

7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- ☐ I am the creditor. ☒ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)
(See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Todd H. Waldman
Title: Partner
Company: ProPortion Foods, LLC
Address and telephone number (if different from notice address above):
4020 Compton Ave
Los Angeles, CA 90011

 5-16-14
(Signature) (Date)

Telephone number: _____ email: _____

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.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**INFORMATION****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is a person, corporation, or other entity to whom debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. §101 (10).

Claim

A claim is the creditor's right to receive payment for a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506 (a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien.

A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507 (a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, you may either enclose a stamped self-addressed envelope and a copy of this proof of claim or you may access the court's PACER system (www.pacer.psc.uscourts.gov) for a small fee to view your filed proof of claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

Rider to Proof of Claim of ProPortion Foods, LLC ("Tenant")

Choice One Foods, LLC ("Debtor") and Tenant are parties to the attached Sublease dated July 23, 2009 (as amended and/or modified, from time to time, the "Sublease") for property located at 4020 Compton Avenue, Los Angeles, California ("Premises"). The Premises is a food manufacturing, processing, dry and cold storage and distribution facility. All capitalized terms not defined herein shall have the meaning ascribed to them in the Sublease.

By Order dated March 12, 2014, the Sublease was rejected *nunc pro tunc* to February 19, 2014. During the term of the Sublease, Tenant incurred substantial damages related to Debtor's multiple breaches of the Sublease. Tenant's claim is calculated as follows:

1. Debtor's Failure to Deliver the Premises in the Condition Required by the Sublease

The Sublease required Debtor to deliver the Premises, the Equipment, and Structural Elements in good working order and in acceptable condition for USDA certification and approval. See Sublease, Section 9. Certain areas of the Premises were to be delivered at specific temperatures and Debtor warranted that the Equipment was in good working order and in a condition acceptable for USDA certification and approval under normal food processing conditions. Id. at Section 9(b).

Additionally, Debtor agreed to bear all of the costs related to repair and replacement of any Structural Elements to the extent such costs exceeded \$5,000 per occurrence or \$50,000 in the aggregate over a 12-month period. Id. at Section 9(c).

Debtor also agreed to deliver the Premises in substantially the same condition as set forth on Exhibit "C" of the Sublease in accordance with applicable USDA and state, county or local health inspection standards for operation of a USDA-registered facility. Id. at Section 9(e). Debtor agreed to make all necessary repairs and replacements to permit the Premises to retain or obtain a USDA registration and permits required to be issued by the state, county and city health departments in order to operate a USDA-registered facility. Id.

Upon a breach of any of these provisions, if such breach threatens, *inter alia*, food safety or product integrity, the Sublease permits Tenant to treat such condition as an emergency and, after notice to the Debtor, may pay the commercially reasonable amounts necessary to cure the breach. Id. at Section 9(g).

Debtor breached each of these provisions by failing to deliver and maintain the Premises as required by the Sublease. The breaches by Debtor threatened food safety and product integrity of Tenant's inventory and operations and, after notice, Debtor failed to cure the breaches and correct the defects located on the Premises.

Tenant incurred damages in the amount of \$122,518¹ as a result of Debtor's breaches related to repairs and improvements to the Premises required to meet the delivery conditions under the Sublease and

¹ Copies of invoices and other documents supporting this claim are voluminous and will be made available upon written request to counsel for Tenant: Gregory F. Vizza, Esq., Blank Rome LLP, One Logan Square, 130 N. 18th Street, Philadelphia, Pennsylvania 19103.

obtain approvals for USDA registrations and permits issued by the state, county and city health departments in order to operate the Premises as a USDA-registered facility.

2. Debtor's Failure to Pay Share of Utilities as Required by the Sublease

Section 5(b) of the Sublease requires Tenant to pay to Debtor 55.04% of the Operating Costs (which include utilities) during the first 12 months of the Term. Debtor breached this provision by failing to reimburse Tenant for Debtor's portion of the Utilities causing Tenant to incur damages in the amount of \$196,126.33.

3. Tenant's Security Deposit

Tenant was required to provide Debtor a security deposit that increased as Tenant utilized additional square footage of the Premises as described in Section 6 of the Sublease. Tenant provided three separate security deposits totaling \$96,372.36:

<u>Date</u>	<u>Amount</u>
January 31, 2010	\$22,752.08
September 1, 2010	\$49,233.92
September 15, 2011	\$24,386.36
	\$96,372.36

Tenant's security deposit was not returned upon rejection and remains an outstanding claim against the Debtor.

4. Damages Based on Debtor's Termination of Lease with Owner

Upon a termination of the Debtor's lease with the owner of the Premises ("Owner") based on Debtor's default, Debtor is liable to Tenant for any damages suffered as a result of the termination. See Sublease, Section 22. As previously described, Debtor covenanted to bear all costs related to repair and replacement of any Structural Elements and to keep the Structural Elements in good working order and in acceptable condition for USDA certification under normal food processing conditions. Id. at Section 9(c). After the rejection and termination of the Lease and Sublease, Tenant negotiated a new lease for the Premises directly with the Owner. The Owner, however, would not agree to the covenant contained in Section 9(c) of the Sublease, and Tenant must now make all repairs related to the Structural Elements. Tenant estimates that it will expend \$75,000 for repairs to the Structural Elements during the remaining term of the Sublease.

5. Tenant's Aggregate Claim

The breaches of the Sublease by Debtor, in addition to the security deposit being held by Debtor, establish a claim by Tenant in the aggregate amount of \$490,016.69.

Debtor: Choice One Foods, LLC
Case No.: 14-10322

Tenant reserves the right to amend, supplement or withdraw this Proof of Claim.

SUBLEASE

1. **PARTIES.** This Sublease ("Sublease") is made as of this ~~23rd~~ day of ~~July 2007~~, by and between **Choice One Foods, LLC**, a limited liability company organized under the laws of the State of Delaware ("Sublessor"), and **ProPortion Foods, LLC**, a limited liability company organized under the laws of the State of California ("Sublessee").

2. **LEASE.** Sublessor is the lessee under a written lease (the "Lease") dated July 19, 2006, wherein First Industrial Development Services, Inc. ("Lessor") leased to Sublessor the real property located in the City of Los Angeles, County of Los Angeles, State of California, described as an approximately 76,486 square foot food manufacturing, processing, dry and cold storage, and distribution facility situated on approximately 3.1 acres of land, commonly referred to as 4020 Compton Avenue, Los Angeles, California 90011 (the "Premises"). A true, accurate and complete copy of the Lease is attached hereto as Exhibit "A". Sublessor hereby subleases to Sublessee, and Sublessee hereby accepts from Sublessor, subject to the terms and conditions herein set forth, the "Subleased Premises" as further defined below.

3. **WARRANTY BY SUBLESSOR.** Sublessor warrants and represents to Sublessee that (a) the Lease is in full force and effect and has not been amended or modified except as may be expressly set forth in Exhibit "A," (b) all rentals and other payments required under the Lease that are due and payable have been paid by Sublessor to Lessor, (c) Sublessor is in full possession of the Premises (subject to the rights of any existing sublessors currently occupying the Premises other than the Subleased Premises), (d) to Sublessor's knowledge, all obligations under the Lease to be performed by Sublessor have been performed and all obligations to be performed by Lessor under the Lease have been performed, and (e) Sublessor has not received any notice that it is in default or breach of any of the provisions of the Lease and to Sublessor's knowledge, no act or omission has occurred which, with the passage of time, giving of notice, or both, would cause Sublessor to be in default under the Lease.

4. **TERM.**

(a) Subject to Sublessee's rights of occupancy during the Installation Period (as defined below), the term of this Sublease ("Term") shall commence on the Base Rent Commencement Date (as defined below) and shall terminate on midnight of the day prior to the second anniversary of the Base Rent Commencement Date.

(b) During the Installation Period and the first twelve (12) months of the Term, the term "Subleased Premises" shall be deemed to mean (i) an approximately 34,598 square foot production area (including the entire production area, south cooler, dry storage area, maintenance and utilities area, quality assurance area, welfare and test kitchen area and 50% of the refrigerated dock/battery charging area), (ii) an approximately 7,500 square foot office space area, (iii) loading docks 4 through 8, (iv) all installations located outside of the south end of the Premises, (v) all but ten (10) parking spaces (which spaces shall be determined by Sublessor in its reasonable discretion, and shall be subject to the rights of all current subtenants occupying the Premises), and (vi) all common areas (if any) located upon the Premises, all as depicted on Exhibit "B". During the remainder of the Term, and during the Sublease Extension Option

period (as defined below)(if applicable), the term "Subleased Premises" shall be deemed to mean the entire Premises.

(c) Immediately following (i) the full execution of this Sublease, (ii) Sublessor's and Sublessee's receipt of written consent from Lessor granting Sublessee the right to occupy the Subleased Premises during the Installation Period and otherwise consenting to this Sublease and (iii) Sublessor's receipt of the Security Deposit as required in Section 6 of this Sublease and proof of Insurance as required in Section 21(a) of this Sublease, Sublessee shall have the right to occupy the Subleased Premises for a period of thirty (30) days (the "**Installation Period**") solely for the purposes of installing Sublessee's equipment and systems. Sublessee shall have no obligation to pay Base Rent (as defined below) during the Installation Period, but shall be obligated to pay its proportionate share of Operating Costs (as defined below) during the Installation Period. In the event that Installation Period fails to commence (or with respect to the Sublessee's rights, solely the consent of the Lessor as set forth in subclause (ii) above has not been obtained) on or prior to August 15, 2009, at any time thereafter, either Sublessee or Sublessor may give written notice to the other party of such notifying party's intention to cancel this Sublease and upon the recipient's party's actual receipt of such notice, this Sublease shall be cancelled, in which case all consideration previously paid by Sublessee to Sublessor on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and neither Sublessor nor Sublessee shall have any further obligation or liability to the other under this Sublease, including any obligation of Sublessor to Sublessee on account of such delay or cancellation.

(d) Sublessee shall commence paying Base Rent to Sublessor, in accordance with Section 5 below, on the first day (the "**Base Rent Commencement Date**") following the end of the Installation Period.

(e) Sublessee shall have one (1) ~~forty-eight (48)~~ month sublease extension option (the "**Sublease Extension Option**") at the same terms and provisions as are set forth in this Sublease, other than (i) the Base Rent amount shall be ~~\$96,572.36~~ per month and (ii) Sublessee shall be solely responsible for payment of insurance and other Operating Costs. Sublessee shall provide written notice of its intent to exercise such Sublease Extension Option at least ninety (90) days prior to the end of the Term. Sublessee may not exercise the Sublease Extension Option if, on account of Sublessee's default, the Sublease is terminated before Sublessee exercises the Sublease Extension Option or if Sublessee is in breach of this Lease at the time Sublessee provides notice of exercising the Sublease Extension Option or at any time thereafter, but prior to the first day of the Sublease Extension Option period.

(f) The following shall apply in the event of damage or destruction to the Subleased Premises:

(i) The following definitions are used in this Section 4(f):

(a) "Subleased Premises Partial Damage" shall mean damage or destruction to the improvements on the Subleased Premises, other than those constructed by Sublessee, which can reasonably be repaired in 6 months or less from the date of the damage or destruction.

Sublessor and Sublessee shall agree within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "Subleased Premises Total Destruction" shall mean damage or destruction to the Subleased Premises, other than those constructed by Sublessee, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Subleased Premises, other than those constructed by Sublessee, which was caused by an event required to be covered by the insurance described in Section 21, irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements leased by Sublessor to Sublessee at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, as defined below, and without deduction for depreciation.

(e) "Hazardous Materials Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Material, as defined in the Lease, in, on, or under the Subleased Premises which requires repair, remediation, or restoration.

(ii) Partial Damage - Insured Loss. If a Subleased Premises Partial Damage that is an Insured Loss occurs, then Sublessor, at Sublessor's expense, shall repair such damage (but not Sublessee's property, unless covered by such insurance) as soon as reasonably possible and this Sublease shall continue in full force and effect. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, Sublessor shall promptly contribute the shortage in proceeds (except as to the deductible which is Sublessee's responsibility) as and when required to complete said repairs. Sublessor shall complete the repairs as soon as reasonably possible and this Sublease shall remain in full force and effect. Subleased Premises Partial Damage due to flood or earthquake shall be subject to Section 4(f)(iii), hereof, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance coverage shall be made available for the repairs if made by either party.

(iii) Partial Damage - Uninsured Loss. If a Subleased Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Sublessee (in which event Sublessee shall make the repairs at Sublessee's expense), Sublessor shall either: (i) repair such damage as soon as reasonably possible at Sublessor's expense, in which event this Sublease shall continue in full force and effect, or (ii) terminate this Sublease by giving written notice to Sublessee within 30 days after receipt by Sublessor of knowledge of the occurrence of such damage but only if such Uninsured Loss exceeds \$500,000. Such termination

shall be effective 90 days following the date of such notice. In the event Sublessor elects to terminate this Sublease, Sublessee shall have the right within 30 days after receipt of the termination notice to give written notice to Sublessor of Sublessee's commitment to pay for the repair of such damage without reimbursement from Sublessor. Sublessee shall provide Sublessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Sublease shall continue in full force and effect, and Sublessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Sublessee does not make the required commitment, or fails to provide the required funds within 30 days after making such commitment, this Sublease shall terminate on the date specified in the termination notice.

