01	07/21/03	6186
	This PO split with Capital = 73.7% Tool=26.3%			6513
	Provide Serial #'s - None			6516
				6556
				6584
				6579
				6835
				6628
Cool Jet High Pressure Coolant System Mo	Cyber CNC	044288	03/31/04	2040315
	Provide Serial # - None			

SCHEDULE OF EQUIPMENT

Line Item Description	Sub-Supplier Name.	Internal Lab'O Number	P.O. Date	Number
CNC Audit Machine				
3 Machines 2 fixtures each	Leader Engineering	029011-03	04/21/04	20641
Quote includes design costs per June 4,2[illegible]	This PO Split with Cap(45.5%) Cap COMPLETE			20785
2 air water and 1 air decay prod tester				20794
Spare fixtures also	[illegible]			20791
	299-2 PO- Proto Cart test leak testers $83K 1 spare p			20811
				20851
	Serial #'s on project 0027 50-2-			20934
				20787
				20943
Modify ISI leak checker add seal replace la	Leader Engineering	045801	04/23/04	21184
2nd station on 1st machine added	Leader Engineering	047183	05/21/04	21318
	This PO Split with Cap(45.7%) Tool (54.3%)			21337
Modify 2 filter clks on bulkhead chgs	Leader Engineering	049844	07/30/04	21339
	This PO Split with Cap(50%) Tool(50%)			
1st Production 2 station leak checker	002751-1-1A & 002751-1-1B			
Used for Proto then move to off site warehous	Leader Engineering	029912-01	04/24/03	20642
	Air under water	COMPLETE		20783
				20792
				20850
Leak Testers				
This includes the Coolant system.	Grob Systems Inc	004009	08/10/03	2132
	REVISED % SPLIT TOOL 44.11% CAPT 55.89% 10/2[illegible]			2154
	Serial #'s GU1244			2153
	Filtration System #6851			
	Castrol	053803	10/22/04	920073
	Freight to move equip from Grob			01E-02
OP 10,20,30, lube system, index unit,d61 add to op10, feed carveyor, coolant system, training. Ship machine, rigging				
Electrical run in bidding for Grob	S & S Electric	048477	06/21/04	1885
				1892
	Provide Serial #'s - None			1903
				1907

SCHEDULE OF EQUIPMENT

Line Item Description	Sub-Supplier Name, Internal Lab	P.O. Numbe	P.O. Date	Number
Utilities for machine				
Super Cubing Machine Line				
	Ransohoff	248522-02	050604	4423
				25993
	Serial # 4423			28258
				28269
				28275
				20364
Washer Dryer				
	Alsark Mfgering	016310	050404	31237
	Tool=57% Capt 43%			31861
	Serial # 42021			
VC Gage				
LOCATION OF PROPERTY:				
3101 S. Taylor, Sheboygan, WI. 53082				

0104024-002

Merrill Lynch

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		
10/1/2007	54.60255709		

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:

Company Name	Address	Amount
J.L.French Corporation	3101 S. Taylor Sheboygan, WI. 53082	$1,903,762.51

Account Name	Bank Name/Bank City & State	Bank Account Number:
J.L. French Corporation	Wells Fargo Bank San Francisco, CA. 94104	4121057608
		Bank ABA Number:
		121000248

	Amount
April 1st rent payment to be deducted up-front	-$40,003.83
	Total Amount
	$1,863,758.68

12. **PURCHASE/ LEASEBACK**

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

a. 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.

b. 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.

c. 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 COLEY

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 Machine, Immersion Washer/Dryer, Virtual Cond compressor*
LESSOR'S CAPITALIZED COST OF PROPERTY: $** **$ 1,903,762.51
LOCATION OF PROPERTY: 3101 S. Taylor , Sheboygan, WI, 53082
Subject/Part Number: 04884657AA & 04884658AA CE830039
Part Number Description: Chrysler Engine Block

Line Item Description	Sub-Supplier Name, Internal Labor	P.O. Number	P.O. Date	Invoice #	Date	AMOUNT	
This includes the Coolant system. OP 10,20,30, lube system, index units,d81 add to op10, feed conveyor, coolant system, training. Ship machine, rigging	Serial #'s GU1244 Grob Systems, Inc	034669	08/18/03				
	REVISED % SPLIT TOOL44.11%/ 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	$ 17,972.97	03/14/05
				2132-B	03/18/05	$ 259,447.67	03/18/05
				2154-B	03/18/05	$ 583,820.65	03/18/05
				2153-B	03/18/05	$ 698,908.13	03/18/05
				2236-B	03/18/05	$ 9,710.19	03/18/05
				2234-B	03/18/05	$ 5,990.99	03/18/05
				2235-B	03/18/05	$ 27,125.96	03/18/05
Electrical run in bidding for washer	S & S Electric LABOR	051269	08/27/04				
Electicial run in bidding for Grob	Provide Serial #'s - None	048477	06/21/04	1914	12/03/04	$ 42,752.00	01/24/05
				1930	01/21/05	$ 10,658.00	01/24/05
Grob Line Capital Lease							
Washer/Dryer	Serial # 4423 Ransohoff	045522-02	05/06/04				
Block Washer LEASED				28861	12/31/04	$ 72,362.50	01/21/05
	Alsark Milgering Tool=57% Capt 43% Serial # 42021	046310	05/04/04				
VC Gage LEASED				33773	01/06/05	$ 105,070.00	01/12/05
Total Equip on DCX Block Line Leased							

Total: **$ 1,903,762.51**

LESSEE'S INITALS:
LESSEE'S INITALS:

EXHIBIT D

MASTER LEASE AGREEMENT

Lessor: **TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORP**
Riverway II, West Office Tower
9399 West Higgins Road
Rosemont, Illinois 60018

Lessee: **J.L. FRENCH AUTOMOTIVE CASTINGS, INC.**
3101 South Taylor Drive
Sheboygan, WIsconsin 53082-1024

This Master Lease Agreement ("Agreement") is made and entered into by and between Transamerica Equipment Financial Services Corporation, its successors and assigns ("Lessor") and the Lessee named above, its permitted successors and assigns (the "Lessee"). The parties may, now or in the future, enter into one or more Equipment Schedules (each a "Schedule") which refer to and incorporate by reference this Agreement. Each Schedule shall constitute a lease (each, a "Lease") for the Equipment (defined below) specified therein. Additional details pertaining to each Lease are specified in the applicable Schedule. Lessor has no obligation to enter into any additional Leases with, or extend any future financing to, Lessee.

1. **LEASE.** Subject to and upon all of the terms and conditions of this Agreement and each Schedule, Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor the property described in each such Schedule, together with all present and future additions, parts, accessories, attachments, substitutions, repairs, improvements and replacements thereof or thereto (the "Equipment") for the Term (as defined in Section 2 below) thereof.

2. **TERM.** Each Lease shall be effective and the term of each Lease ("Term") shall commence on the date of Lessor's acceptance of the applicable Schedule executed by Lessee and, unless sooner terminated or renewed (as hereinafter provided), shall expire on the Term Expiration Date specified in each Schedule; *provided, however,* that obligations due to be performed by the Lessee during the Term shall continue until they have been performed in full.

3. **RENT.** Lessee shall pay to Lessor or its assignee, without invoice or other written notice or demand (except as expressly provided in any Schedule) for use of the Equipment during the Term, payments equal to the sum of all rental payments including, without limitation, security deposits and interim rents, payable in the amounts and on the dates specified in the applicable Schedule ("Rent"). Timeliness of Lessee's payment and its other performance under any Lease is of the essence. If any Rent or other amount payable by Lessee hereunder is not paid within ten (10) days after its due date, Lessee agrees to pay on demand, a late charge calculated thereon at the rate of 1½% per month for so long such Rent or other amount remains unpaid after the original due date or, at Lessor's option, a one-time charge equal to five percent (5%) of such unpaid Rent or other amount due hereunder, but only to the extent permitted by applicable law, otherwise at the highest rate Lessee can legally obligate itself to pay or Lessor can legally collect. All payments provided for herein shall be payable to Lessor at its address specified above, or at any other place designated by Lessor.

4. **LEASE NOT CANCELABLE; LESSEE'S OBLIGATIONS ABSOLUTE.** No Lease may be prepaid, canceled or terminated except as expressly provided herein or in the respective Schedule or other written rider or amendment to the Lease, executed by both Lessor and Lessee. Lessee's obligation to pay all Rent due or to become due hereunder shall be absolute and unconditional and shall not be subject to any delay, reduction, set-off, defense, counterclaim, abatement or recoupment for any reason whatsoever, including any rights or claims Lessee may have against any person or entity, including, but not limited to, the manufacturer, vendor, or supplier of the Equipment related to any defects, malfunctions, breakdowns or infirmities in the Equipment or any representations by the manufacturer, supplier or vendor thereof or any accident, condemnation or unforeseen circumstances. If the Equipment is unsatisfactory for any reason, Lessee shall make any claim solely against the manufacturer, supplier or vendor thereof and shall, nevertheless, pay Lessor all Rent payable hereunder.