(iv) Total Destruction. Notwithstanding any other provision hereof, if a Subleased Premises Total Destruction occurs, this Sublease shall terminate 60 days following such destruction.

(v) Damage Near End of Term. If at any time during the last 6 months of this Sublease there is damage for which the cost to repair exceeds three (3) month's Rent, whether or not an Insured Loss, Sublessor may terminate this Sublease effective 90 days following the date of occurrence of such damage by giving a written termination notice to Sublessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Sublessee has not yet exercised the Sublease Extension Option, but still has the right to do so, then Sublessee may preserve this Sublease by exercising such option. If Sublessee duly exercises such option during such period, Sublessor, at Sublessor's commercially reasonable expense, shall repair such damage as soon as reasonably possible and this Sublease shall continue in full force and effect. If Sublessee fails to exercise such option, then this Sublease shall terminate on the date specified in the termination notice and Sublessee's option shall be extinguished.

(vi) Abatement of Rent; Sublessee's Remedies.

(a) In the event of Subleased Premises Partial Damage or Subleased Premises Total Destruction or a Hazardous Materials Condition for which Sublessee is not responsible under this Sublease, the Rent payable by Sublessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Sublessee's use of the Subleased Premises is impaired. All other obligations of Sublessee hereunder shall be performed by Sublessee, and Sublessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) If Sublessor shall be obligated to repair or restore the Subleased Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 60 days after such obligation shall accrue, Sublessee, at any time prior to the commencement of such repair or restoration, may give written notice to Sublessor of Sublessee's election to terminate this Sublease on a date not less than 60 days following the giving of such notice. If Sublessee gives such notice

and such repair or restoration is not commenced within 30 days thereafter, this Sublease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 day period, this Sublease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Subleased Premises, whichever first occurs.

(vii) Sublessor and Sublessee agree that the terms of this Sublease shall govern the effect of any damage to or destruction of the Subleased Premises with respect to the termination of this Sublease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

(g) If the Subleased Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Sublease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the improvement portion of the Subleased Premises or more than 25% of that portion of the Subleased Premises not occupied by any building, is taken by Condemnation, Sublessee may, at Sublessee's option, to be exercised in writing within 30 days after Sublessor shall have given Sublessee written notice of such taking (or in the absence of such notice, within 30 days after the condemning authority shall have taken possession) terminate this Sublease as of the date the condemning authority takes such possession. If Sublessee does not terminate this Sublease in accordance with the foregoing, this Sublease shall remain in full force and effect as to the portion of the Subleased Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Subleased Premises taken in connection with such Condemnation. Condemnation awards and/or payments shall be the property of Sublessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Sublessee shall be entitled to any compensation for Sublessee's relocation expenses, loss of business goodwill and/or trade fixtures, without regard to whether or not this Sublease is terminated pursuant to the provisions of this Section and, provided, further, all improvements made to the Subleased Premises by Sublessee, for purposes of Condemnation only, shall be considered the property of the Sublessee and Sublessee shall be entitled to any and all compensation which is payable therefor. In the event that this Sublease is not terminated by reason of the Condemnation, Sublessor shall repair any damage to the remainder of the Subleased Premises caused by such Condemnation.

(h) Upon the expiration of the Term, including the Sublease Extension Option period, if applicable, or the earlier termination of this Sublease, and subject to Section 11(b) hereof, Sublessee shall surrender possession of the Premises to Sublessor in broom clean condition, and in good order and repair, reasonable wear and tear and damage by casualty or condemnation excepted.

5. RENT.

(a) Sublessee shall pay to Sublessor minimum rent ("Base Rent"), without deduction, setoff, notice or demand, other than as expressly provided in this Sublease, at

Quantum Foods, LLC (Attn: David Prill), 750 South Schmidt Road, Bolingbrook, IL 60440, or at such other place as Sublessor shall designate from time to time by written notice to Sublessee, in the following amounts:

Sublease months ~~1 through 12~~

~~\$22,752.08~~ per month, so long as the current subtenant occupying the Premises remains; or

\$25,348.86 per month, if the current subtenant ceases to occupy the Premises.

Sublease months ~~13 through 24~~

~~\$71,986.00~~ per month.

All Rent shall be paid to Sublessor in monthly installments, in advance, on the Base Rent Commencement Date and on the ~~first day of each month~~ thereafter during the Term and the Sublease Extension Option period (if applicable). If the Base Rent Commencement Date begins or ends on a day other than the first or last day of a month, the Base Rent for the partial month shall be prorated on a per diem basis. As applicable, such partial month shall be deemed the first or last month of the Term.

(b) Except as expressly provided in this Sublease, the parties acknowledge that Sublessee is responsible for all costs of its business operations at the Subleased Premises. In addition, Sublessee shall pay operating costs (the "Operating Costs") to the extent provided in this Sublease. Operating Costs include costs for insurance as set forth in Section 21 hereof, Taxes (as that term is defined in the Lease), utilities, repairs and maintenance (subject to Sections 9(c) and (e) below), security, and other costs and expenses associated with the maintenance and operation of the Subleased Premises and repairs and replacements to the Structural Elements (as hereinafter defined), subject to the limitations contained in Sections 9(c) and (e) below. Operating Costs do not include any amounts incurred by Sublessor for management or accounting. Accordingly, (i) for the first twelve (12) months of the Term, if Sublessee does not pay its share of any of the Operating Costs directly, then Sublessee shall pay to Sublessor 55.04% of the amounts paid by Sublessor for actual Operating Costs of the Premises incurred during such period and (ii) for the remainder of the Term and the Sublease Extension Option period (if applicable), if Sublessee does not pay its share of any of the Operating directly, then Sublessee shall pay to Sublessor one hundred percent (100%) of the amounts paid by Sublessor for actual Operating Costs of the Premises incurred during such period. Such Operating Costs shall be deemed "Additional Rent"; collectively, Additional Rent and Base Rent shall be defined in this Sublease as "Rent."

(c) Sublessor shall provide Sublessee with figures and back up documentation showing all Operating Costs for the previous 24 months, as well as an estimate of Sublessee's share for such Operating Costs (based upon the assumption that Sublessee were in possession of the Subleased Premises during such period).

(d) If and to the extent that Operating Costs are not paid directly by Sublessee, then, as soon as practicable after the end of each month, Sublessor will provide a

reasonably detailed statement of actual Operating Costs incurred for the prior month, including copies of all invoices or other forms of billings that Sublessor pays, reasonable evidence of payment and calculations based on meter readings where applicable, as to all Operating Costs which are then determinable (the "**Determinable Operating Costs**"), and Sublessee will pay such Determinable Operating Costs for the prior month within seven (7) days of receipt thereof, as the portion of Additional Rent attributable to Determinable Operating Costs. Sublessee and Sublessor agree that Determinable Operating Costs include, without limitation, electricity, natural gas and security service, to the extent each remains in the name of Sublessor. The sum of \$8,937.40, being the estimated portion of such Additional Rent attributable to Taxes and insurance ("**Estimated Operating Costs**") shall be payable monthly on the same day as rent payable pursuant to Section 5(a) of this Sublease. Sublessee shall pay to Sublessor on the first day of the Installation Period the sum of \$8,937.40 as such portion of Additional Rent for the first month that begins on the date Sublessee takes occupancy of the Subleased Premises. If the initial occupancy date begins or ends on a day other than the first or last day of a month, such Additional Rent for the partial months shall be prorated on a per diem basis. Sublessor will provide, with respect to all Estimated Operating Costs, a similar reasonably detailed statement with similar copies, evidence and calculations as were provided with respect to Determinable Operating Costs, to be delivered on or before January 31, 2010 (and on each anniversary of such date during the Term and the Sublease Extension Option, if applicable), or, if all Estimated Operating Costs become determinable by an earlier date, then within twenty (20) days after such occurrence of determinability (in either case, the "**Final Determination and Delivery Date**"). If Sublessee's actual aggregate payments for Additional Rent paid with respect to Estimated Operating Costs are greater than actual aggregate Estimated Operating Costs when so determined, Sublessor shall pay the difference to Sublessee within ten (10) business days after delivery of such statement and any applicable invoices, evidence and calculations on the Final Determination and Delivery Date and, if not paid timely, shall bear interest at the rate of 10% per year until paid. If Sublessee's actual aggregate payments for Additional Rent paid with respect to Estimated Operating Costs are less than the actual Estimated Operating Costs when so determined, Sublessee shall pay the difference to Sublessor within ten (10) business days after delivery of such statement and any invoices, evidence and calculations on the Final Determination and Delivery Date, as Additional Rent and, if not paid timely, shall bear interest at the rate of 10% per year until paid. The obligations of Sublessor and Sublessee under this Subsection 5(d) shall survive the expiration or early termination of this Sublease.

(e) To the extent paid by Sublessor, Sublessor shall use commercially reasonable efforts to minimize the amount of Operating Costs consistent with Sublessor's obligations under the Lease and consistent with sound real estate management practices for properties similar to and in the vicinity of the Premises. Any rebates or refunds received by Sublessor (whether by way of cash payment, credits, or otherwise) for amounts previously charged to Sublessee as Operating Costs shall be promptly reimbursed by Sublessor to Sublessee and, if not so reimbursed within ten (10) business days of their receipt by Sublessor, shall bear interest at the rate of 10% per year until reimbursed.

(f) Sublessee, and its agents, shall have the right, during Sublessor's regular business hours and on reasonable prior notice, to inspect and copy, at the location of Sublessor's accounting records for the Premises, at Sublessee's sole cost and expense, Sublessor's general ledger regarding Operating Costs. The reimbursement procedure described

in Section 5(d) hereof shall apply in the case of any overpayment or underpayment disclosed by any such audit.

(g) In the event that Sublessee notifies Sublessor in writing of Sublessors' desire to contest any Tax, and Sublessor fails to notify Sublessee in writing, within ten business days thereafter, that Sublessor intends to contest such Tax, Sublessee shall have the same right as Sublessor to contest such Tax as provided in Section 3.1.2 of the Lease and, to the extent successful, Sublessee shall receive the benefit of any successful contest of a Tax to the extent Sublessee, as Additional Rent under this Sublease, was responsible for and paid the Tax that is refunded or credited as a result of such contest.

6. **SECURITY DEPOSIT.** Sublessee shall deposit with Sublessor upon execution of this Sublease the sum of Twenty-Two Thousand Seven Hundred Fifty-Two Dollars and Eight Cents ~~(\$22,752.08)~~ as security for Sublessee's faithful performance of Sublessee's obligations hereunder ("**Security Deposit**"). Upon commencement of the thirteenth (13th) month of the Term, Sublessee shall deposit with Sublessor an additional Forty-Nine Thousand Two Hundred Thirty-Three Dollars and Ninety-Two Cents ~~(\$49,233.92)~~ such additional deposit shall be considered a portion of the Security Deposit for the remainder of the Term and the Sublease Extension Option period (if applicable). Upon commencement of the Sublease Extension Option (if applicable), Sublessee shall deposit with Sublessor an additional Twenty-Four Thousand Three Hundred Eighty-Six Dollars and Thirty-Six Cents ~~(\$24,386.36)~~ such additional deposit shall be considered a portion of the Security Deposit for the remainder of the Sublease Extension Option period (if applicable). If Sublessee fails to pay Rent or other charges when due under this Sublease, or fails to perform any of its other obligations hereunder, Sublessor may use or apply all or any portion of the Security Deposit for the payment of any Rent or other amount then due hereunder and unpaid, for the payment of any other sum for which Sublessor may become obligated by reason of Sublessee's default or breach, or for any loss or damage sustained by Sublessor as a result of Sublessee's default or breach. If Sublessor so uses any portion of the Security Deposit in accordance herewith, Sublessee shall, within ten (10) days after written demand by Sublessor, restore the Security Deposit to the full amount originally deposited, and Sublessee's failure to do so shall constitute a default under this Sublease. Sublessor shall not be required to keep the Security Deposit separate from its general accounts, and shall have no obligation or liability for payment of interest on the Security Deposit. In the event Sublessor assigns its interest in this Sublease, Sublessor shall deliver to its assignee so much of the Security Deposit as is then held by Sublessor. Within thirty (30) days after the Term or Sublease Extension Option period (if applicable) has expired, or Sublessee has vacated the Subleased Premises, or any final adjustment pursuant to Subsection 5(d) hereof has been made, whichever shall last occur, and provided Sublessee is not then in default of any of its obligations hereunder, the Security Deposit, or so much thereof as had not theretofore been applied by Sublessor, shall be returned to Sublessee or to the last assignee, if any, of Sublessee's interest hereunder.

7. **USE OF PREMISES.** The Subleased Premises shall be used and occupied in conformance with Section 4.1 of the Lease and solely for the manufacturing, processing, storage and distribution of food products, and for no other use or purpose..

8. **ASSIGNMENT AND SUBLETTING.** Sublessee shall not assign this Sublease or further sublet all or any part of the Subleased Premises without the prior written

consent of Sublessor (and the consent of Lessor, if such is required under the terms of the Lease), which consent shall not be unreasonably withheld, conditioned, or delayed. If requested to do so by Sublessee, Sublessor shall use commercially reasonable efforts to obtain Lessor's consent to any such assignment or sublease to the extent required under the Lease. The foregoing to the contrary notwithstanding, during the second year of the Term and during the Sublease Extension Option period, if applicable, Sublessee shall have the right to store food products owned by third parties in the freezer portion of the Subleased Premises, pursuant to contracts with such third parties which do not provide such third parties with any right to occupy the Subleased Premises or any leasehold rights therein.

9. CONDITION OF SUBLEASED PREMISES, PRODUCTION EQUIPMENT AND SUBLESSOR WARRANTY.

(a) Prior to the commencement of the Term, Sublessee shall have the right to conduct due diligence to verify square footages, Operating Costs, condition of the Subleased Premises, and other items.

(b) Sublessor, at its sole cost and expense, shall deliver the Subleased Premises on the Base Rent Commencement Date in a broom swept, clean condition, with all mechanical refrigeration equipment, cold storage doors, gates, electrical, lighting, plumbing/drains, fire and life safety, heating, dock bumpers, dock doors, dock seals, load levelers, sprinklers (dry and wet systems), cold storage insulation, production area floor coating, racking and HVAC (collectively, the "Equipment") in good working order and condition and in acceptable condition for USDA certification and approval. Sublessor shall deliver the Subleased Premises on the Base Rent Commencement Date at 38 degrees Fahrenheit for the production area (including the entire production, dry storage, maintenance and utilities area, quality assurance area, and welfare and test kitchen), 40 degrees Fahrenheit for the refrigerated dock/battery charging area and 32 degrees Fahrenheit for the south cooler area. On the first anniversary of the Base Rent Commencement Date, Sublessor shall deliver the north cooler at 28 degrees Fahrenheit, the freezer at 0 degrees Fahrenheit, and the blast freezer at minus 20 degrees Fahrenheit and all of the associated areas of the Subleased Premises which were not subleased during the first twelve months of the Term, including such north cooler and related refrigeration equipment shall be in good working order and condition and in acceptable condition for USDA certification and approval. Sublessor warrants to Sublessee that the Equipment is in good working order and in acceptable condition for USDA certification and approval under normal food processing conditions. Notwithstanding the foregoing, in the event the cost required to deliver the blast freezer in the condition required above exceeds \$10,000, Sublessor shall only be obligated to pay the first \$10,000 of such costs, and the remaining costs related to the blast freezer shall be paid by Sublessee.

(c) Subject to Section 18 of the Lease, Sublessor covenants that during the Term, and the Sublease Extension Option period, if any, it shall keep all mechanical refrigeration equipment, the sprinkler system, the main electrical panel, the walls, the foundation, the parking lot and the roof (collectively, the "Structural Elements") in good working order and condition and in acceptable condition for USDA certification under normal food processing conditions. Notwithstanding the foregoing, Sublessor shall not be obligated for a breach of the foregoing warranties and covenants to the extent that Sublessee uses any of the Structural

Elements outside of normal and customary food processing manufacturing processes or to the extent any breach is caused by the negligence or misconduct of Sublessee or any of its officers, employees, agents, contractors or representatives. The foregoing warranties are conditioned upon Sublessee utilizing proper maintenance and care of all Structural Elements. With respect to the mechanical refrigeration equipment and the sprinkler system, Sublessee shall contract, at its expense, with a contractor for the ongoing mechanical refrigeration maintenance of the Subleased Premises, on commercially reasonable terms and conditions (and provide Sublessor with reasonable compliance documentation). Provided that Sublessee is not in breach of any of its obligations under this Section 9(c), Sublessor, during the Term, and the Sublease Extension Option period, if any, covenants to bear all Structural Elements-related repair or replacement costs, to the extent such costs (i) are in excess of \$5,000.00 (per occurrence) or (ii) are in excess of \$50,000.00 in the aggregate over a 12 month period, which period (a) shall commence on the Base Rent Commencement Date and each anniversary of the Base Rent Commencement Date thereafter, and (b) expire three hundred sixty-four (364) days following the Base Rent Commencement Date or each anniversary thereof, as applicable.

(d) Sublessor shall be financially responsible for employing, and shall employ, a Building Engineer who shall respond directly to Sublessor, but be available during normal work hours to perform his customary duties at the request of Sublessee. The Building Engineer will oversee the Subleased Premises on behalf of the Sublessor.

(e) The Subleased Premises shall be delivered on the Base Rent Commencement Date to Sublessee in substantially the same condition set forth in Exhibit "C" attached hereto (including, without limitation, the removal of the partitions installed (with holes covered and sealed), replacement of the battery charging area doors, replacement of the door separating the cooking room from the ready-to-eat pack off room, and sealing damage to and smoothing out the floors) all in accordance with applicable USDA and state, county or local health inspection standards for operation of a USDA-registered facility. In addition, Sublessor shall make all necessary repairs and replacements to permit the Subleased Premises on the Base Rent Commencement Date to retain or obtain a USDA registration and permits required to be issued by the state, county and city health departments in order to operate a USDA-registered facility. Sublessor represents and warrants that to its knowledge the improvements on the Subleased Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed.

(f) Sublessor agrees to grant Sublessee the right to use (solely upon the Subleased Premises) the processing equipment listed hereto as Exhibit "D" (collectively, the "**Processing Equipment**") during the Term. Sublessee shall provide a written list to Sublessor of the Processing Equipment Sublessee will use prior to forty-five (45) days after the Base Rent Commencement Date. All other Processing Equipment owned by Sublessor and located at the Subleased Premises shall be removed by Sublessor at a time mutually acceptable to Sublessor and Sublessee (but not later than 135 days after the Base Rent Commencement Date), and Sublessee shall have no right to use such Processing Equipment. The Sublessee acknowledges that Sublessor has not made, and will not make, any warranty as to the condition of the Processing Equipment. Sublessee shall return the Processing Equipment to Sublessor at the end of the Term or Sublease Extension Option period in the same condition it was delivered, ordinary

wear and tear excepted. Sublessee shall take all commercially reasonable actions to insure the Processing Equipment; in the event that the Processing Equipment is insured and a casualty to the Processing Equipment occurs, Sublessor shall accept all insurance proceeds payable to Sublessee as a result of such casualty. In addition to the Processing Equipment selected by Sublessee, Sublessee shall have the right, without payment of any additional charges, to use the existing telephone and communications systems and the existing communications cabling and conduit.

(g) If Sublessor has breached any obligation under this Sublease related to the condition of the Subleased Premises, and if such breach threatens food safety or product integrity or is a threat to the fire safety of the Subleased Premises or life safety of its occupants, then Sublessee may treat such condition as an emergency, and may, after written notice to Sublessor of the nature of the emergency, pay the commercially reasonable amounts necessary to cure such breach. If Sublessee follows the procedure set forth above and Sublessor fails to reimburse Sublessee for the reasonable costs incurred by Sublessee in curing such breach within thirty days after written request from Sublessee, accompanied by invoices and lien waivers for the work performed, Sublessee may offset the amount of such cure against the amount of Rent next then owing.

(h) The following applies with respect to Hazardous Materials:

(i) Sublessor represents and warrants to Sublessee that to the best of its knowledge, there are no Hazardous Materials in, on or under the Premises and that Sublessor has received no notice of any violation of any laws governing Hazardous Materials.

(ii) Sublessee shall not engage in any activity in or on the Subleased Premises which constitutes a Reportable Use as hereinafter defined of Hazardous Materials without the express prior written consent of Sublessor, which consent may be given or denied in Sublessor's sole discretion, and timely compliance (at Sublessee's expense) with all Applicable Requirements. Reportable Use shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Material that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any government authority, and/or (iii) the presence at the Subleased Premises of a Hazardous Material with respect to which any Applicable Requirement requires that a notice be given to persons entering or occupying the Subleased Premises or neighboring properties. Notwithstanding the foregoing, Sublessee may use any ordinary and customary materials reasonably required to be used in the normal course of its business, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Subleased Premises or neighboring property to any meaningful risk of contamination or damage or expose Sublessor to any liability therefor and provided, further, that nothing contained herein shall preclude Sublessee from undertaking, or require the consent of Sublessor for, any food manufacturing, processing, storage, or distribution activities of the kind that have previously been conducted at any time at the Subleased Premises so long as such activities are otherwise conducted in accordance with Applicable Requirements.

(iii) If Sublessee knows, or has reasonable cause to believe, that a Hazardous Material has come to be located in, on, under or about the Subleased Premises, other than as previously consented to by Sublessor, Sublessee shall immediately give written notice of such fact to Sublessor and provide Sublessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Materials.

(iv) Sublessee shall not cause or permit any Hazardous Materials to be spilled or released in, on, under or about the Subleased Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Sublessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Subleased Premises or neighboring properties, that was caused or materially contributed to by Sublessee, or pertaining to or involving any Hazardous Materials brought onto the Subleased Premises during the term of this Sublease, including the Sublease Extension Option period, if applicable, by or for Sublessee or any third party.

(v) Sublessee shall indemnify, defend and hold Sublessor, its managers, members, agents, employees and Lessor harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees (collectively, "**Damages**") arising out of or involving any Hazardous Materials brought onto the Subleased Premises by or for Sublessee, or any third party (provided, however, that Sublessee shall have no liability under this Sublease with respect to underground migration of any Hazardous Materials under the Subleased Premises from adjacent properties not caused or contributed to by Sublessee). Sublessee's obligations shall include, but not be limited to, Sublessor's Damages and the cost of investigation, removal, remediation, restoration and/or abatement and shall survive the expiration or termination of this Sublease. No termination, cancellation or release agreement entered into by Sublessor and Sublessee shall release Sublessee from its obligations under this Sublease with respect to Hazardous Materials, unless specifically so agreed by Sublessor in writing at the time of such agreement.

(vi) Sublessor and its successors and assigns shall indemnify, defend, reimburse and hold Sublessee, its managers, members, employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Materials which existed on the Subleased Premises prior to Sublessee's occupancy or which are caused by the negligence or willful misconduct of Sublessor, its managers, members, agents or employees.

(vii) Sublessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Materials on the Subleased Premises prior to Sublessee's occupancy. Sublessee shall cooperate fully in any such activities at the request of Sublessor, including allowing Sublessor and Sublessor's agents to have reasonable access to the Subleased Premises at reasonable times in order to carry out Sublessor's investigative and remedial responsibilities.

(viii) If a Hazardous Materials Condition occurs during the term of this Sublease, unless Sublessee is legally responsible therefor (in which case Sublessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Sublease shall continue in full force and effect, but subject to Sublessor's rights under Section 4(f)(iii) hereof, Sublessor shall investigate and remediate such Hazardous Materials Condition, if required, as soon as reasonably possible at Sublessor's expense.

10. **RACKING.** Sublessee shall be allowed to use all existing racking within the Subleased Premises. Sublessee shall have the right to modify and reconfigure the horizontal rack supports, but shall not modify or reconfigure any of the vertical rack supports. Sublessee shall have the right, following the termination of this Sublease, to remove or leave any racking installed by Sublessee. Following the termination of this Sublease, Sublessee shall have no obligation to reconfigure the racking to the condition such racking was configured on the Base Rent Commencement Date. Sublessor shall restore all vertical and horizontal racking in the freezer area of the Subleased Premises prior to the commencement of the 13th month of the Term.

11. **ALTERATIONS.**

(a) Upon written consent of Sublessor (such consent not to be unreasonably withheld, delayed or conditioned), Sublessee, at its sole cost and expense, shall have the right to make alterations, additions or improvements, structural or otherwise, to the Subleased Premises or any portion thereof (collectively, "**Alterations**") which Sublessee, in its sole discretion, deems necessary or desirable for its operation of the Subleased Premises. Any Alteration by Sublessee hereunder shall be done in accordance with the terms and provisions of the Lease, and shall be done in a good and workmanlike manner in compliance with all applicable laws, ordinances and regulations, and Sublessee shall be solely responsible for obtaining all required permits, licenses, and other approvals from governmental authorities.

(b) At the termination of this Sublease, all Alterations shall become the property of Sublessor and shall remain upon and be surrendered with the Subleased Premises as a part thereof without compensation to Sublessee. The foregoing to the contrary notwithstanding, Alterations shall exclude Sublessee's trade fixtures, equipment, supplies, moveable furniture, and other personal property installed by Sublessee, which Sublessee shall remove at the termination of this Sublease (whether or not the same are affixed to the Subleased Premises). Sublessee shall be solely responsible for all costs and expenses incurred in connection with any such removal, and Sublessee shall indemnify Sublessor against any and all expense, liability or damage to the Subleased Premises resulting from the removal of such items.

12. **LESSOR'S ASSIGNMENT OF LEASE.** Provided that (i) Sublessee properly exercises its Sublease Extension Option and (ii) Sublessee provides Sublessor with ninety (90) days prior written notice of its intent to pursue an assignment of the Lease from Sublessor to Sublessee, Sublessor agrees to use commercially reasonable efforts to obtain Lessor's consent to such an assignment following the expiration of the Sublease Extension Option period.