5. **SELECTION, USE AND MAINTENANCE OF EQUIPMENT.** Lessee agrees that it shall be responsible for the selection, use of, and results obtained from, the Equipment and any other associated equipment or services. Lessee agrees that the Equipment will be operated solely in the continental United States unless the applicable Schedule provides otherwise and by competent, qualified personnel in connection with Lessee's business for the

purpose for which the Equipment was designed and in accordance with applicable operating instructions, insurance policies, laws and government regulations. Lessee shall use every reasonable precaution to prevent loss or damage to the Equipment from fire and other hazards and shall not permanently discontinue use of the Equipment. Lessee shall procure and maintain in effect all orders, licenses, certificates, permits, approvals and consents required by federal, state or local laws or by any governmental body, agency or authority in connection with the delivery, installation, possession, use and operation of the Equipment.

Lessee, at its sole cost and expense, shall maintain, service and repair the Equipment: (i) in accordance and consistent with (A) the manufacturer's or 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 manufacturer, supplier or service provider, (B) the requirements of all applicable insurance policies, (C) the purchase agreement or supply contract, if any, 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, (D) all applicable laws, and (E) 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; (ii) without limiting the foregoing, so as to cause the Equipment to be in good repair, condition and working order 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. All replacement parts shall be free and clear of all liens, encumbrances or rights of others and have a value, utility and remaining useful life at least equal to the parts replaced. Title to all such parts, improvements and additions to the Equipment immediately shall vest in Lessor, without cost or expense to Lessor or any further action by any other person, and such parts, improvements and additions shall be deemed incorporated in the Equipment and subject to the terms of the Lease as if originally leased hereunder. The Lessee agrees to keep the Equipment in a suitable environment as specified by the manufacturer's guidelines or the equivalent and meet all recertification requirements. At the request of Lessor, Lessee shall furnish all proof of maintenance.

6. **DISCLAIMER OF WARRANTIES.** Lessee acknowledges and agrees that (i) the Equipment is of a size, design and capacity selected by Lessee, (ii) Lessor is neither a manufacturer nor a vendor of such Equipment and Lessor did not select the Equipment, (iii) LESSOR LEASES AND LESSEE TAKES THE EQUIPMENT AND EACH PART THEREOF "AS-IS" AND THAT LESSOR MAKES NO REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION, QUALITY, DURABILITY, VALUE, DESIGN, OPERATION, SUITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE IN ANY RESPECT WHATSOEVER OR AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, OR AS TO THE ABSENCE OF ANY INFRINGEMENT OR ANY PATENT, TRADEMARK OR COPYRIGHT, OR AS TO ANY OBLIGATION BASED ON STRICT LIABILITY IN TORT OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED WITH RESPECT THERETO, AND HEREBY DISCLAIMS ANY SUCH WARRANTY. LESSEE SPECIFICALLY WAIVES ALL RIGHTS TO MAKE A CLAIM AGAINST LESSOR FOR BREACH OF ANY WARRANTY WHATSOEVER. IN NO EVENT SHALL LESSOR HAVE ANY OBLIGATION OR LIABILITY FOR, NOR SHALL LESSEE HAVE ANY REMEDY AGAINST LESSOR FOR ANY ACTUAL, INCIDENTAL, SPECIAL, CONSEQUENTIAL DAMAGES OR OTHER CLAIM, LOSS, DAMAGE OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT OR ANY DEFICIENCY OR DEFECT THEREOF OR THE INSTALLATION, OPERATION, MAINTENANCE OR REPAIR THEREOF OR THERETO. Lessee may have rights under the contract evidencing Lessor's purchase of the Equipment from the manufacturer or vendor. Lessee is advised to contact such manufacturer or vendor of the Equipment for a description of any such rights. Lessor hereby assigns to Lessee during the term of any Lease, so long as no Event of Default has occurred hereunder and is continuing, for the sole purpose of prosecuting a claim, the benefits of any and all warranties, if any, expressed or implied with respect to the Equipment, running from the manufacturer or the vendor of the Equipment to the Lessor or its assigns, to the extent assignable. Lessee, by its execution of each Schedule, acknowledges that it has received a copy of the manufacturer's warranties for the applicable Equipment. Lessee's sole remedy for the breach of any such manufacturer's warranty shall be against the manufacturer of the equipment, and not against Lessor or its assigns. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the manufacturer of the Equipment.

7. **DELIVERY AND ACCEPTANCE.** Lessor hereby appoints Lessee as Lessor's agent for the sole and limited purpose of accepting delivery of the Equipment from each vendor thereof. Upon delivery, Lessee shall inspect and, to the extent the Equipment conforms to the condition required by the applicable sales contract, accept the Equipment. Lessee will evidence its acceptance of the Equipment by acknowledging such acceptance in the applicable Schedule or, upon Lessor's request, by executing and delivering to Lessor a Delivery and Acceptance Certificate (in the

form provided by Lessor). Lessee shall pay any and all shipping, delivery and installation charges. Lessor shall not be liable to Lessee for any delay in, or failure of, delivery of the Equipment.

8. **RENEWAL.** So long as no Event of Default or event which, with the giving of notice, the passage of time, or both, would constitute an Event of Default, shall have occurred and be continuing, Lessee may renew a Lease on the terms and conditions agreed upon by Lessee and Lessor. Lessee shall request a renewal in writing to Lessor not less than one hundred eighty (180) days prior to the expiration of the applicable Lease Term. The Rent shall be determined by Lessor by using the projected fair market value of the Equipment on an "In-place, In-use" basis as of the commencement of such renewal term.

9. **PURCHASE OPTION.** So long as no Event of Default or event which, with the giving of notice, the passage of time, or both, would constitute an Event of Default, shall have occurred and be continuing, Lessee may, upon written notice to Lessor received at least one hundred eighty (180) days prior to the Term Expiration Date for the applicable Lease, purchase all, but not less than all, the Equipment covered by the applicable Lease on such Term Expiration Date. The purchase price for such Equipment (the "Purchase Price"), shall be its fair market value on an "In-place, In-use" basis, as mutually agreed to by Lessor and Lessee, or, if they cannot agree, as determined by an independent appraiser mutually agreed to by Lessor and Lessee. Such approval will not be unreasonably delayed or withheld by either party. Lessee shall pay the cost of any such appraisal. If Lessee has elected to exercise its purchase option, then on the Term Expiration Date for any Equipment, Lessee shall pay to Lessor the Purchase Price, together with all sales and other taxes applicable to the transfer of the Equipment and any other amount payable and arising hereunder, in immediately available funds, whereupon Lessor shall transfer to Lessee, without recourse or warranty of any kind, express or implied, all of Lessor's right, title and interest in and to such Equipment on an "As Is, Where Is" basis, except Lessor will warrant that the Equipment is free and clear of any liens created by Lessor.

10. **OWNERSHIP; INSPECTION; MARKING; FINANCING STATEMENTS; NO LIENS.** The Equipment is and shall be the sole property of Lessor and the parties agree that the Equipment shall at all times remain personal property and not a fixture and that Lessor's title thereto shall not be impaired, notwithstanding the manner in which it may be affixed to any real property. Lessee shall affix to the Equipment any labels supplied by Lessor indicating ownership of such Equipment and shall promptly replace any such markings or identification which are removed, defaced or destroyed. Lessee shall obtain and record such instruments and take such steps as may be necessary to prevent any person or entity from acquiring any rights in the Equipment by reason of the Equipment being claimed or deemed to be real property.

It is the express intention of the parties hereto that (1) each Lease constitutes a true "lease" as such term is defined in Article 2A of the Uniform Commercial Code ("Article 2A") and not a sale or retention of security interest; (2) title to the Equipment shall at all times remain in Lessor, and Lessee shall acquire no ownership, property, rights, equity or interest other than a leasehold interest, solely as Lessee subject to the terms and conditions of the respective Lease. If, notwithstanding the express intent of the parties, a court of competent jurisdiction determines that any Schedule is not a true lease, but is rather a sale and extension of credit, a lease intended for security, a loan secured by the Equipment specified in such Schedule, or other similar arrangement, the parties agree that in such event: (A) in order to secure the prompt payment and performance as and when due of all of Lessee's obligations (both now existing and hereafter arising) under each such Schedule, Lessee shall be deemed to have granted and it hereby grants to Lessor, a first priority security interest in the following (whether now existing or hereafter created): the Equipment described in such Schedule and all cash and non-cash proceeds, including the proceeds of all insurance policies (regardless of whether the Equipment is characterized under the UCC as Lessee's "equipment" or "inventory") and the security deposit, if any; and (B) Lessee agrees that with respect to the Equipment and security deposit, in addition to all of the other rights and remedies available to Lessor hereunder upon the occurrence of an Event of Default, Lessor shall have all of the rights and remedies of a first priority secured party under the UCC. Lessee may not dispose of any of the Equipment except to the extent expressly provided herein, notwithstanding the fact that proceeds constitute a part of the Equipment.