13. **CONDITIONS TO SUBLESSEE'S OBLIGATIONS.** Sublessor and Sublessee agree and acknowledge that Sublessee's obligations under this Sublease are expressly conditioned upon (i) Lessor's agreement to enter into a direct lease, on the terms and conditions contained herein and covering the balance of the Term and the Sublease Extension Option period, if and when such option is exercised, with Sublessee in the event that Lessor terminates the Lease following an event of default by Sublessor and (ii) Lessor's lender(s)' agreement not to disturb Sublessee's right to occupy the Subleased Premises in the event of Lessor's default under any applicable mortgage or other financing instrument recorded against the Subleased Premises. Sublessee agrees to enter into a subordination agreement with Lessor's lender(s), provided that such lender(s) agree to subclause (ii) above. Prior to the commencement of the Installation Period, Sublessee may give written notice to Sublessor of Sublessee's cancellation of this Sublease due to the failure to satisfy the above described conditions. Upon actual receipt by Sublessor of such notice, this Sublease shall be cancelled, in which case all consideration previously paid by Sublessee to Sublessor on account of this Sublease shall be returned to Sublessee, this Sublease shall thereafter be of no further force or effect, and Sublessor shall have no further liability to Sublessee.

14. **SIGNS.** Sublessee may place identification signage in and about the Subleased Premises, provided that: (i) the installation and dimensions of said signs are in compliance with all applicable laws; (ii) Sublessee maintains said signs in a good manner; and (iii) Sublessee, at its sole cost and expense, pays the costs associated with the installation and maintenance of the signs and removes said signs (and repairs any damage to the Premises) at the termination of this Sublease.

15. **PERMITS.**

(a) Sublessor shall reasonably cooperate and assist with Sublessee's obtaining of all permits, licenses, and registrations necessary to operate Sublessee's business in accordance with the use set forth in Section 7 above.

(b) If, in the process of obtaining a permit, license or approval that Sublessee reasonably deems necessary to operate its business in accordance with the use set forth in Section 7 above, Sublessee learns that a non-permitted improvement within the Subleased Premises must be modified, changed or removed, Sublessor agrees to make all modifications and changes to the Subleased Premises necessary for Sublessee to obtain such permit, license or approval; provided, however, that Sublessor shall not be obligated to spend more than \$50,000.00 in making such modifications and changes; provided, further, that Sublessor shall have no obligations under this Section 15 to the extent such non-permitted improvements are attributable to the operation of Sublessee's business.

16. **ECONOMIC BENEFITS.** To the extent permitted by all applicable laws, Sublessor agrees to pass on to Sublessee any economic benefit obtained by Sublessor as a result of Sublessee's occupancy and use of the Subleased Premises. Sublessor shall pass on such economic benefit promptly following receipt thereof.

17. **ELECTRICAL EXPENSES.** All electrical utilities shall be in Sublessee's name, and Sublessee shall arrange to have all utilities placed in its name

immediately following the Base Rent Commencement Date. Sublessee shall pay all electric utilities for the Premises during the Term and Sublease Extension Option period (if applicable).

18. **ACCESS AND SECURITY.** Sublessee shall have access to the Subleased Premises 24 hours per day, 7 days per week, 52 weeks per year during the Term and the Sublease Extension Option period (if applicable). Sublessor shall provide Sublessee with reasonable security personnel for the Subleased Premises; provided, however, that all costs incurred by Sublessor with respect to such security personnel shall be included as Operating Costs and provided, further, Sublessor shall not incur any liability with respect to security of the Subleased Premises other than as a result of Sublessor's breach of this Section 18.

19. **INCORPORATION OF AND COMPLIANCE WITH LEASE.**

(a) The Lease is described in Section 2.4.1 thereof as a "bond net lease" and, in such regard, Sublessor, unlike a lessee under a so-called "triple net lease," has the absolute and unconditional obligation to pay rent due under the Lease even in the event of damage or destruction to, or the condemnation of, the Premises, even if under certain circumstances the Premises can no longer be used for Sublessor's intended use, and other circumstances described in Section 2.4.2 of the Lease. Further, in addition to Operating Costs, Sublessor is obligated to pay various expenses relating to the Premises including all Structural Elements and, unlike a so-called "triple net lease," the Lease terminates under limited circumstances. It is the intention of Sublessor and Sublessee that this Sublease shall be in the nature of a so-called "triple net lease" and, in such regard, Sublessor and Sublessee have expressly set forth Sublessee's monetary and other obligations. Sublessor and Sublessee agree that Sublessee shall only be obligated to perform Sublessor's obligations under the Lease, and that Sublessee shall only be bound to the terms and conditions of the Lease, to the extent expressly provided in this Sublease and, if not so provided, Sublessee shall have no obligations under, and shall not be bound by, the Lease.

(b) In addition to any other provision of this Sublease that obligates Sublessee to various provisions of the Lease, Sublessee also agrees to be bound by and/or to assume the following obligations under the Lease:

(i) Section 2.3, other than the penultimate sentence thereof and other than as provided in Section 9(g) hereof.

(ii) Section 4.1, Use of Premises, other than the last two sentences thereof (except that Sublessee shall cooperate with Sublessor regarding information needed by Sublessor to provide Lessor with the Tenant Operations Inquiry form as defined in the Lease).

(iii) Section 4.2, Signage.

(iv) Section 4.3, Liens.

(v) Section 6.1, Subordination and Attornment.

(vi) Section 6.2, Estoppel Certificate.

(vii) Section 9.1, Compliance With Law, except that in the event of a conflict between the terms and conditions of such Section 9.1, on the one hand, and Sublessor's obligations under this Sublease, on the other hand, Sublessor's obligations under this Sublease shall take precedence over Sublessee's obligations under such Section 9.1.

(viii) Section 9.2, Hazardous Materials, it being understood that [A] Sublessee shall only be liable for Hazardous Materials, as defined in the Lease, introduced by it or its agents or as otherwise set forth in Section 9(h) hereof, and [B] in the event of a conflict between the terms and conditions of such Section 9.2, on the one hand, and Sublessor's representations, warranties, and covenants under this Sublease, on the other hand, Sublessor's obligations under this Sublease shall take precedence over Sublessee's obligations under such Section 9.2.

(ix) Section 11, Alterations.

(x) Section 16. Landlord's Rights.

(xi) Section 19, Holdover, except that Sublessee shall have no obligation with respect to Structural Elements other than as expressly provided in this Sublease.

(xii) Section 20, Events of Default.

(xiii) Section 21, Rights and Remedies.

(c) For purposes of incorporation into this Sublease, (i) references in the Lease to "the date hereof", "the date of this Lease" and similar references shall be deemed to refer to the date of this Sublease; (ii) references in the Lease to "Lessor" and to "Tenant" shall be deemed to refer to "Sublessor" and "Sublessee" hereunder respectively; (iii) references in the Lease to "the lease" or "this lease" shall be deemed to refer to "this Sublease"; and (iv) references in the Lease to the "Premises" shall be deemed to refer to the "Subleased Premises."

(d) If requested to do so by Lessor, Sublessee shall pay Rent to Lessor until directed by Lessor to cease doing so and all payments made by Sublessee to Lessor shall offset dollar-for-dollar the amount of Rent otherwise payable under this Sublease.

(e) Sublessee shall comply at all times with all rules and regulations promulgated from time to time in connection with the Lease to the extent that such rules and regulations do not conflict with the terms and conditions of this Sublease. All references in such rules to tenants shall apply to Sublessee.

(f) Except with respect to actions to be taken by Sublessee for which shorter time limits are specifically set forth in this Sublease, which time limits shall control for the purposes of this Sublease, the time limits provided in the Lease for the giving or making of any notice by the tenant thereunder to Lessor, the holder of any mortgage or any other party, or for the performance of any act, condition or covenant by the tenant thereunder, or for the exercise of any right, remedy or option by the tenant thereunder, to the extent the same have been made applicable to Sublessee pursuant to the express terms and conditions of this Sublease, are changed for the purposes of this Sublease, by shortening the same in each instance by five (5)

days with respect to all such periods of ten (10) days or more and by three (3) days with respect to all such periods of five (5) days or more but less than ten (10) days.

(g) Sublessee shall not take any action, nor make any omission, that would cause Sublessor to be in default under the Lease. Sublessee shall indemnify and hold Sublessor harmless from and against any and all claims, losses, damages, expenses (including, without limitation, reasonable attorneys' fees) and other liability of any kind whatsoever to the extent that the same result directly from any breach or default by Sublessee under this Section.

(h) Sublessor shall not take any action, nor make any omission, that would cause Sublessor to be in default under the Lease. Sublessor shall indemnify and hold Sublessee harmless from and against any and all claims, losses, damages, expenses (including, without limitation, reasonable attorneys' fees) and other liability of any kind whatsoever to the extent that the same result directly from any breach or default by Sublessor under this Section.

(i) Notwithstanding anything to the contrary contained in this Sublease, (i) Sublessee agrees that Sublessor does not make or adopt any representation or warranty of Lessor that has been incorporated herein from the Lease; and (ii) if any of the terms of the Lease are inconsistent with the terms of this Sublease, the terms of this Sublease shall control as between Sublessor and Sublessee.

(j) Provided that Sublessee is not then in default under the terms of this Sublease beyond any applicable notice and cure period, Sublessor agrees that it will not (i) agree to a termination of the Lease unless in connection therewith Lessor accepts this Sublease as a direct lease between Lessor and Sublessee, or (ii) agree to any amendment or modification of the Lease which has any effect on any of Sublessee's rights or obligations under this Sublease, without the prior written consent of Sublessee, which consent may be given or denied in Sublessee's sole and absolute discretion.

(k) Promptly after receipt from Lessor, each party hereto shall deliver to the other party hereto a copy of each notice of default, and of each other notice, statement, demand and other communication given or sent by or on behalf of Lessor which relates or is applicable to this Sublease, the Subleased Premises, Sublessee's use and occupancy thereof or the services and facilities furnished to the Subleased Premises or Sublessee.

20. **CONSENTS AND APPROVALS.** Except as expressly provided in this Sublease, in all provisions requiring the approval or consent of Sublessor or Lessor (whether pursuant to the express terms of this Sublease or the terms of the Lease, to the extent incorporated herein), Sublessee shall be required to obtain the approval or consent of Lessor and then to obtain like approval or consent of Sublessor. Whenever Sublessor has agreed that a required consent or approval shall not be withheld, delayed and/or conditioned or unreasonably withheld, delayed, and/or conditioned whether in this Sublease or pursuant to any provision of the Lease incorporated herein, Sublessor may withhold its consent or approval and it shall be deemed reasonable for Sublessor to withhold or delay its consent or approval if Lessor shall have delayed or refused to give any consent or approval which may be requested of it. Without intending to waive Sublessee's obligation hereunder to obtain the consent or approval of Lessor prior to obtaining the like consent or approval of Sublessor, if Sublessor is required or has

determined to give its consent or approval to a matter as to which consent or approval has been requested by Sublessee, Sublessor shall cooperate reasonably with Sublessee in endeavoring to obtain any required Lessor's consent or approval upon and subject to the following terms and conditions: (i) Sublessee shall reimburse Sublessor for any reasonable out of pocket costs incurred by Sublessor in connection with seeking such consent or approval (except with respect to the consent required in connection with the execution of this Sublease), (ii) Sublessor shall not be required to make any payments to Lessor or to enter into any agreements or to modify the Lease or this Sublease in order to obtain any such consent or approval, (iii) neither the granting of such approval or consent by Sublessor nor the occurrence of the matter for which such approval or consent is sought will result in any increase in Sublessor's obligations to Lessor under the Lease, and (iv) a person or entity reasonably acceptable to Sublessor shall, in a written instrument reasonably satisfactory to Sublessor and its counsel, indemnify and hold harmless Sublessor from and against all losses, costs, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Sublessor may suffer or incur as a result of or arising out of its approval or consent to such matter (other than costs or expenses incurred in seeking consent or approval for the execution of this Sublease).

21. INSURANCE.

(a) Sublessee shall maintain at its sole cost commencing on the earlier of (i) the date Sublessee commences occupancy of the Subleased Premises or (ii) the Base Rent Commencement Date, and continuing throughout the Term hereof the Tenant Policies, as that term is defined in Section 10.1 of Lease, described in Sections 10.2(ii), (iii), (iv), (v) and, if applicable, (vii) of the Lease (collectively, the "Sublessee Policies"). The Sublessee Policies shall name as additional insureds thereunder Lessor, Sublessor, and all such other parties as may be required under the Lease, as their respective interests may appear, and all Sublessee Policies shall provide all coverage and contain all other provisions as are required to be contained and provided in such insurance policies as provided in the Lease. Without limiting the generality of the foregoing, Sublessee shall, promptly after Sublessor's or Lessor's request, deliver to Sublessor and Lessor certificates evidencing the Sublessee Policies. In the event that Sublessee fails, at any time or from time to time, to comply with the requirements of this section, Sublessor may (i) order such insurance and charge the cost thereof to Sublessee, which amount shall be payable by Sublessee to Sublessor upon demand, as Additional Rent or (ii) impose on Sublessee, as Additional Rent, a monthly delinquency fee, for each month during which Sublessee fails to comply with the foregoing obligation, following the first such month, in an amount equal to two percent (2%) of the monthly Base Rent then in effect; provided, however, in any such instance where Sublessor elects to so provide insurance and charge the premiums therefor to Sublessee, as Additional Rent, Sublessor agrees that it may not pass through to Sublessee, as Additional Rent, the amount of any such insurance premium in excess of the premium that Sublessee reasonably evidences in writing to Sublessor would be charged to Sublessee, if Sublessee were to procure the same insurance coverage as then in question with the same deductible), from an insurer with the Best's rating that equals or exceeds the then-applicable Best's rating of Sublessor's insurer. Sublessor shall be responsible for providing all other Tenant Policies other than the Sublessee Policies and Sublessee shall be named as an additional insured on all such policies, as its interest may appear.