Lessee and Lessor agree that each Lease is a "Finance Lease" as defined by Section 2A-103(g) of the UCC. Lessee acknowledges: (i) that Lessee is or has selected the "Supplier" (as defined in Article 2A) and has directed Lessor to purchase the Equipment from the Supplier in connection with each Lease, and (ii) that Lessee was informed, before Lessee's execution of this Lease and is hereby informed in writing that Lessee is entitled under Article 2A to the promises and warranties, including those of any third party, provided to Lessor by the Supplier in connection with or as part of the Equipment purchase, and that Lessee may communicate with the Supplier and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations on remedies relating thereto.

Upon request by Lessor, Lessee shall use reasonable efforts to obtain and deliver to Lessor valid and effective waivers, in recordable form, by the owners, landlords and mortgagees of the real property upon which the Equipment is located or certificates of Lessee that it is the owner of such real property or that such real property is neither leased nor mortgaged. Lessee shall make the Equipment and its maintenance records available for inspection by Lessor at reasonable times and upon reasonable notice. In addition, Lessee hereby authorizes Lessor to file a financing statement and amendments thereto describing the Equipment described in any and all Schedules now and hereafter executed pursuant hereto and adding any other collateral described therein and containing any other information required by the applicable Uniform Commercial Code. Lessee shall execute and deliver to Lessor for filing any similar documents Lessor may request.

Lessee agrees to maintain the Equipment free from all claims, liens, attachments, rights of others and legal processes ("Liens") of creditors of Lessee or any other persons, other than Liens for fees, taxes, levies, duties or other governmental charges of any kind, Liens of mechanics, materialmen, laborers, employees or suppliers and similar Liens not yet delinquent or that are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof, *provided, however*, that such proceedings do not involve any substantial risk (as determined in Lessor's sole discretion) of the sale, forfeiture or loss of the Equipment or any interest therein). Lessee will defend, at its own expense, Lessor's title to the Equipment from such claims, Liens or legal processes. Lessee shall also notify Lessor immediately upon receipt of notice of any Lien affecting the Equipment in whole or in part.

11. ALTERATION; MODIFICATIONS; PARTS. Lessee shall have the right to make any modification, alteration or improvement to the Equipment provided that any such modification does not decrease the value, utility, remaining useful life or expected residual value of the Equipment. Upon Lessor's request, any alteration shall be removed and the Equipment restored to its normal, unaltered condition at Lessee's expense (without damaging the Equipment's originally intended function or its value) prior to its return to Lessor. Any part installed in connection with warranty or maintenance service or which cannot be removed in accordance with the preceding sentence shall be the property of Lessor.

12. RETURN OF EQUIPMENT; HOLDOVER. Except for Equipment that has suffered a Casualty Loss (as defined in Section 13 below) and is not required to be repaired pursuant to Section 13 below or Equipment for which the Lease has been renewed pursuant to Section 8 above or purchased by Lessee pursuant to Section 9 above, upon expiration or termination of the Term of a Lease, or upon demand by Lessor pursuant to Section 20 below, Lessee shall contact Lessor for shipping instructions and, at Lessee's own risk, immediately return the Equipment, freight, equipment loading, unloading and rigging costs prepaid, to a location in the continental United States specified by Lessor. At the time of such return to Lessor, the Equipment shall (i) be in the operating order, repair and condition as required by or specified in the original specifications and warranties of each manufacturer and vendor thereof, ordinary wear and tear excepted, and meet all recertification requirements and (ii) be capable of being immediately assembled and operated by a third party purchaser or third party lessee without further repair, replacement, alterations or improvements, and in accordance and compliance with any and all statutes, laws, ordinances, rules and regulations of any governmental authority or any political subdivision thereof applicable to the use and operation of the Equipment. Except as otherwise provided under Section 8 or 9 hereof, at least one hundred eighty (180) days before the expiration of any Term, Lessee shall give Lessor written notice of its intent to return the Equipment at the end of such Term ("Return Notice"). During such one hundred eighty-day period, Lessor and its prospective purchasers or lessees shall have the right of access to the premises on which the Equipment is located to inspect the Equipment, and Lessee shall cooperate in all other respects with Lessor's remarketing of the Equipment. The provisions of this Section 12 are of the essence of the Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee set forth in this Section 12. If Lessee fails to return Equipment pursuant to the provisions of this section, the terms and conditions of the Lease shall remain in full force and effect and Lessee shall be obligated to pay to Lessor Rent during each month (or any part thereof) when Lessor is not in possession of the Equipment after the end of the Term of the Lease (the "Holdover Period") in an amount equal to one and one-quarter (1.25) times the monthly (or other applicable increment) rental payments required during the Term of the Lease.

13. CASUALTY INSURANCE; LOSS OR DAMAGE. Lessee will obtain and maintain for the entire term of each Lease, at its own expense, liability and property damage insurance relating to the Equipment, insuring against such risks as are customarily insured against on the type of equipment leased hereunder by businesses in which Lessee is engaged in such amounts, in such form, and with insurers satisfactory to Lessor; provided, however, that the amount of insurance against damage or loss shall not be less than the greater of (a) the replacement value of the Equipment and (b) the stipulated loss value of the Equipment specified in the applicable Schedule ("Stipulated Loss Value"). Each liability insurance policy shall provide coverage (including contractual, cross-liability and personal injury coverage) of not less than $5,000,000 or the amount required by law, whichever is greater for each occurrence,

name Lessor as an additional insured and be primary as respects of any other insurance. Each property damage policy shall include a Lessor/Lender Loss Payable Endorsement for the benefit of Lessor as respects the Equipment covered by this Lease and shall provide that intentional acts of Lessee do not affect the insurer's obligations to Lessor under such endorsement. All policies shall contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any material change in the terms or cancellation of the policy and shall include a waiver of subrogation as respects Lessor's insurance policies. Lessee shall furnish a certificate of insurance providing confirmation of these insurance policies and, at Lessor's request, Lessee shall provide a copy of each insurance policy (with endorsements); provided, however, Lessor shall have no duty to ascertain the existence of or to examine the insurance policies to advise Lessee if the insurance coverage does not comply with the requirements of this section. If Lessee fails to insure the Equipment as required, Lessor shall have the right but not the obligation to obtain such insurance, and the cost of the insurance shall be for the account of Lessee due as part of the next due Rent. Lessee consents to Lessor's release, upon its failure to obtain appropriate insurance coverage, of any and all information necessary to obtain insurance with respect to the Equipment or Lessor's interest therein.

Until the Equipment is returned to and received by Lessor as provided in Section 12 above, Lessee shall bear the entire risk of loss or destruction or damage to the Equipment including, without limitation, any Total Loss (defined below)("Casualty Loss"). No Casualty Loss shall relieve Lessee from its obligations to pay Rent except as expressly provided in this section. When any Casualty Loss occurs, Lessee shall immediately notify Lessor and, at the option of Lessor and at Lessee's sole cost and expense, promptly place such Equipment in good repair and working order in the condition required by this Agreement. Provided that no Event of Default has occurred and is continuing, upon receipt of evidence reasonably satisfactory to Lessor of completion of such repairs, Lessor will apply any net insurance proceeds received by Lessor on account of such loss to the cost of repairs. Upon the occurrence of an actual or constructive total loss of any item of the Equipment, or the loss, disappearance, theft or destruction of any item of the Equipment or damage to any item of the Equipment to such extent as shall make repair thereof uneconomical or shall render any item of the Equipment permanently unfit for normal use for any reason whatsoever, or 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 (any such occurrence being herein referred to, in Lessor's discretion, as a "Total Loss"), during the Term of a Lease, Lessee shall, on the next date for the payment of Rent, pay to Lessor the 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 and any other sums due hereunder with respect to that Equipment (less any insurance proceeds or condemnation award actually paid and received by Lessor). Upon making such payment, the Lease and the obligation to make future rental payments shall terminate solely with respect to the Equipment or items thereof so paid for and (to the extent applicable) Lessee shall become entitled thereto "AS IS WHERE IS" without warranty, express or implied, with respect to any matter whatsoever. Lessor shall deliver to Lessee a bill of sale transferring and assigning to Lessee without recourse or warranty, all of Lessor's right, title and interest in and to the Equipment. Lessor shall not be required to make and may specifically disclaim any representation or warranty as to the condition of the Equipment or any other matters. Stipulated Loss Value shall be determined as of the next date on which a payment of Rent is or would be due after a Total Loss, after payment of any Rent due on such date, and the applicable Stipulated Loss Value shall be that which is set forth with respect to such Rent payment. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts issued with respect to any Casualty Loss under any insurance policy relating to the Equipment. If Lessee fails to perform its obligations under this Section 13, Lessor shall have the right to substitute performance, in which case, Lessee shall immediately upon demand, reimburse Lessor therefore.

14. TAXES. Unless Lessor notifies Lessee in writing otherwise, Lessor will pay all personal property taxes, fees, levies, imposts, duties, withholdings and governmental charges on the Equipment for which Lessee shall reimburse Lessor promptly upon request. Lessee shall, to the extent permitted by law, cause all billings of such taxes, fees, levies, imposts, duties, withholdings and governmental charges to be made to Lessor. Lessee shall indemnify and hold Lessor harmless from, all charges, fees, assessments and sales, use, excise and other taxes (including, without limitation, income, franchise, business and occupation, gross receipts, sales, use, licensing, registration, titling, personal property, stamp and interest equalization taxes, levies, imposts, duties, charges or withholdings of any nature), and any fines, penalties or interest thereon, imposed or levied by any governmental body, agency or tax authority upon or in connection with the Equipment, its purchase, ownership, delivery, leasing, possession, use or relocation of the Equipment or otherwise in connection with the transactions contemplated by each Lease or the Rent thereunder, excluding taxes on or measured by the net income of Lessor. Lessor shall prepare and file all property tax reports, renditions, returns and information statements which are required to be made with respect to any item of Equipment leased hereunder. Lessee will cooperate with Lessor by timely providing information requested by Lessor in connection with Lessor's preparation and filing of such reports, renditions, returns or information statements. Lessee shall not be liable for any fines, penalties or interest imposed or levied by any governmental body, agency or tax authority that are the direct result of Lessor's action or failure to act.

15. **SPECIAL TAX INDEMNIFICATION.** Lessee acknowledges that Lessor, in determining the Rent due hereunder, has assumed that certain tax benefits as are provided to an owner of property under the Internal Revenue Code of 1986, as amended (the "Code"), and under applicable state tax law, including, without limitation, depreciation deductions under Section 168 (b) of the Code, and deductions under Section 163 of the Code in an amount at least equal to the amount of interest paid or accrued by Lessor with respect to any indebtedness incurred by Lessor in financing its purchase of the Equipment, are available to Lessor as a result of the lease of the Equipment. In the event Lessor is unable to obtain such tax benefits for any reason, is required to include in income any amount other than the Rent or is required to recognize income with respect to the Rent earlier than anticipated pursuant to this Agreement, Lessee shall pay Lessor additional rent ("Additional Rent") in a lump sum in an amount needed to provide Lessor with the same after-tax yield and after-tax cash flow as would have been realized by Lessor had Lessor (i) been able to obtain such tax benefits, (ii) not been required to include any amount in income other than the Rent and (iii) not been required to recognize income with respect to the Rent earlier than anticipated pursuant to this Agreement. The Additional Rent shall be computed by Lessor, which computation shall be binding on Lessee. The Additional Rent shall be due immediately upon written notice by Lessor to Lessee of Lessor's inability to obtain tax benefits, the inclusion of any amount in income other than the Rent or the recognition of income in respect of the Rent earlier than anticipated pursuant to this Agreement. The provisions of this Section 15 shall survive the termination of this Agreement.

16. **GENERAL INDEMNITY.** Each Lease is a net lease. Therefore, Lessee shall indemnify Lessor and its successors and assigns and each of their agents, directors and employees (each an "Indemnitee") against, and hold each such Indemnitee harmless from and against any and all Claims (other than such as may result from the gross negligence or willful misconduct of such Indemnitee), by paying (on an after-tax basis) or otherwise discharging same, when and as such Claims shall become due, including Claims arising on account of any Lease or the Equipment, or any part thereof, including the ordering, acquisition, delivery, installation or rejection of the Equipment, the possession, maintenance, use, condition, ownership or operation of any item of Equipment, and by whomsoever owned, used or operated, during the term of any Lease hereunder 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, any claim for patent, trademark or copyright infringement, any claim for the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment or any item thereof, or for whatever other reason whatsoever. It is the express intention of both Lessor and Lessee that the indemnity provided for in this section includes the agreement by Lessee to indemnify the Indemnitees from the consequences of such Indemnitees' own simple negligence, whether that negligence is the sole or concurring cause of the Claims, and to further indemnify such Indemnitees with respect to Claims for which the Indemnitees are strictly liable. Lessor or the Indemnitee affected thereby, shall give Lessee prompt notice of any Claim hereby indemnified against and Lessee shall be entitled to control the defense thereof, so long as no payment default, bankruptcy or insolvency default or Event of Default has occurred and is then continuing and such Claim does not involve the possibility of criminal sanctions on any Indemnitee; *provided, however*, that Lessor or such Indemnitee shall have the right, in its reasonable discretion, to approve defense counsel selected by Lessee. For the purposes of this Lease, the term "Claims" shall mean all claims, allegations, harms, judgments, good faith settlements entered into (but only to the extent any such settlement is approved by the Lessee, such approval not to be unreasonably withheld or delayed), suits, actions, obligations, damages (whether incidental, consequential or direct), demands (for compensation, indemnification, reimbursement or otherwise), losses, penalties, fines, liabilities (including strict liability), charges that any Indemnitee has incurred or for which it is responsible, in the nature of interest, Liens (other than Lessor's Liens), and costs (including reasonable attorneys' fees and disbursements and any other reasonable legal or non-legal expenses of investigation or defense of any Claim, whether or not such Claim is ultimately defeated or incurred in 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. The provisions of this Section with regard to matters arising during a Lease Term shall survive the expiration or termination of such Lease.

17. **ASSIGNMENT BY LESSEE.** Lessee shall not, without the prior written consent of Lessor, (a) assign, transfer, pledge or otherwise dispose of any Lease or Equipment, or any interest therein; (b) sublease or lend any Equipment or permit it to be used by anyone other than Lessee and its employees; or (c) move any Equipment from the location specified for it in the applicable Schedule, except that Lessee may move Equipment to another location within the United States provided that Lessee has delivered to Lessor (A) prior written notice thereof and (B) duly executed agreements and instruments (all in form and substance satisfactory to Lessor) necessary or, in the opinion of the Lessor, desirable to protect Lessor's interest in such Equipment. Notwithstanding anything to the contrary in the immediately preceding sentence, Lessee may keep any Equipment consisting of motor vehicles or rolling stock at any location in the United States. Notwithstanding any provision to the contrary herein, Lessee may at any time assign, in whole or in part, its rights and obligations under this Agreement to one or more of its affiliates, provided that in no event shall any such

assignment operate or be construed to discharge or release Lessee from its obligations as Lessee hereunder and Lessee shall remain liable for all such Obligations owing hereunder; and provided further that Lessee provide Lessor with any documentation and other assurances that Lessor deems necessary in its sole discretion.

18. ASSIGNMENT BY LESSOR. Lessor may assign its rights, title and interest in and to any Lease and the Equipment, individually or together, in whole or in part, and/or grant or assign a security interest in any Lease and the Equipment individually or together, in whole or in part, and Lessee's rights will be subordinated thereto. Each such assignee shall have all of the rights of Lessor under each Lease assigned to it. Lessee shall not assert against any such assignee any claims or defenses by way of abatement, set-off, counterclaim or recoupment that Lessee may have against Lessor or any other person. Upon assignment of Lessor's interests herein, Lessor will cause written notice of such assignment to be sent to Lessee which will be sufficient if it discloses the name of the assignee and address to which further payments hereunder should be made. Upon receipt of written notice of Lessor's assignment of all or any part of its interest in any Lease, Lessee agrees to attorn to and recognize any such assignee as the owner of such assigned Lessor's interest in any Lease and Lessee shall thereafter make such payments, including without limitation such Rent as are indicated in the notice of assignment, to such assignee.