(b) Notwithstanding anything to the contrary in this Sublease, Sublessor and Sublessee mutually waive their respective rights of recovery against each other and each other's officers, directors, shareholders, constituent partners, managers, members, agents and employees, and Sublessee further waives such rights against (a) Lessor and each lessor under any ground or underlying lease encumbering the Premises and (b) each lender under any mortgage or deed of trust or other lien encumbering the Premises (or any portion thereof or interest therein), to the extent any loss is insured against or required to be insured against under this Sublease, including, but not limited to, losses, deductibles or self-insured retentions covered by Lessor's, Sublessor's or Sublessee's commercial property, general liability, automobile liability or workers' compensation policies described above. This provision is intended to waive, fully and for the benefit of each party to this Sublease, any and all rights and claims that might give rise to a right of subrogation by any insurance carrier. Each party shall cause its respective insurance policy(ies) to be endorsed to evidence compliance with such waiver.

(c) Each policy required to be maintained hereunder shall provide that any insured party and any additional insured shall receive thirty (30) days advance written notice in the event of a cancellation of or material change in such policy.

(d) If the annual insurance premiums to be paid by Lessor under the Lease shall exceed the standard rates because Sublessee's operations, the contents of the Subleased Premises, or the improvements with respect to the Subleased Premises beyond building standard, result in extra hazardous exposure, Sublessee shall promptly pay the excess amount of the premium upon request by Lessor.

22. **OTHER PROVISIONS OF SUBLEASE.** If the Lease terminates as a result of Sublessor's default under the Lease, then, unless Sublessee has waived the condition contained in Section 13(i) of this Sublease (requiring Lessor to enter into a direct lease with Sublessee in the event that Lessor terminates the Lease following an event of default by Sublessor), this Sublease shall become a direct lease between Sublessee, as lessee, and Lessor, as lessor in which case Sublessor shall be liable to Sublessee for the damages suffered by Sublessee as a result of such termination. If the Lease terminates as a result of Sublessee's default under this Sublease, this Sublease shall terminate and Sublessor and Sublessee shall be relieved of any further liability or obligation under this Sublease, provided, however, that Sublessee shall be liable to Sublessor for the damage suffered as a result of such termination. Notwithstanding the foregoing, if the Lease gives Sublessor any right to terminate the Lease in the event of the substantial or total damage, destruction, or condemnation of the Premises or the building or project of which the Premises are a part, the exercise of such right by Sublessor shall not constitute a default or breach hereunder, but such right shall only be exercised by Sublessor after giving Sublessee notice that Sublessor intends to terminate the Lease and permitting Sublessee to advance any funds that would prevent the Lease from terminating. Sublessee shall indemnify, hold harmless and defend Sublessor from and against any and all damages, claims, costs, suits, proceedings, losses and liabilities (to persons or property) which result or arise from or in connection with (i) the use, occupancy, management, repair, maintenance or control of the Subleased Premises or any portion thereof by Sublessee or Sublessee's agents, employees, contractors, licensees or invitees, (ii) any act or omission of Sublessee or Sublessee's agents, employees, contractors, licensees or invitees or (iii) Sublessee's breach of this Sublease. Sublessee shall assume all of the third party costs associated with defending against any claims,

suits, proceedings or actions brought against Sublessor in respect of the foregoing, including, without limitation, reasonable attorneys' fees and expenses. Sublessor shall indemnify, hold harmless and defend Sublessee from and against any and all damages, claims, costs, suits, proceedings, losses and liabilities (to persons or property) which result or arise from or in connection with Sublessor's breach of this Sublease. Sublessor shall assume all of the third party costs associated with defending against any claims, suits, proceedings or actions brought against Sublessee in respect of the foregoing, including, without limitation, reasonable attorneys' fees and expenses.

23. **ATTORNEYS' FEES AND EXPENSES.** If Sublessor, Sublessee, or Broker shall commence an action against the other arising out of or in connection with this Sublease, the prevailing party shall be entitled to recover its costs of suit and reasonable attorney's fees and expenses.

24. **AGENCY DISCLOSURE.** Sublessor and Sublessee each warrant that they have dealt with no other real estate broker in connection with this transaction except: CB RICHARD ELLIS, INC.

In the event that CB RICHARD ELLIS, INC. represents both Sublessor and Sublessee, Sublessor and Sublessee hereby confirm that they were timely advised of the dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.

25. **COMMISSION.** Upon execution of this Sublease, and consent thereto by Lessor (if such consent is required under the terms of the Lease), Sublessor shall pay Broker a real estate brokerage commission in accordance with Sublessor's contract with Broker for the subleasing of the Subleased Premises for services rendered in effecting this Sublease. Broker is hereby made a third party beneficiary of this Sublease solely for the purpose of enforcing its right to said commission. Sublessee has no obligation or liability to pay any such commission.

26. **NOTICES.** All notices and demands which may or are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Sublessor to Sublessee shall be sent by United States Mail, postage prepaid, or by nationally recognized courier services, addressed to the Sublessee at the Subleased Premises, and to the address hereinbelow, or to such other place as Sublessee may from time to time designate in a notice to the Sublessor. All notices and demands by the Sublessee to Sublessor shall be sent by United States Mail, postage prepaid, or by nationally recognized courier services, addressed to the Sublessor at the address set forth herein, and to such other person or place as the Sublessor may from time to time designate in a notice to the Sublessee.

To Sublessor: Quantum Foods, LLC (Attn: Chief Financial Officer), 750 S Schmidt Rd., Bolingbrook, IL 60440. (630) 679-2300; copy to "General Counsel" at same location.

To Sublessee: Prior to the Installation Period, to: ProPortion Foods, LLC c/o Kessler & Kessler, A Law Corporation, 1800 Avenue of the Stars, Suite 400, Los Angeles, CA 90067. (310) 552-0442. From and after the Installation Period, to: ProPortion Foods, LLC, 4020 South Compton Avenue, Los Angeles, CA 90011. (323) 231-7777. Attention: Brian Levy.

27. **CONSENT BY LESSOR.** THIS SUBLEASE SHALL BE OF NO FORCE OR EFFECT UNLESS CONSENTED TO BY LESSOR, IF SUCH CONSENT IS REQUIRED UNDER THE TERMS OF THE LEASE.

28. **COMPLIANCE.** The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited to, the 1964 Civil Rights Act and all amendment thereto, the Foreign Investment in Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

29. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** Sublessor represents, warrants and covenants (a) Sublessor will timely pay all rent, additional rent and all other charges that become due under the Lease, throughout the Term of this Sublease and the Sublease Option Extension period, if any; (b) that, except in the case of substantial or total casualty or condemnation as provided in Section 22 above, Sublessor will not voluntarily terminate the Lease prior to the expiration (or earlier termination) of this Sublease; and (c) that Sublessor shall not cause a default under the Lease in the event or to the extent that the actions of Sublessor or Sublessor's failure or refusal to act where there is a duty to do so or the condition of Sublessor could cause a default under the Lease.

30. **GOVERNING LAW; CONSTRUCTION.** This Sublease shall be governed by and construed in accordance with the laws of the state in which the Premises are located. If any provision of this Sublease shall be invalid or unenforceable, the remainder of this Sublease shall not be affected but shall be enforced to the extent permitted by law. The captions, headings and titles in this Sublease are solely for convenience or reference and shall not affect its interpretation. This Sublease shall be construed without regard to any presumption or other rule requiring construction against the party causing the relevant portion of this Sublease to have been drafted. Each covenant, agreement, obligation, or other provision of this Sublease to be performed by Sublessee or Sublessor, as applicable, shall be construed as a separate and independent covenant of the obligor, not dependent on any other provision of this Sublease. All terms and words used in this Sublease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. This Sublease may be executed in counterparts and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument. Delivery of a signed counterpart by facsimile transmission, or other electronic means, shall be as effective as delivery of a manually signed counterpart of this Sublease. Each and all of the provisions hereof shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns. No amendment, modification, or supplement to the Sublease shall be binding on any of the parties unless it is in writing and signed by the parties in interest at the time of the modification. This Sublease and all exhibits hereto constitute the entire agreement between the parties with regard to the subject matter hereof and thereof. This Sublease and all exhibits hereto supersedes all previous agreements between or among the parties. There are no agreements, representations, or warranties between or among the parties other than those set forth in this Sublease and all exhibits hereto. The parties shall at their own cost and expense execute and deliver such further documents and instrument and shall take such other actions as may be reasonably required or appropriate to carry out the intent and purposes of

this Sublease. The covenants, representations and warranties contained in this Sublease shall survive the consummation of the transactions described herein.

31. **TIME.** Time is of the essence of this Sublease. If the time for performance hereunder falls on a Saturday, Sunday or a day that is recognized as a holiday in the state where the Premises is located, then such time shall be deemed extended to the next day that is not a Saturday, Sunday or holiday in said state.

32. **AUTHORITY OF PARTIES; QUIET ENJOYMENT.** Each of Sublessee and Sublessor hereby represents, warrants, and covenants with and to the other as follows: the individual(s) acting as a signatory on behalf of such party is(are) duly authorized to execute this Sublease; such party has procured (whether from its members, partners or board of directors, as the case may be), the requisite authority to enter into this Sublease; this Sublease is and shall be fully and completely binding upon such party; and such party shall timely and completely perform all of its obligations hereunder. So long as Sublessee is not in default under this Sublease, Sublessee shall peaceably and quietly have, hold and enjoy the Premises with all appurtenances on and after the Installation Period and during the Term, including the Sublease Extension Option period, if applicable, and without any manner of hindrance or interference with its quiet enjoyment, possession and use by anyone claiming an interest by or through Sublessor.

[Signature Page Follows]

IN WITNESS WHEREOF, Sublessee and Sublessor have caused this Sublease to be duly executed and delivered as of the date first above written.

SUBLESSOR

CHOICE ONE FOODS, LLC

By: 

Edward B. Bleka
President & CEO

750 S. Schmidt Rd.
Bolingbrook, IL 60440
Telephone: (630) 679-2300

SUBLESSEE

PROPORTION FOODS, LLC

By: 

Its: MASTER

Address: 4020 COMPTON AVE
LOS ANGELES, CA 90011
Telephone: 323-231-7777

EXHIBIT A
(see Section 2)

INDUSTRIAL BUILDING LEASE

1. **BASIC TERMS.** This Section 1 contains the Basic Terms of this Lease between Landlord and Tenant, named below. Other Sections of the Lease referred to in this Section 1 explain and define the Basic Terms and are to be read in conjunction with the Basic Terms.

- 1.1. Effective Date of Lease: July 19, 2006
- 1.2. Landlord: First Industrial Development Services, Inc.
- 1.3. Tenant: Choice One Foods, LLC, a Delaware limited liability company
- 1.4. Premises: Approximately 3.1 acres of land on which the Building (the "Building") commonly known as 4020 South Compton Avenue, Los Angeles, California is located, which Building contains approximately 76,486 rentable square feet, as legally described on Exhibit A attached hereto.
- 1.5. Lease Term: Twenty (20) years ("Term"), commencing July 19, 2006 ("Commencement Date") and ending, subject to Section 2.3 below, on July 31, 2026 ("Expiration Date").
- 1.6. Permitted Uses: (See Section 4.1) Food manufacturing, processing, storage, and distribution
- 1.7. Tenant's Guarantor: Quantum Foods, LLC, a Delaware limited liability company, Quantum Foods, Inc., a Delaware corporation, Quantum Culinary, LLC, an Illinois limited liability company, Quantum Foods 213-D, LLC, a Delaware corporation, and GDC Logistics, LLC, a Delaware limited liability company.
- 1.8. Brokers: None.
- 1.9. Security/Damage Deposit: None initially, but see Section 4.4.
- 1.10. Exhibits to Lease: The following exhibits are attached to and made a part of this Lease. Exhibit A (legal description); Exhibit B (Tenant Operations Inquiry Form); Exhibit C (Broom Clean Condition and Repair Requirements), Exhibit D (Termination Value), and Exhibit E (Tenant's Property).

2. LEASE OF PREMISES; RENT.

2.1. **Lease of Premises for Lease Term.** Landlord hereby leases the Premises to Tenant, and Tenant hereby rents the Premises from Landlord, for the Term and subject to the conditions of this Lease.