19. DEFAULT; NO WAIVER. Lessee or any guarantor of any or all of the obligations of Lessee hereunder (together with Lessee, the "Lease Parties") shall be in default under each Lease upon the occurrence of any one or more of the following events (each, an "Event of Default"): (a) Lessee fails to pay when due any amount required to be paid by Lessee under or in connection with any Lease and any such failure continues for five (5) days after the due date thereof; (b) Lessee shall fail to obtain and maintain the insurance required herein; (c) any of the Lease Parties fails to perform or observe any other covenant, condition or agreement provided under or in connection with a Lease and such failure shall continue unremedied for a period of ten (10) days after Lessor's written notice thereof to Lessee; (d) any statement, representation or warranty made or financial information delivered or furnished by any of the Lease Parties under or in connection with a Lease shall prove to have been false, misleading, erroneous or inaccurate in any material respect when made; (e) any of the Lease Parties makes an assignment for the benefit of creditors, whether voluntary or involuntary, or consents to the appointment of a trustee, conservator, receiver or liquidator of such Lease Party or of any of its assets, or if any shall be appointed for any of the Lease Parties or for a substantial part of its property without its consent and is not dismissed or fully stayed for sixty (60) days following the commencement thereof; (f) any petition for relief is filed by the Lease Parties under any bankruptcy, insolvency, reorganization or similar laws, or a petition in, or a proceeding under, any bankruptcy, insolvency, reorganization or similar laws is filed or instituted against the Lease Parties under any Federal or State bankruptcy or insolvency code or similar law and is not dismissed or fully stayed for sixty (60) days following the filing or commencement thereof; (g) any of the Lease Parties: (1) fails to make any payment when due under any agreement or obligation with an outstanding principal balance individually, or in the aggregate, in excess of $6,500,000.00, including any conditional sales or installment sales contract or similar agreements, loans, leases, guaranty agreements or obligations evidenced by bonds, debentures, notes or other similar agreements or instruments to any creditor (including Lessor under any other agreement or any other Lease under this Agreement) ("Other Debt Agreements") after any and all applicable cure periods therefore shall have elapsed, (2) fails to comply with any provision or perform any of the non-monetary obligations arising under any Other Debt Agreements and such failure continues without cure or written waiver for a period of sixty (60) days following such Lease Party's reciept of notice of such failure from the respective lender or lessor, or (3) any judgment individually, or in the aggregate, in excess of $6,500,000.00 shall be rendered against any of the Lease Parties which shall remain unpaid or is not fully stayed for a period of sixty (60) days; (h) any of the Lease Parties shall dissolve, liquidate, wind up or cease its business; convey, lease or otherwise dispose of all or substantially all of its assets; make any material change in its capital structure or lines of business; amend or modify its name; change its "location" as described in Section 9-307 of the Uniform Commercial Code; merge or consolidate with any other entity; suffer any loss or suspension of any license, permit or other right or asset necessary to the profitable conduct of its business; fail to pay its debts as they mature in the ordinary course of business; or call a meeting for purposes of compromising its debts in each case, except as would not reasonably be expected to have a material adverse effect on: (1) the Lease Parties' ability to perform their respective obligations under this Agreement, any guaranty or other related document or agreement, (2) the validity and enforceability of Lessor's ownership or first priority interest in the Equipment, or (3) the validity and enforceability of this Agreement or any lease; (~~j~~i) any of the Lease Parties shall deny or disaffirm its obligations hereunder or under any of the documents delivered in connection herewith; (~~k~~j) if any of the Lease Parties is a privately held corporation or any other non-public business organization and effective control of such Lease Party's voting capital stock or other ownership interest, issued and outstanding from time to time, is not retained by the present stockholders or interest holders (unless such Lease Party shall have provided sixty (60) days' prior written notice of the proposed disposition of stock or ownership interest and Lessor shall have consented thereto in writing); (k) if any of the Lease Parties is a publicly held corporation and, during any twelve (12) month period, there is a change in the ownership of such Lease Party's capital stock exceeding five percent (5%) of all its capital stock issued and outstanding during such period; or (l) an attachment, levy or execution is threatened or levied upon or against the Equipment.

The occurrence of an Event of Default with respect to any Lease shall, at the sole discretion of the Lessor, constitute an Event of Default with respect to any or all Leases under this Agreement to which Lessor and Lessee are then a party. Notwithstanding anything set forth herein, Lessor may exercise all rights and remedies hereunder independently with respect to each Lease.

20. REMEDIES. Upon the occurrence and continuation of an Event of Default, Lessor shall have the right, in its sole discretion, to exercise any one or more of the following remedies:

(a) terminate the applicable Lease and all of Lessee's rights, but not its obligations, under such Lease and in and to the Equipment leased thereunder;

(b) declare any and all Rent and other payment Obligations under each Lease immediately due and payable, including all past and present Rent and other payment Obligations;

(c) take possession of or render unusable by Lessee any or all items of Equipment, wherever located, without demand, notice, court order or other process of law, and without liability for entry to Lessee's premises, for damage to Lessee's property or otherwise;

(d) demand that Lessee return any or all Equipment to Lessor in accordance with Section 12 above, and, for each day that Lessee shall fail to return any item of Equipment, Lessor may demand an amount equal to the Rent payable for such Equipment in accordance with Section 12 above;

(e) lease, sell or otherwise dispose of any or all of the Equipment, whether or not in Lessor's possession, in a commercially reasonable manner at public or private sale with or without notice, with the right of Lessor to purchase and apply the net proceeds of such disposition, after deducting all costs of such disposition (including but not limited to costs of transportation, possession, storage, refurbishing, advertising and brokers' fees), to the obligations of Lessee arising under the Lease, with Lessee remaining liable for any deficiency until all obligations under this Agreement are paid in full and with any excess being retained by Lessor;

(f) recover the following amounts from the Lessee as damages, not as a penalty but herein liquidated for all purposes as follows:

(i) all costs and expenses of Lessor reimbursable to it hereunder, including, without limitation, expenses of disposition of the Equipment, legal fees and all other amounts specified in Section 21 below;

(ii) an amount equal to the sum of (A) any accrued and unpaid Rent through the later of the date of the applicable default or the date that Lessor has obtained possession of the Equipment; and (B) if Lessor resells or relets the Equipment, Rent at the periodic rate provided for in each Lease for the additional period that it takes Lessor to resell or re-let all of the Equipment (such amount not to exceed future rent calculated in accordance with (iii) below;

(iii) the present value of all future Rent reserved in the Leases and contracted to be paid over the unexpired Term of the Leases discounted at five percent (5%) simple interest per annum;

(iv) the residual value of the Equipment as of the expiration of the Term of the applicable Lease; and

(v) any indebtedness for Lessee's indemnity under Sections 15 and 16 above, plus a late charge at the rate specified in Section 3 above;

(vi) less the amount received by Lessor, if any, upon sale or re-let of the Equipment;

(g) proceed by appropriate court action, either at law or in equity (including an action for specific performance), to enforce performance by Lessee or to recover damages associated with such Event of Default; or exercise any other right or remedy available to Lessor at law or in equity; and

(h) by offset, recoupment or other manner of application, apply any security deposit, monies held in deposit or other sums then held by Lessor, and with respect to which Lessee has an interest, against any obligations of Lessee arising under this Lease, whether or not Lessee has pledged, assigned or granted a security interest to Lessor in any or all such sums as collateral for said obligations.

Lessor may pursue any other rights or remedies available at law or in equity, including, without limitation, rights or remedies seeking damages, specific performance and injunctive relief. Any failure of Lessor to require strict performance by Lessee, or any waiver by Lessor of any provision hereunder or under any Schedule, shall not be construed as a consent or waiver of any other breach of the same or of any other provision. Any amendment or waiver of any provision hereof or under any Schedule or consent to any departure by Lessee herefrom or therefrom shall be in writing and signed by Lessor.

No right or remedy is exclusive of any other provided herein or permitted by law or equity. All such rights and remedies shall be cumulative and may be enforced concurrently or individually from time to time.

21. **LESSOR'S EXPENSE.** Lessee shall pay Lessor on demand all reasonable costs and expenses in protecting and enforcing Lessor's rights and interests in each Lease and the Equipment, including, without limitation, legal, collection and remarketing fees and expenses incurred by Lessor in enforcing the terms, conditions or provisions of each Lease or, upon the occurrence and continuation of an Event of Default.

22. **INTENTIONALLY DELETED.**

23. **NOTICES; ADMINISTRATION.** Except as otherwise provided herein, all notices, approvals, consents, correspondence or other communications required or desired to be given hereunder shall be given in writing and shall be delivered by overnight courier, hand delivery or by certified or registered mail, postage prepaid to each party at its address set forth at the beginning of this Agreement or as otherwise set forth herein or at such address as the party may provide in writing from time to time in accordance with this section. All notices to be given to the Lessor shall be addressed to 5080 Spectrum Drive, Suite 1100 West, Addison, Texas 75001, Attention: Operations Manager, with a copy to Lessor at Riverway II, West Office Tower, 9399 West Higgins Road, Rosemont, Illinois 60018, Attention: TEFS Legal Department. All such notices and correspondence shall be effective when received.

24. **REPRESENTATIONS.** Lessee represents and warrants to Lessor that (a) it is a "registered organization" (as defined in the Uniform Commercial Code) duly organized, validly existing and in good standing under that laws of the State indicated under its signature on the signature page hereto, and that Lessee's exact legal name is as set forth above Lessee's signature on the signature page hereto; (b) the execution, delivery and performance by Lessee of this Agreement are within Lessee's powers, have been duly authorized by all necessary corporate or other organizational action on the part of Lessee, do not require the approval of any stockholder, member, partner, trustee or holder of any obligations of Lessee except such as have been duly obtained and do not contravene (i) Lessee's organizational documents, (ii) the provisions of, or constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under, any indenture, mortgage, contract or other agreement to which Lessee is a party or by which it or its property is bound, or (iii) any law, governmental rule, regulation, or order or contractual restriction binding on or affecting Lessee; (c) no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Lessee of this Agreement; (d) each Lease constitutes the legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditor's rights generally and by general equitable principles; (e) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, to which Lessee is a party, pending or to the knowledge of Lessee threatened against or affecting the Lessee, nor to the knowledge of the Lessee is there any basis therefor, wherein an adverse decision, ruling or finding would materially adversely affect the transactions contemplated by any Lease or any other document, agreement or certificate which is used or contemplated for use in the consummation of transactions contemplated by any Lease or which would reasonably be expected to materially adversely affect the financial condition of Lessee. Further, Lessee is not in default under any obligation for borrowed money, for the deferred purchase price of property or any lease agreement which, either individually or in the aggregate, would have the same such effect (f) under the laws of the state(s) in which the equipment is to be located, the Equipment consists solely of personal property and not fixtures; and (g) 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 in all material respects Lessee's financial condition and the results of its operations as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in such conditions or operations.

25. **FURTHER ASSURANCES.** Lessee, upon the request of Lessor, will execute, acknowledge, record or file, as the case may be, such further documents and do such further acts as may be reasonably necessary, desirable or proper to carry out more effectively the purposes of this Agreement.

26. **FINANCIAL STATEMENTS.** Lessee shall deliver to Lessor: (a) as soon as available, but not later than 120 days after the end of each fiscal year of Lessee and its consolidated subsidiaries, the consolidated balance sheet, income statement and statements of cash flows and shareholders equity for Lessee and its consolidated subsidiaries (the "Financial Statements") for such year, prepared in accordance with GAAP and certified by independent certified public accountants of recognized standing selected by Lessee; and (b) as soon as available, but not later than 60 days after the end of each of the first three fiscal quarters in any fiscal year of Lessee and its consolidated subsidiaries, the Financial Statements for such fiscal quarter, together with a certification duly executed by a senior officer of Lessee that such Financial Statements have been prepared in accordance with GAAP and are fairly stated in all material respects (subject to normal year-end audit adjustments).

27. NO AGENCY. Lessee acknowledges and agrees that neither the manufacturer or supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of Lessor. No salesman, representative or agent of the manufacturer or supplier is authorized to waive or alter any term or condition of this Agreement or any Schedule and no representation as to the Equipment or any other matter by the manufacturer or supplier shall in any way affect Lessee's duty to pay Rent and perform its other obligations as set forth in this Agreement or any Schedule.

28. GOVERNING LAW; SEVERABILITY; INTEGRATION. Each Lease shall be governed by the laws of the State of Illinois. If any provision shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired. Lessee acknowledges that Lessee has read this agreement and the schedule hereto, understands them, and agrees to be bound by their terms and conditions. Further, Lessee and Lessor agree that this agreement and the schedules delivered in connection herewith from time to time are the complete and exclusive statement of the agreement between the parties, superseding all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter hereof.

29. CONSENT TO JURISDICTION. Lessee irrevocably submits to the jurisdiction of any Illinois state court or any federal court sitting in Illinois for any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, and Lessee irrevocably agrees that all claims with respect to any such action or proceeding may be heard and determined in such Illinois state or federal court.

30. WAIVER OF JURY TRIAL. LESSEE AND LESSOR IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Master Lease Agreement to be duly executed by their duly authorized officers as of this 28th day of October, 2003.

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.
a Delaware corporation

By: Carl E Nelson
Name: Carl E. Nelson
Title: Vice President & Secretary
FEIN: 13-3983670

TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORP

By: RE Linn
Name: RE Linn
Title: VP Region Credit Mngr.

EBO RIDER
TO EQUIPMENT SCHEDULE NO. 001

Lessor: **TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORP**
Riverway II, West Office Tower
9399 West Higgins Road
Rosemont, Illinois 60018

Lessee: **J.L. FRENCH AUTOMOTIVE CASTINGS, INC.**
3101 South Taylor Drive
Sheboyan, WI 53082

THIS RIDER is executed pursuant to and is incorporated for all purposes into that certain Equipment Schedule No. 001 dated October 28th, 2003 to and part of that certain Master Lease Agreement between Lessor and Lessee dated October 28th, 2003. All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Equipment Schedule. Notwithstanding anything in the Lease to the contrary, the Lessee shall have the following early termination option:

1. On the date of and after receipt of Lessee's payment of the 42nd rental payment under the Lease (the "Early Termination Date"), and provided (i) Lessee has paid and Lessor has received all rental and any other payments due under the Lease at or prior to their respective due dates taking into account any allowed grace periods; and (ii) no Event of Default shall have occurred and be continuing under the Lease, the Lessee shall have the right to, upon not less than 180 days prior written notice to Lessor, purchase all, but not less than all, of the Equipment by paying a lump sum cash payment to Lessor on the Early Termination Date in an amount equal to 28.5% of the Equipment Cost indicated in the Equipment Schedule (the "Early Termination Purchase Price"), plus all applicable taxes.

   Upon receipt by Lessor of the Early Termination Purchase Price, together with any other amounts due and payable under the Lease, all in immediately collectable funds, Lessor shall transfer to Lessee, without recourse or warranty of any kind, express or implied, all of Lessor's right, title and interest in and to such Equipment on an AS-IS, WHERE-IS basis. The Lessee would be obligated to reimburse Lessor for all taxes, charges and expenses relating to the sale, registration, use, possession, and operation of the Equipment.

2. If Lessee does not exercise the early termination option on the Early Termination Date as provided herein, the Lease shall continue until the Lease Expiration Date at which time the Lessee shall have the end of term options set forth in the Lease.

3. Except as expressly modified by this Rider, all terms and conditions of the Lease shall remain in full force and effect.

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.

By: Carl E Nelson
Name: Carl E. Nelson
Title: Vice President & Secretary

TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORP

By: RE Linn
Name: RE Linn
Title: VP Region Credit Mngr.

EBO.doc (07/02)

EQUIPMENT SCHEDULE NO. 001

Lessor: **TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORPORATION**
Riverway II, West Office Tower
9399 West Higgins Road
Rosemont, Illinois 60018

Lessee: **J.L. FRENCH AUTOMOTIVE CASTINGS, INC.**
3101 South Taylor Drive
Sheboygan, Wisconsin 53082

THIS EQUIPMENT SCHEDULE is executed and the Equipment (defined below) is hereby leased pursuant to that certain Master Lease Agreement between Lessee and Lessor dated October 28, 2003, the terms of which are incorporated herein by reference. This Equipment Schedule, incorporating by reference the terms and conditions of the Master Lease Agreement and any Riders or other addenda referencing the Master Lease Agreement or this Schedule, constitute a separate instrument of lease. Unless specifically defined herein, capitalized terms used in this Schedule shall have the same meaning as set forth in the above-described Master Lease Agreement.

The equipment leased hereunder shall be as set forth in the Schedule A attached hereto (the "Equipment").

Equipment location (if different than Lessee's address above):

See attached Schedule A

1.	Equipment Cost:	$ 2,970,390.00
2.	Number of Rental Payments:	48
3.	Rental Payments will be in the amount of: (including sales/use tax of $ -0-)	
	Rental Payments #1 due October 28, 2003	$70,560.71
	Rental Payments #2-24 beginning December 1, 2003	$66,528.67
	Rental payments #25-48 beginning November 1, 2005	$54,432.55
4.	First Rental Payment due date: with subsequent Rental Payments due on the 1st day of December 2003 and on the first day of each month thereafter.	October 28, 2003
5.	Security Deposit (see Security Deposit Rider):	$ 742,598.00
6.	In addition to the rental payments provided for herein, Lessee shall pay to Lessor, as interim rent, payable on the date of Lessee's execution of this schedule, an amount equal to the daily equivalent rent (including sales/use tax) multiplied by the number of days from and including the date of Lessee's execution of this schedule to but excluding the due date of the first rental payment:	Not applicable

7. Except as expressly provided or modified hereby, all the terms and provisions of the Master Lease Agreement shall remain in full force and effect.