2.2. **Types of Rental Payments.** Tenant shall pay net base rent to Landlord in monthly installments, in advance, on the first day of each and every calendar month during the Term of this Lease (the "Base Rent") in the amounts and for the periods as set forth below:

<u>Lease Period</u>	<u>Rental Payments</u>	
	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
7/19/06-7/31/07	\$1,055,000.00	\$87,916.67
8/1/07-7/31/08	\$1,055,000.00	\$87,916.67
8/1/08-7/31/09	\$1,055,000.00	\$87,916.67
8/1/09-7/31/10	\$1,081,375.00	\$90,114.58
8/1/10-7/31/11	\$1,108,409.38	\$92,367.45
8/1/11-7/31/12	\$1,136,119.61	\$94,676.63
8/1/12-7/31/13	\$1,164,522.60	\$97,043.55
8/1/13-7/31/14	\$1,193,635.66	\$99,469.64
8/1/14-7/31/15	\$1,223,476.56	\$101,956.38

<u>Lease Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
8/1/15-7/31/16	\$1,254,063.47	\$104,505.29
8/1/16-7/31/17	\$1,285,415.06	\$107,117.92
8/1/17-7/31/18	\$1,317,550.43	\$109,795.87
8/1/18-7/31/19	\$1,350,489.19	\$112,540.77
8/1/19-7/31/20	\$1,384,251.42	\$115,354.29
8/1/20-7/31/21	\$1,418,857.71	\$118,238.14
8/1/21-7/31/22	\$1,454,329.15	\$121,194.10
8/1/22-7/31/23	\$1,490,687.38	\$124,223.95
8/1/23-7/31/24	\$1,527,954.57	\$127,329.55
8/1/24-7/31/25	\$1,566,153.43	\$130,512.79
8/1/25-7/31/26	\$1,605,307.27	\$133,775.61

Tenant shall also pay all Operating Expenses (defined below) and any other amounts owed by Tenant hereunder (collectively, "Additional Rent"). In the event any monthly installment of Base Rent or Additional Rent, or both, is not paid within 5 days of the date when due, a late charge in an amount equal to 5% of the then delinquent installment of Base Rent and/or Additional Rent (the "Late Charge"; the Late Charge, Default Interest, as defined in Section 21.3 below, Base Rent and Additional Rent shall collectively be referred to as "Rent") shall be paid by Tenant to Landlord, 75 Remittance Drive, Suite 1066, Chicago, Illinois 60675-1066, or if sent by overnight courier, The Northern Trust Co., 350 N. Orleans Street, Receipt & Dispatch, 8th Floor, Chicago, Illinois 60654, Attention: FR Development Services, Inc., Suite 1066 (or such other entity designated as Landlord's management agent, if any, and if Landlord so appoints such a management agent, the "Agent"), or pursuant to such other directions as Landlord shall designate in this Lease or otherwise in writing.

2.3. Covenants Concerning Rental Payments; Initial and Final Rent Payments. Tenant shall pay the Rent promptly when due, without notice or demand, and without any abatement, deduction or setoff. No payment by Tenant, or receipt or acceptance by Agent or Landlord, of a lesser amount than the correct Rent shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or letter accompanying any payment be deemed an accord or satisfaction, and Agent or Landlord may accept such payment without prejudice to its right to recover the balance due or to pursue any other remedy available to Landlord. If the Commencement Date occurs on a day other than the first day of a calendar month, the Rent due for the first calendar month of the Term shall be prorated on a per diem basis (based on a 360 day, 12 month year) and paid to Landlord on the Commencement Date, and the Term will be extended to terminate on the last day of the calendar month in which the Expiration Date stated in Section 1.5 occurs. In the event of any failure by Tenant to pay or discharge any such amount, Landlord shall have all rights, powers and remedies provided for herein or by law or otherwise in the case of nonpayment of Rent.

2.4. Net Lease; Nonterminability.

2.4.1. This Lease is a complete "bond net lease" and Tenant's obligations arising or accruing during the Term of this Lease to pay all Base Rent, Additional Rent, and all other payments hereunder required to be made by Tenant shall be absolute and unconditional, and Tenant shall pay all Base Rent, Additional Rent and all other payments hereunder required to be made by Tenant without notice, demand, counterclaim, set-off, deduction, or defense and without abatement, suspension, deferment, diminution or reduction, free from any charges, assessments, impositions, expenses or deductions of any and every kind and nature whatsoever. All costs, expenses and obligations of every kind and nature whatsoever relating to the Premises and the appurtenances thereto and the use and occupancy thereof which may arise or become due during the Term (whether or not the same shall become payable during the Term of this Lease or thereafter) shall be paid by Tenant, and Landlord is not responsible for any costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Premises or the use or occupancy thereof except to the extent expressly provided herein. Tenant assumes the sole responsibility for the condition, use, operation, maintenance, underletting and management of the Premises, and Tenant shall indemnify, defend and hold Landlord, Agent, Landlord's mortgagee or lender and their respective employees, shareholders, officers, directors, members, managers, trustees, partners or principals, disclosed or undisclosed, and their respective employees, shareholders, officers, directors, members, managers, trustees, partners, invitees, agents

or principals, disclosed or undisclosed and all of their respective successors and assigns (hereinafter collectively referred to as the "Indemnitees" and each individually as an "Indemnitee") harmless from and against any and all Losses (as defined in Section 17.2) actually incurred to the extent of matters which arise or accrue with respect to the Term of this Lease (whether or not the same shall become payable during the Term), and the Indemnitees shall have no responsibility in respect thereof and shall have no liability for damage to the property of Tenant or any subtenant of Tenant on any account or for any reason whatsoever other than by reason of such Indemnitee's willful misconduct or gross negligence. It is the purpose and intention of the parties to this Lease that the Base Rent due hereunder shall be absolutely net to the Landlord and that this Lease shall yield, net to the Landlord, the Rent and all other payments hereunder required to be made by Tenant as provided in this Lease.

2.4.2. Except as otherwise expressly provided in Sections 18 and 21 of this Lease, this Lease shall not terminate, nor shall Tenant have any right to terminate this Lease or to be released or discharged from any obligations or liabilities hereunder for any reason, including, without limitation: (i) any damage to or destruction of the Premises; (ii) any restriction, or any interference with, any use or the occupancy of the Premises not caused by any act or omission of Landlord (whether due to any default in or failure of Landlord's title to the Premises or otherwise); (iii) any condemnation, requisition or other taking or sale of the use, occupancy or title of or to the Premises; (iv) the inadequacy or failure of the description of the Premises to demise and let to Tenant the property intended to be leased hereby; (v) any sale or other disposition of the Premises by Landlord;; (vi) any action of any court, administrative agency or other governmental authority; or (ix) any other cause, whether similar or dissimilar to the foregoing, any present or future law notwithstanding. Nothing in this paragraph shall be construed as an agreement by Tenant to perform any illegal act or to violate the order of any court, administrative agency or other governmental authority.

2.4.3. Tenant will remain obligated under this Lease in accordance with its terms, and will not take any action to terminate (except in accordance with the provisions of Sections 18 and 21 of this Lease), rescind or avoid this Lease for any reason, notwithstanding any bankruptcy, insolvency, reorganization, liquidation, dissolution or other proceeding affecting Landlord or any assignee of Landlord, or any action with respect to this Lease which may be taken by any receiver, trustee or liquidator or by any court. Tenant waives all rights at any time conferred by statute or otherwise to quit, terminate or surrender this Lease or the Premises, or to any abatement or deferment of any amount payable by Tenant hereunder, or for claims against any Indemnitee for damages, loss or expense suffered by Tenant on account of any cause referred to in this Section 2.4 or otherwise (except claims arising out of the gross negligence or willful misconduct by such Indemnitee).

3. OPERATING EXPENSES.

3.1. Definitional Terms Relating to Additional Rent. For purposes of this Section and other relevant provisions of the Lease:

3.1.1. Operating Expenses. The term "Operating Expenses" shall mean all costs, expenses and charges of every kind or nature relating to, or incurred in connection with, the ownership, maintenance and operation of the Premises, including, but not limited to Taxes, as hereinafter defined in Section 3.1.2.

3.1.2. Taxes. The term "Taxes" shall mean all governmental taxes, assessments, fees and charges of every kind or nature (other than Landlord's income taxes), whether general, special, ordinary or extraordinary, due at any time or from time to time, or that accrue, during the Term and any extensions thereof, in connection with the ownership, leasing, or operation of the Premises, or of the personal property and equipment located therein or used in connection therewith. Tenant, on its own or on Landlord's behalf (or in Landlord's name), but at Tenant's expense, may contest, by appropriate legal proceedings, conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Taxes payable by Tenant hereunder (or assessments of the Premises in connection therewith) and Landlord agrees not to pay, settle or otherwise compromise any such item, provided that (i) in the case of an unpaid Tax, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Premises, (ii) neither the Premises nor any Rent therefrom nor any part thereof or interest therein would be reasonably likely to be in danger of being sold, forfeited, attached or lost, (iii) Tenant shall indemnify and hold harmless Landlord and the Indemnitees, from and against any Losses incurred by Landlord or the Indemnitees in connection with any such contest or as a result thereof, (iv) Tenant shall give such security as may be reasonably requested by Landlord to insure ultimate payment of, or compliance with, the same and to prevent any sale or forfeiture of the Premises or the Rent by reason of such non-payment or non-compliance; provided, however, the provisions of this Section 3.1.2 shall not be construed to permit Tenant to contest the payment of Rent or any other sums payable by Tenant to Landlord hereunder, and (v) if such contest is resolved against Landlord or Tenant, Tenant shall, as Additional Rent due hereunder, pay to the appropriate payee the amount required to be paid, together with all interest and penalties accrued thereon, within ten (10) business days after such determination (or within such shorter period as may be required by the terms of such determination), and comply, within any cure period allowed therefor by the applicable agency or

authority (or if no such cure period shall be allowed or specified by the applicable agency or authority, promptly and diligently following the effective date of such determination); provided, however, that this subsection (v) is not intended, and shall not be construed, to afford Tenant any cure or grace period beyond the effective date of any final unappealable determination. For purposes hereof, Tenant shall be responsible for any Taxes that are due and payable at any time or from time to time during the Term and for any Taxes that are assessed, become a lien, or accrue during any Operating Year, which obligation shall survive the termination or expiration of this Lease. Upon the termination or expiration of the Lease, Tenant shall pay to Landlord, in addition to any other amounts payable to Landlord hereunder, the amount of any accrued and unpaid Taxes, prorated based on the most currently available final tax information on an accrual basis for the calendar year in which the expiration or termination occurs, such that Tenant shall pay all such Taxes attributable to the period prior to such expiration or termination and Landlord shall be responsible for all such Taxes attributable to the period thereafter. Such prorated amount shall be calculated on the basis of the most recent final bills and shall be re-prorated as soon as reasonably practicable after final tax bills for the periods being prorated are issued. The terms of this Section 3.1.2 shall survive the expiration or termination of this Lease.

3.1.3. Operating Year. The term "Operating Year" shall mean the calendar year commencing January 1st of each year (including the calendar year within which the Commencement Date occurs) during the Term.

3.2. Payment of Operating Expenses. Tenant shall directly pay, to the appropriate entity, all Operating Expenses.

4. USE OF PREMISES AND COMMON AREAS; TANGIBLE NET WORTH REQUIREMENT.

4.1. Use of Premises. The Premises shall be used by the Tenant for the purpose(s) set forth in Section 1.6 above and for any other use permitted by applicable law. Tenant shall not, at any time, use or occupy, or suffer or permit anyone to use or occupy, the Premises, or do or permit anything to be done in the Premises, in any manner that may (a) violate any Certificate of Occupancy for the Premises; (b) cause, or be liable to cause, injury to, or in any way impair the value or proper utilization of, all or any portion of the Premises (including, but not limited to, the structural elements of the Premises) or any equipment, facilities or systems therein; (c) constitute a violation of the laws and requirements of any public authority, including any covenant, condition or restriction affecting the Premises; (d) exceed the load bearing capacity of the floor of the Premises; (e) impair or tend to impair the character, reputation or appearance of the Premises; or (f) have any detrimental environmental effect on the Premises which (i) arises out of a violation or violations of Environmental Laws or (ii) results in any material increased risk of liability to Landlord, in Landlord's reasonable judgment. On or prior to the date hereof, Tenant has completed and delivered for the benefit of Landlord a "Tenant Operations Inquiry Form" in the form attached hereto as Exhibit B describing the nature of Tenant's proposed business operations at the Premises, which form is intended to, and shall be, relied upon by Landlord. From time to time during the Term (but no more often than once in any twelve month period unless Tenant is in default hereunder or unless Tenant assigns this Lease or subleases all or any portion of the Premises, whether or not in accordance with Section 8), Tenant shall provide an updated and current Tenant Operations Inquiry Form upon Landlord's request.

4.2. Signage. Any and all signage must at all times fully comply with all applicable laws, regulations and ordinances. Tenant shall remove all signs of Tenant upon the expiration or earlier termination of this Lease and immediately repair any damage to the Premises caused by, or resulting from, such removal.