8. The Term Expiration Date shall be November 1, 2007.

9. The Stipulated Loss Value of any item of Equipment shall be an amount equal to the product of (a) the Equipment Cost of such item of Equipment and (b) the Stipulated Loss Value Percentage set forth in the Schedule B attached hereto and incorporated herein by reference, which corresponds to the number of full monthly rental payments that have been received by Lessor prior to the date of loss.

10. Lessee does hereby acknowledges and warrants to Lessor that the Equipment: (a) was duly delivered to Lessee at the location specified above; and (b) has been received, inspected and determined to be in compliance with all applicable specifications and the Equipment is hereby accepted for all purposes of the Lease, such delivery and acceptance having been made on October 28th, 2003.

THIS SCHEDULE IS EXECUTED AND AGREED TO this 28th day of October 2003.

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.

By: Carl E Nelson
Name: Carl E. Nelson
Title: Vice President & Secretary

TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORPORATION

By: RE Linn
Name: RE Linn
Title: VP Region Credit Mngr.

Master Lease Schedule.doc (03/02)

SCHEDULE A
(EQUIPMENT/COLLATERAL DESCRIPTION)

THIS SCHEDULE A is executed pursuant to and is incorporated for all purposes into that certain

____**Security Agreement**	_x_**Lease Schedule No. 001**
____**Financing Statement**	____**Subordination Agreement**
____**Other**_____	

dated October 28, 2003 by and between Transamerica Equipment Financial Services Corporation and the undersigned Customer.

EQUIPMENT LOCATION: 3101 South Taylor Drive
Sheboygan, Wisconsin

4243 Gateway Drive
Sheboygan, Wisconsin

EQUIPMENT DESCRIPTION (INCLUDE SERIAL NO.):

Duratec Oil Pan Project- Including press gantry, gasket press, two inclined rubber belt conveyors, collection and storage process system, perimeter belt and stud test station, and conveyor for "L" shaped layout

Vendor:	Systematix, Inc.
Serial Number(s):	0305519
Asset Tag #s:	41167 (affixed to gantry frame)
	41168 (affixed to press frame)
	41169 (affixed to conveyor housing mounted above supply hoppers)
	41170 (affixed to conveyor housing mounted above supply hoppers)
	41171 (affixed to process control panel enclosure)
	41172 (affixed to control box mounted on conveyor frame)
	41173 (affixed to side frame of conveyor by test station)

D219 Project- Including two dial machines (six station and four station) and adjacent off-dial station, and upgrade to the four-station machine with planetary indexing rotary table, the addition of PLC based controls to the DE Smith coolant filter system, and the addition of a Tri-Lob solid core locator on the off-dial machine station.

Vendor:	Tool North
Serial Numbers:	B25122, B25123
Asset tag #s:	41174 (affixed to six-station dial machine)
	41175 (affixed to four-station dial machine)
	41176 (affixed to off-dial machine)
	41177 (affixed to coolant system control panel)

Together with all present and future additions, parts, accessories, attachments, substitutions, repairs, improvements and replacements thereof or thereto, and any and all proceeds thereof, including, without limitation, proceeds of insurance.

J.L. FRENCH AUTOMOTIVE CASTINGS, INC.

By: Carl E Nelson
Name: Carl E. Nelson
Title: Vice President & Secretary

TRANSAMERICA EQUIPMENT FINANCIAL SERVICES CORPORATION

By: RE Linn
Name: RE Linn
Title: VP Region Credit Mngr

Schedule A (Equip Descrip).doc (12/02)

SCHEDULE B

To: ____ Security Agreement
____ UCC
____ Other
_x_ Lease schedule 001
____ Subordination

Dated **October 28, 2003**
Between **Transamerica Equipment Financial Services Corporation** and
J.L. French Automotive Castings, Inc.

# of Rent Payments Received	Stipulated Loss Value Percentage	# of Rent Payments Received	Stipulated Loss Value Percentage
1	107.62563372	25	63.18751084
2	105.94414493	26	61.55408328
3	104.21600608	27	59.91070896
4	102.47470174	28	58.25665163
5	100.71965854	29	56.59028428
6	98.95261976	30	54.91377823
7	97.17227921	31	53.22647311
8	95.37801785	32	51.52670300
9	93.57153238	33	49.81659954
10	91.75160698	34	48.09557934
11	89.91757624	35	46.36193698
12	88.06937441	36	44.61561363
13	86.20817199	37	42.85981318
14	84.33293308	38	41.09392380
15	82.44453605	39	39.31844330
16	80.54200726	40	37.53280495
17	78.62498808	41	35.73424323
18	76.69456731	42	33.92590000
19	74.74986761	43	32.10728381
20	72.79048092	44	30.27559053
21	70.81744578	45	28.44308541
22	68.82998243	46	26.61058029
23	66.82763276	47	24.77807517
24	64.81032738	48	22.94557005

Transamerica Equipment Financial Services Corporation

By: _____

Title: VP Region Credit Mngr.

J.L. French Automotive Castings, Inc.

By: _____

Title: Vice President & Secretary

LEASE RENEWAL AMENDMENT
1017578-001

THIS LEASE RENEWAL AMENDMENT dated as of December 1, 2006 ("Amendment") amends Schedule No. 001 ("Schedule") to the Master Lease Agreement dated as of October 28, 2003 ("Agreement"), such Schedule and Agreement, as the same may have been heretofore amended or otherwise modified, are hereinafter collectively referred to as the ("Lease") between General Electric Capital Corporation as assigned by Transamerica Equipment Financial Services Corporation (Lessor") and J L French Automotive Castings, Inc. ("Lessee"). Capitalized terms not defined herein shall have the meanings assigned to them in the Lease.

WITNESSETH

WHEREAS, the term of the Lease is scheduled to expire on October 30, 2007 ("Primary Term Expiration Date"); and

WHEREAS, Lessee desires to renew the Lease pursuant to the terms set forth herein; and

WHEREAS, Lessor is willing to consent to such renewal pursuant to the terms set forth herein;

NOW, THEREFORE, in consideration of the above premises and the mutual promises contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Commencing on December 1, 2006 the Lease shall be renewed for an additional period of Forty-Eight (48) months ("Renewal Term") on and subject to the same terms and conditions as set forth in the Lease, except as otherwise expressly provided herein:

(a) Commencing on December 1, 2006 and on the same day of each month thereafter throughout the Renewed Term, Lessee shall pay to Lessor One (1) payment of Twenty seven thousand six hundred eighty two Dollars and 55/100 ($27,682.55) ,directly followed by Two (2) payments of Zero Dollars ($0.00) ,directly followed by Forty-Five (45) monthly payments of Twenty six thousand five hundred three Dollars and 29/100 ($26,503.29) as periodic rent ("Periodic Rent") plus all applicable sales, use and other taxes thereon.

(b) During the Renewed Term, the Stipulated Loss Value and Termination Value for any Equipment shall be equal to its Capitalized Lessors Cost (as such cost amount is specified in the Lease) multiplied by the appropriate percentage set forth in Exhibit A hereto.

2. Lessee hereby represents and warrants that all of the representations and warrantics included in the Lease are true and correct as of the date first above written.

3. Except as expressly modified herein, all terms and provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Amendment as of the date first above written.

LESSOR:
GENERAL ELECTRIC CAPITAL CORPORATION

By: _____

Title: Portfolio Growth Manager

LESSEE:
J L FRENCH AUTOMOTIVE CASTINGS, INC.

By: _____

Title: VP Finance & Treasurer

2,862,713.36

EXHIBIT A
TO
LEASE RENEWAL AMENDMENT
DATED AS OF 12/01/06
1017578-001
CAPITALIZED LESSORS COST- $2,970,390.00
STIPULATED LOSS VALUE AND TERMINATION VALUE TABLES

RENTAL PAYMENT NUMBER	T/V AND S/L/V PERCENTAGE *
1	44.9575
2	44.3227
3	44.6211
4	44.9139
5	44.3072
6	43.6933
7	43.0722
8	42.4438
9	41.8096
10	41.1682
11	40.5194
12	39.8648
13	39.2029
14	38.5336
15	37.8584
16	37.1773
17	36.4911
18	35.7996
19	35.1029
20	34.4010
21	33.6931
22	32.9799
23	32.2615
24	31.5371
25	30.8074
26	30.0724
27	29.3313
28	28.5842
29	27.8316
30	27.0737
31	26.3103
32	25.5415
33	24.7665
34	23.9859
35	23.1999
36	22.4076
37	21.6096
38	20.8061
39	19.9962
40	19.1800
41	18.3579
42	17.5300
43	16.6961
44	15.8563
45	15.0100
46	14.1578
47	13.2995
48	12.4346

INITIALED: JS | DW INITIALED: SD

*The Stipulated Loss Value or Termination Value for any unit of Equipment shall be equal to its Capitalized Lessor's Cost (as such cost amount is specified in the Lease) multiplied by the appropriate percentage derived from the above tables