4.3. Liens. During the Term, Tenant will promptly, but no later than forty-five (45) days after notice to Tenant of the filing thereof, or such shorter period as shall prevent the forfeiture of the Premises, remove and discharge of record, by bond or otherwise (or provide Landlord with title insurance coverage insuring against any loss related to from a title insurance company acceptable to Landlord in its reasonable discretion), any charge, lien, security interest or encumbrance upon the Premises, or any Base Rent, or Additional Rent which arises for any reason, including all liens which arise out of the possession, use, occupancy, construction, repair or rebuilding of the Premises or by reason of labor or materials furnished or claimed to have been furnished to Tenant for the Premises, but not including any charge, lien, security interest or encumbrance which arises from any act or, where a duty to act exists, omission of Landlord. Nothing contained in this Lease shall be construed as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to or for the performance of any contractor, laborer, materialman, or vendor of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Premises or any part thereof. Notice is hereby given that during the Term Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding an interest in the Premises or any part thereof through or under Tenant, and that no mechanic's or other liens for any such labor, services or materials shall attach to or affect the interest of Landlord in and to the Premises. In the event of the failure of Tenant to discharge or insure over any charge, lien, security interest or encumbrances as aforesaid, Landlord may, if not discharged by Tenant within three (3) business days after written notice to Tenant,

discharge such items by payment or bond or both, and Section 23.4 hereof shall apply. Provided Tenant is diligently contesting any such lien or encumbrance in accordance with applicable law, in lieu of a bond Tenant shall have the option to deposit cash with Landlord in an amount sufficient to fully discharge such lien or encumbrance (as reasonably determined by Landlord, the "Lien Deposit"), which Lien Deposit may be used by Landlord to discharge, settle or otherwise satisfy the applicable lien or encumbrance at any time after the commencement of foreclosure proceedings or before forfeiture of the Premises or any portion thereof.

4.4. **Tangible Net Worth Requirement.** If the combined Tangible Net Worth (as defined below) of Quantum Foods, LLC, GDC Logistics, LLC, and subsidiaries (the "Quantum Parties") is less than \$40,000,000 as reflected on any Annual Financial Statements (as defined in Section 23.11 below), then Tenant shall, not later than ten (10) business days after its delivery to Landlord of the Annual Financial Statement that evidences such Tangible Net Worth that is less than \$40,000,000, deposit with Landlord an irrevocable letter of credit ("L/C") issued by a national U.S. banking institution reasonably acceptable to Landlord, and in form and substance reasonably satisfactory to Landlord, in the amount of the annual Base Rent then in effect hereunder. The L/C shall constitute security for the performance by Tenant of the covenants and obligations hereunder (the "Security"). In addition to any other items that Landlord may reasonably require, the L/C shall: (a) name Landlord as its beneficiary; (b) have an initial term of no less than one year; (c) automatically renew for one year periods unless the issuer provides Landlord with at least 60 days' advance written notice that the L/C will not be renewed; (d) permit partial draws; (e) state that the sole and exclusive condition to any draw on the L/C shall be that Landlord certifies to the issuer that either or both of the following is/are true: (i) Tenant is the debtor in a pending bankruptcy proceeding; and (ii) Tenant is not in compliance with any of the terms of this Lease; and (f) be transferable to Successor Landlords (defined below) on as many occasions as desired. Notwithstanding the foregoing, in the event that: (x) the expiration date of any L/C occurs before the Expiration Date, (y) the issuer has advised Landlord that the issuer will not automatically renew the L/C; and (z) Tenant fails to deliver to Landlord at least forty-five (45) days prior to the expiration of such L/C either (A) an amendment thereto extending the expiration date of such L/C for not less than twelve (12) months, or (B) a new L/C, in form and substance in accordance with (a) through (f) above and otherwise satisfactory to Landlord (in its reasonable discretion), then Landlord may draw on such L/C and thereafter (in addition to any other remedies available to Landlord under this Lease) apply the proceeds to Rent and/or any other sums due from Tenant hereunder in whatever manner or for whatever purpose Landlord reasonably deems appropriate in the event that Tenant fails to timely comply with any or all of the covenants and obligations imposed on Tenant under this Lease. If Tenant fails to comply with any or all of its covenants or obligations hereunder, Landlord or Agent may, without notice to Tenant, draw on the L/C and apply the proceeds to Rent and/or any other sums due from Tenant hereunder in whatever manner Landlord deems appropriate, in addition to any and all other remedies available to Landlord under this Lease. In the event Landlord draws against the L/C, Tenant shall, upon demand, at Tenant's option, immediately either (aa) deposit with Landlord or Agent a sum equal to amount drawn under the L/C or (bb) deliver to Landlord an additional L/C in an amount equal to the amount drawn. If Tenant fully and faithfully complies with all the covenants hereunder, the Security (or any balance thereof) together with Landlord's written consent to the cancellation of any and all outstanding L/Cs constituting part of the Security shall be delivered to Tenant within thirty (30) days after the earlier to occur of (1) delivery to Landlord of Annual Financial Statements reflecting that the combined Tangible Net Worth of Quantum Foods, LLC, GDC Logistics, LLC, and subsidiaries is greater than \$45,000,000 and (2) delivery to Landlord of possession of the Premises (in accordance with the requirements of Section 19 below) following the expiration or termination of this Lease. Landlord may deliver the Security to any purchaser of Landlord's interest in the Premises or any Successor Landlord, if applicable, whereupon Landlord and Agent shall be discharged from any further liability with respect to the Security. In the event that Landlord exercises its right under the preceding sentence, Tenant shall fully cooperate with Landlord, in all reasonable respects, to cause the L/C to be assigned and conveyed to, or reissued to, such purchaser or Successor Landlord, as the case may be, and Tenant shall bear any expenses incurred in connection therewith. "Tangible Net Worth" of an entity shall mean the Net Worth of the entity, less the following intangible assets: (a) all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, organizational and development expenses, unamortized operating rights, unamortized licenses, unamortized leasehold rights and other intangible assets; or any write-up resulting from a reversal of a reserve for bad debts or depreciation and any write-up resulting from a change in methods of accounting or inventory; and (b) the amount of any investment in an affiliate. The "Net Worth" of an entity is its total assets minus its total liabilities, shown (with respect to the Quantum Parties) on the most recent of the Annual Financial Statements or (with respect to any other entity) on the entity's most recent audited annual financial statements prepared in accordance with U.S. generally accepted accounting principles.

5. **CONDITION AND DELIVERY OF PREMISES.** Tenant agrees that Tenant is familiar with the condition of the Premises, and Tenant hereby accepts the foregoing on an "AS-IS," "WHERE-IS" basis. Tenant acknowledges that neither Landlord nor Agent, nor any representative of Landlord, has made any representation as to the condition of the foregoing or the suitability of the foregoing for Tenant's intended use. Tenant represents and warrants that Tenant has made its own inspection of the foregoing. Neither Landlord nor Agent shall be obligated to make any repairs, replacements or improvements (whether structural or otherwise) of any kind or nature to the foregoing in connection with, or in consideration of, this Lease.

6. **SUBORDINATION; ESTOPPEL CERTIFICATES; ATTORNMENT.**

6.1. **Subordination and Attornment.** Provided Tenant is provided with a customary subordination, non-disturbance and attornment agreement by the holder of any mortgage or deed of trust of Landlord, this Lease is and shall be subject and subordinate at all times to (a) all ground leases or underlying leases that may now exist or hereafter be executed affecting the Premises and (b) any mortgage or deed of trust that may now exist or hereafter be placed upon, and encumber, any or all of (x) the Premises; (y) any ground leases or underlying leases for the benefit of the Premises; and (z) all or any portion of Landlord's interest or estate in any of said items. Tenant shall execute and deliver, within ten (10) days of Landlord's request, and in the form reasonably requested by Landlord (or its lender), any documents evidencing the subordination of this Lease. Tenant hereby covenants and agrees that Tenant shall attorn to any successor to Landlord.

6.2. **Estoppel Certificate.** Each of Landlord and Tenant agree, from time to time and within 10 days after request by the other, to deliver to the other, or their designee, an estoppel certificate stating such matters pertaining to this Lease as may be reasonably requested by Landlord or Tenant (as the case may be). Failure by Tenant to timely execute and deliver such certificate shall constitute an acceptance of the Premises and acknowledgment by Tenant that the statements included therein are true and correct without exception.

6.3. **Transfer by Landlord.** In the event of a sale or conveyance by Landlord of the Premises and the express assumption by the successor entity of all of Landlord's obligations and liabilities hereunder, the same shall operate to release Landlord from any future liability for any of the covenants or conditions, express or implied, herein contained in favor of Tenant, and in such event Tenant agrees to look solely to Landlord's successor in interest ("Successor Landlord") with respect thereto and agrees to attorn to such successor.

7. **QUIET ENJOYMENT.** Subject to the provisions of this Lease, so long as Tenant pays all of the Rent and performs all of its other obligations hereunder, Tenant shall not be disturbed in its possession of the Premises by Landlord, Agent or any other person lawfully claiming through or under Landlord.

8. **ASSIGNMENT AND SUBLETTING.** Tenant shall not (a) assign (whether directly or indirectly), in whole or in part, this Lease, or (b) allow this Lease to be assigned, in whole or in part, by operation of law or otherwise, including, without limitation, by transfer of a controlling interest (i.e. greater than a 50% interest) of stock, membership interests or partnership interests, or by merger or dissolution, which transfer of a controlling interest, merger or dissolution shall be deemed an assignment for purposes of this Lease, or (c) mortgage or pledge the Lease, or (d) sublet the Premises, in whole or in part, without (in the case of any or all of (a) through (d) above) the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding any contrary language in this Lease, however, Tenant may, without the necessity of consent from Landlord, assign this Lease or sublease a portion of the Premises to Quantum Foods, LLC, or to any wholly-owned direct or indirect subsidiary of Tenant or Quantum Foods, LLC, provided that (x) Tenant advises Landlord, in writing, in advance, and (y) otherwise complies with the succeeding provisions of this Section 8. Notwithstanding any contrary language in this Lease, however, Tenant may also, without the necessity of consent from Landlord, (a) assign this Lease to any buyer of all or substantially all of the business conducted by Tenant at the Premises, and (b) allow this Lease to be assigned, in whole or in part, by operation of law or otherwise, by transfer of a controlling interest (i.e. greater than a 50% interest) of stock, membership interests or partnership interests, or by merger, provided that, in the case of (a) or (b), (A) the buyer/transferee/successor has a Tangible Net Worth of at least Fifty Million Dollars (\$50,000,000), (B) immediately following such transaction, the Quantum Parties have a combined Tangible Net Worth of at least Fifty Million Dollars (\$50,000,000), and (C) Tenant advises Landlord, in writing, at least thirty (30) days in advance, and otherwise complies with the succeeding provisions of this Section 8. In no event shall any assignment or sublease ever release Tenant from any obligation or liability hereunder, except with the express written agreement of Landlord. Notwithstanding any contrary language in this Section 8, Tenant may, without the necessity of consent from Landlord, permit the transfer of stock, membership interests or partnerships in Tenant among members of the family of Edward B. Bleka, and trusts for the sole benefit of members of the family of Edward B. Bleka. Except as provided in the preceding two sentences, any purported assignment, mortgage, transfer, or pledge made without the prior written consent of Landlord shall be absolutely null and void. No assignment of this Lease shall be effective and valid unless and until the assignee executes and delivers to Landlord any and all documentation reasonably required by Landlord in order to evidence assignee's assumption of all obligations of Tenant hereunder. Regardless of whether or not an assignee or sublessee executes and delivers any documentation to Landlord pursuant to the preceding sentence, any assignee or sublessee shall be deemed to have automatically attorned to Landlord in the event of any termination of this Lease. If this Lease is assigned, or if the Premises (or any part thereof) are sublet or used or occupied by anyone other than Tenant, whether or not in violation of this Lease, Landlord or Agent may (without prejudice to, or waiver of its rights), collect Rent from the assignee, subtenant or occupant. In the event of an assignment of this Lease and the payment of consideration from the assignee to the Tenant in connection therewith, 100% of such

consideration shall be paid to Landlord. With respect to the allocable portion of the Premises sublet, in the event that the total rent and any other considerations received under any sublease by Tenant is greater than the total Rent required to be paid, from time to time, under this Lease, Tenant shall pay to Landlord (which amounts shall be deemed a component of the Additional Rent) fifty percent (50%) of such excess as received from any subtenant. Landlord acknowledges that subletting shall not include activities conducted by Tenant in the ordinary course of its business, including without limitation the rental of pallet and rack space in Tenant's warehousing operations.

9. COMPLIANCE WITH LAWS.

9.1. Compliance with Laws. Tenant shall, at its sole expense (regardless of the cost thereof), comply with all local, state and federal laws, rules, regulations and requirements now or hereafter in force and all judicial and administrative decisions in connection with the enforcement thereof (collectively, "Laws"), whether such Laws (a) pertain to either or both of the Premises and Tenant's use and occupancy thereof; (b) concern or address matters of an environmental nature; (c) require the making of any structural, unforeseen or extraordinary changes; and (d) involve a change of policy on the part of the body enacting the same, including, in all instances described in (a) through (d), but not limited to, the Americans With Disabilities Act of 1990 (42 U.S.C. Section 12101 *et seq.*). If any license or permit is required for the conduct of Tenant's business in the Premises, Tenant, at its expense, shall procure such license prior to the Commencement Date, and shall maintain such license or permit in good standing throughout the Term. Tenant shall give prompt notice to Landlord of any written notice it receives of the alleged violation of any Law or requirement of any governmental or administrative authority with respect to the Premises and/or the ownership, occupancy, or maintenance thereof.