EXHIBIT E

CORPORATE GUARANTY
(Lease Specific)

Date: April 1 2005

General Electric Capital Corporation
1415 West 22nd Street Suite 600
Oak Brook, IL 60523

This Guaranty is given to induce you to enter into a certain lease transaction ("**Lease**") with **Nelson Metal Products Corporation**, a corporation organized and existing under the laws of the State of **Delaware** ("**Customer**"), evidenced by Schedule No. **002** (the "**Schedule**") to Master Lease Agreement dated **January 27, 1999** (the "**Master Lease**") between Customer as lessee and you as lessor (the Schedule, the Master Lease insofar as it relates to the Schedule, and all other documents and instruments evidencing or relating to any of the foregoing are hereinafter referred to collectively as "**Account Documents**" and individually as an "**Account Document**"). The undersigned, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby guarantee to you, your successors and assigns, the due regular and punctual payment of any sum or sums of money which the Customer may owe to you now or at any time hereafter pursuant to the Account Documents, whether it represents principal, interest, late charges, indemnities, an original balance, an accelerated balance, liquidated damages, a balance reduced by partial payment, a deficiency after sale or other disposition of any leased equipment, collateral or security, or any other type of sum of any kind whatsoever that the Customer may owe to you now or at any time hereafter pursuant to the Account Documents, and does hereby further guarantee to you, your successors and assigns, the due, regular and punctual performance of any other duty or obligation of any kind or character whatsoever that the Customer may owe to you now or at any time hereafter pursuant to the Account Documents (all such payment and performance obligations being collectively referred to as "**Obligations**"). Undersigned does hereby further guarantee to pay upon demand all losses, costs, attorneys' fees and expenses which may be suffered by you by reason of Customer's default under the Account Documents or default of the undersigned under this Guaranty.

This Guaranty is a guaranty of prompt payment and performance (and not merely a guaranty of collection). Nothing herein shall require you to first seek or exhaust any remedy against the Customer, its successors and assigns, or any other person obligated with respect to the Obligations, or to first foreclose, exhaust or otherwise proceed against any leased equipment, collateral or security which may be given in connection with the Obligations. It is agreed that you may, upon any breach or default of the Customer, or at any time thereafter, make demand upon the undersigned and receive payment and performance of the Obligations, with or without notice or demand for payment or performance by the Customer, its successors or assigns, or any other person. Suit may be brought and maintained against the undersigned, at your election, without joinder of the Customer or any other person as parties thereto. The obligations of each signatory to this Guaranty shall be joint and several.

The undersigned agrees that its obligations under this Guaranty shall be primary, absolute, continuing and unconditional, irrespective of and unaffected by any of the following actions or circumstances (regardless of any notice to or consent of the undersigned): (a) the genuineness, validity, regularity and enforceability of the Account Documents or any other document; (b) any extension, renewal, amendment, change, waiver or other modification of the Account Documents or any other document; (c) the absence of, or delay in, any action to enforce the Account Documents, this Guaranty or any other document; (d) your failure or delay in obtaining any other guaranty of the Obligations (including, without limitation, your failure to obtain the signature of any other guarantor hereunder); (e) the release of, extension of time for payment or performance by, or any other indulgence granted to the Customer or any other person with respect to the Obligations by operation of law or otherwise; (f) the existence, value, condition, loss, subordination or release (with or without substitution) of, or failure to have title to or perfect and maintain a security interest in, or the time, place and manner of any sale or other disposition of any leased equipment, collateral or security given in connection with the Obligations, or any other impairment (whether intentional or negligent, by operation of law or otherwise) of the rights of the undersigned; (g) the Customer's voluntary or involuntary bankruptcy, assignment for the benefit of creditors, reorganization, or similar proceedings affecting the Customer or any of its assets; or (h) any other action or circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

This Guaranty, the Account Documents and the Obligations may be assigned by you, without the consent of the undersigned. The undersigned agrees that if it receives written notice of an assignment from you, the undersigned will pay all amounts due hereunder to such assignee or as instructed by you. The undersigned also agrees to confirm in writing receipt of the notice of assignment as may be reasonably requested by assignee. The undersigned hereby waives and agrees not to assert against any such assignee any of the defenses set forth in the immediate preceding paragraph.

This Guaranty may be terminated upon delivery to you (at your address shown above) of a written termination notice from the undersigned. However, as to all Obligations (whether matured, unmatured, absolute, contingent or otherwise) incurred by the Customer prior to your receipt of such written termination notice (and regardless of any subsequent amendment, extension or other modification which may be made with respect to such Obligations), this Guaranty shall nevertheless continue and remain undischarged until all such Obligations are indefeasibly paid and performed in full.

The undersigned agrees that this Guaranty shall remain in full force and effect or be reinstated (as the case may be) if at any time payment or performance of any of the Obligations (or any part thereof) is rescinded, reduced or must otherwise be restored or returned by you, all as though such payment or performance had not been made. If, by reason of any bankruptcy, insolvency or similar laws effecting the rights of creditors, you shall be prohibited from exercising any of your rights or remedies against the Customer or any other person or against any property, then, as between you and the undersigned, such prohibition shall be of no force and effect, and you shall have the right to make demand upon, and receive payment from, the undersigned of all amounts and other sums that would be due to you upon a default with respect to the Obligations.

Notice of acceptance of this Guaranty and of any default by the Customer or any other person is hereby waived. Presentment, protest demand, and notice of protest, demand and dishonor of any of the Obligations, and the exercise of possessory, collection or other remedies for the Obligations, are hereby waived. The undersigned warrants that it has adequate means to obtain from the Customer on a continuing basis financial data and other information regarding the Customer and is not relying upon you to provide any such data or other information. Without limiting the foregoing, notice of adverse change in the Customer's financial condition or of any other fact which might materially increase the risk of the undersigned is also waived. All settlements, compromises, accounts stated and agreed balances made in good faith between the Customer, its successors or assigns, and you shall be binding upon and shall not affect the liability of the undersigned.

Payment of all amounts now or hereafter owed to the undersigned by the Customer or any other obligor for any of the Obligations is hereby subordinated in right of payment to the indefeasible payment in full to you of all Obligations and is hereby assigned to you as a security therefor. The undersigned hereby irrevocably and unconditionally waives and relinquishes all statutory, contractual, common law, equitable and all other claims against the Customer, any other obligor for any of the Obligations, any collateral therefor, or any other assets of the Customer or any such other obligor, for subrogation, reimbursement, exoneration, contribution, indemnification, setoff or other recourse in respect of sums paid or payable to you by the undersigned hereunder, and the undersigned hereby further irrevocably and unconditionally waives and relinquishes any and all other benefits which it might otherwise directly or indirectly receive or be entitled to receive by reason of any amounts paid by, or collected or due from, it, the Customer or any other obligor for any of the Obligations, or realized from any of their respective assets.

THE UNDERSIGNED HEREBY UNCONDITIONALLY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN US RELATING TO THE SUBJECT MATTER HEREOF OR THEREOF, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN US. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE OBLIGATIONS GUARANTEED HEREBY, OR ANY RELATED DOCUMENTS. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

As used in this Guaranty, the word "person" shall include any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or any government or any political subdivision thereof.

This Guaranty is intended by the parties as a final expression of the guaranty of the undersigned and is also intended as a complete and exclusive statement of the terms thereof. No course of dealing, course of performance or trade usage, nor any paid evidence of any kind, shall be used to supplement or modify any of the terms hereof. Nor are there any conditions to the full effectiveness of this Guaranty. This Guaranty and each of its provisions may only be waived, modified, varied, released, terminated or surrendered, in whole or in part, by a duly authorized written instrument signed by you. No failure by you to exercise your rights hereunder shall give rise to any estoppel against you, or excuse the undersigned from performing hereunder. Your waiver of any right to demand performance hereunder shall not be a waiver of any subsequent or other right to demand performance hereunder.

This Guaranty shall bind the undersigned's successors and assigns and the benefits thereof shall extend to and include your successors and assigns. In the event of default hereunder, you may at any time inspect undersigned's records, or at your option, undersigned shall furnish you with a current independent audit report.

If any provisions of this Guaranty are in conflict with any applicable statute, rule or law, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating any other provisions hereof.

Each signatory on behalf of a corporate guarantor warrants that he had authority to sign on behalf of such corporation and by so signing, to bind said guarantor corporation hereunder.

IN WITNESS WHEREOF, this Guaranty is executed the day and year above written.

J.L. French Automotive Castings, Inc.

By: _____
(Signature)

Name & Title:
JAMES M AMODEO
CHIEF FINANCIAL OFFICER

WITNESSED:

By: _____
(Signature)

Name: STEVEN A. BOYACK

ReedSmith

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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