9.2. Hazardous Materials. If, at any time or from time to time (a) prior to the Commencement Date, but during Tenant's, or its affiliate's, as the case may be, period of ownership or occupancy of the Premises, or (b) during the Term (or any extension thereof), any Hazardous Material (defined below) is (was) generated, transported, stored, used, treated or disposed of at, to, from, on or in the Premises by, or as a result of any act or omission of, any or all of Tenant and any or all of Tenant's Parties (defined below): (i) Tenant shall, at its own cost, at all times comply (and cause all others to comply) with all Laws relating to Hazardous Materials, and Tenant shall further, at its own cost, obtain and maintain in full force and effect at all times all permits and other approvals required in connection therewith; (ii) Tenant shall promptly provide Landlord or Agent with complete copies of all communications, permits or agreements with, from or issued by any governmental authority or agency (federal, state or local) or any private entity relating in any way to the presence, release, threat of release, or placement of Hazardous Materials on or in the Premises or any portion of the Premises, or the generation, transportation, storage, use, treatment, or disposal at, on, in or from the Premises, of any Hazardous Materials; (iii) Landlord, Agent and their respective agents and employees shall have the right to either or both (x) enter the Premises and (y) conduct appropriate tests for the purposes of ascertaining Tenant's compliance with all applicable Laws or permits relating in any way to the generation, transport, storage, use, treatment, disposal or presence of Hazardous Materials on, at, in or from all or any portion of the Premises; and (iv) upon written request by Landlord or Agent if Landlord has a reasonable basis for believing that Hazardous Materials are present at the Premises in violation of this Lease, Tenant shall provide Landlord with the results of reasonably appropriate tests of air, water or soil to demonstrate that Tenant complies with all applicable Laws or permits relating in any way to the generation, transport, storage, use, treatment, disposal or presence of Hazardous Materials on, at, in or from all or any portion of the Premises. This Section 9.1 does not authorize the generation, transportation, storage, use, treatment or disposal of any Hazardous Materials at, to, from, on or in the Premises in contravention of this Section 9. Tenant covenants to investigate, clean up and otherwise remediate, at Tenant's sole expense, any release of Hazardous Materials caused, contributed to, or created by any or all of (A) Tenant and (B) any or all of Tenant's officers, directors, members, managers, partners, invitees, agents, employees, contractors or representatives ("Tenant's Parties") either or both (A) prior to the Commencement Date, but during Tenant's, or its affiliate's, as the case may be, period of ownership or occupancy of the Premises, and (B) during the Term (and any extension thereof). Such investigation and remediation shall be performed only after Tenant has obtained Landlord's prior written consent; provided, however, that Tenant shall be entitled to respond immediately to an emergency without first obtaining such consent. All remediation shall be performed in strict compliance with Laws and to the reasonable satisfaction of Landlord. Tenant shall not enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Materials in any way connected to the Premises without first obtaining Landlord's written consent (which consent may be given or withheld in Landlord's sole, but reasonable, discretion) and affording Landlord the reasonable opportunity to participate in any such proceedings. As used herein, the term, "Hazardous Materials," shall mean any waste, material or substance (whether in the form of liquids, solids or gases, and whether or not airborne) that is or may be deemed to be or include a pesticide, petroleum, asbestos, polychlorinated biphenyl, radioactive material, urea formaldehyde or any other pollutant or contaminant that is or may be deemed to be hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious, or that presents a risk to public health or to the environment, and that is or becomes regulated by any Law. The undertakings, covenants and obligations imposed on Tenant under this Section 9.1 shall survive the termination or expiration of this Lease.

10. INSURANCE.

10.1. Policies. Tenant shall purchase, at its own expense, and keep in force at all times during this Lease the policies of insurance set forth below (collectively, "Tenant's Policies"). All Tenant's Policies shall (a) be issued by an insurance company with a Best rating of A or better and otherwise reasonably acceptable to Landlord and shall be licensed to do business in the state in which the Premises is located; (b) provide that said insurance shall not be canceled or materially modified unless 30 days' prior written notice shall have been given to Landlord; (c) provide for deductible amounts that are reasonably acceptable to Landlord (and its lender, if applicable) and (d) otherwise be in such form, and include such coverages, as Landlord may reasonably require. The Tenant's Policies described in Section 10.2 (i) and (ii) below shall (1) provide coverage on an occurrence basis; (2) name Landlord and First Industrial, L.P. (and its lender, if applicable) as additional insureds; (3) provide coverage, to the extent insurable, for the indemnity obligations of Tenant under this Lease; (4) contain a separation of insured parties provision; (5) be primary, not contributing with, and not in excess of, coverage that Landlord may carry; and (6) provide coverage for a pollution incident arising from a hostile fire with a sublimit of no less than \$1,000,000 (in excess of deductions). All Tenant's Policies (or, at Landlord's option, Certificates of Insurance and applicable endorsements, including, without limitation, an "Additional Insured-Managers or Landlords of Premises" endorsement) shall be delivered to Landlord prior to the Commencement Date and renewals thereof shall be delivered to Landlord's Corporate and Regional Notice Addresses at least 30 days prior to the applicable expiration date of each Tenant's Policy. In the event that Tenant fails, at any time or from time to time, to comply with the requirements of the preceding sentence, Landlord may (i) order such insurance and charge the cost thereof to Tenant, which amount shall be payable by Tenant to Landlord upon demand, as Additional Rent or (ii) impose on Tenant, as Additional Rent, a monthly delinquency fee, for each month during which Tenant fails to comply with the foregoing obligation, in an amount equal to five percent (5%) of the monthly Base Rent then in effect. Tenant shall give prompt notice to Landlord and Agent of any bodily injury, death, personal injury, advertising injury or property damage occurring in and about the Premises.

10.2. Coverages. Tenant shall purchase and maintain, throughout the Term, a Tenant's Policy(ies) of (i) "all-risk" commercial property insurance covering the improvements constructed, installed or located on the Premises (but excluding Tenant's Property) against all loss or damage caused by fire, ice, hurricane, earthquake, flood, windstorm, terrorism and such other risks of physical loss or damage as are covered by a causes of loss special form insurance policy, which coverage shall, at all times, be in an amount equal to 100% of the then "full replacement cost" of the Premises (except with respect to earthquake insurance, which shall be carried with a minimum limit of \$2,000,000) subject to a deductible not to exceed \$100,000.00 ("Full Replacement Cost" shall be interpreted to mean the cost of replacing the Premises without deduction for depreciation or wear and tear, less the cost of footings, foundations and other structures below grade); (ii) commercial general or excess liability insurance, including personal injury and property damage, in the amount of not less than \$2,000,000.00 per occurrence, and \$5,000,000.00 annual general aggregate; (iii) comprehensive automobile liability insurance covering Tenant against any personal injuries or deaths of persons and property damage based upon or arising out of the ownership, use, occupancy or maintenance of a motor vehicle at the Premises and all areas appurtenant thereto in the amount of not less than \$1,000,000, combined single limit; (iv) commercial property insurance covering the Tenant's personal property (at their full replacement cost); (v) workers' compensation insurance per the applicable state statutes covering all employees of Tenant; (vi) rent loss insurance for the benefit of Landlord; and (vii) during any period of construction or during which any Alterations are being made, builder's risk coverage in an amount sufficient for such Alterations or other work or improvements performed on the Premises by Tenant. Notwithstanding anything to the contrary contained in this Section 10, Landlord shall have the right, upon not less than ten (10) days' prior written notice to Tenant, to purchase the aforementioned Tenant's Policies on Tenant's behalf and charge the cost thereof to Tenant, which amounts shall be payable by Tenant to Landlord, upon demand as Additional Rent; provided, however, in any such instance where Landlord elects to so provide insurance and charge the premiums therefor to Tenant, as Additional Rent, Landlord agrees that it may not pass through to Tenant, as Additional Rent, the amount of any such insurance premium in excess of the premium that Tenant reasonably evidences to Landlord would be charged to Tenant, if Tenant were to procure the same insurance coverage as then in question (with the same deductible), from an insurer with a Best's rating that equals or exceeds the then-applicable Best's rating of Landlord's insurer.

10.3. Waiver of Subrogation. Notwithstanding anything to the contrary in this Lease, Landlord and Tenant mutually waive their respective rights of recovery against each other and each other's officers, directors, constituent partners, members, agents and employees, and Tenant further waives such rights against (a) each lessor under any ground or underlying lease encumbering the Premises and (b) each lender under any mortgage or deed of trust or other lien encumbering the Premises (or any portion thereof or interest therein), to the extent any loss is insured against or required to be insured against under this Lease, including, but not limited to, losses, deductibles or self-insured retentions covered by Landlord's or Tenant's commercial property, general liability, automobile liability or workers' compensation policies described above. This provision is intended to waive, fully and for the benefit of each party to this Lease, any and all rights and claims that might give rise to a right of subrogation by any insurance carrier. Each party shall cause its respective insurance policy(ies) to be endorsed to evidence compliance with such waiver.

11. ALTERATIONS.

11.1. Non-Structural Alterations. Tenant may, from time to time at its sole expense, make alterations or improvements in and to the Premises (hereinafter collectively referred to as "Alterations") provided that:

- (i) such Alterations comply with applicable law and do not adversely affect the value of the Premises and Tenant delivers prior written notice thereof to Landlord; and
- (ii) Tenant, in every instance, complies with the terms and conditions of Section 11.3 below.

11.2. Consent to Alterations. In addition: (a) the Alterations shall not adversely affect the structural integrity of the Premises; (b) the proper functioning of the mechanical, electrical, heating, ventilating, air-conditioning ("HVAC"), sanitary and other service systems of the Premises shall not be adversely affected; (c) Tenant shall have appropriate insurance coverage, reasonably satisfactory to Landlord, regarding the performance and installation of the Alterations; and (d) Tenant shall have provided Landlord with reasonably detailed plans for such Alterations in advance of beginning the Alterations. With respect to any structural Alterations, Tenant may request that Landlord finance the cost of such Alterations upon terms and conditions acceptable to Landlord in its sole but reasonable discretion (including, without limitation, an increase in Base Rent to reflect such financing).

11.3. Other Requirements. Before proceeding with any Alterations and, with respect to (ii) below, not later than thirty (30) days prior to proceeding with any Alterations, Tenant shall (i) at Tenant's expense, obtain all necessary governmental permits and certificates for the commencement and prosecution of Alterations; (ii) submit to Landlord, working drawings, plans and specifications and all permits for the work to be done; and (iii) cause those contractors, materialmen and suppliers engaged to perform the Alterations to deliver to Landlord certificates of insurance (in a form reasonably acceptable to Landlord) evidencing policies of builders risk, commercial general liability insurance (providing the same coverages as required in Section 10 above) and workers' compensation insurance. If Landlord delivers written notice to Tenant following delivery of the items required to be delivered pursuant to item (ii) above that Landlord believes the proposed Alterations could adversely affect the structural integrity of the Premises, then Tenant shall not commence such Alterations until such items have been revised to Landlord's reasonable satisfaction. Such insurance policies shall satisfy the obligations imposed under Section 10. Tenant shall cause the Alterations to be performed in compliance with all applicable permits, Laws and requirements of public authorities, and with Landlord's reasonable rules and regulations or any other reasonable restrictions that Landlord may impose on the Alterations. Tenant shall cause the Alterations to be diligently performed in a good and workmanlike manner, using materials and equipment at least equal in quality and class to the standards for the Premises reasonably established by Landlord. Tenant shall provide Landlord with "as built" plans, copies of all construction contracts, governmental permits and certificates and proof of payment for all labor and materials, including, without limitation, copies of paid invoices and final lien waivers. If Landlord's consent to any Alterations is required, and Landlord provides that consent, then at the time Landlord so consents, Landlord shall also advise Tenant whether or not Landlord shall require that Tenant remove such Alterations at the expiration or termination of this Lease. If Landlord requires Tenant to remove the Alterations, then, during the remainder of the Term, Tenant shall be responsible for the maintenance of appropriate commercial property insurance (pursuant to Section 10) thereof; however, if Landlord shall not require that Tenant remove the Alterations, such Alterations shall constitute Landlord's Property. The parties do not intend that the making of Alterations shall: (A) constitute income to Landlord; or (B) result in some or all of the federal, state or municipal income tax deductions which Landlord would otherwise be permitted to report with respect to the Premises or this Lease being deferred or denied; or (C) cause this Lease not to be a true lease for federal income tax purposes. Notwithstanding anything herein to the contrary, Landlord reserves the right to withhold its consent to any proposed Alteration (or the financing of any such improvement) if Landlord concludes that the making or financing or such improvements would result in some or all of federal, state or municipal income tax deductions which Landlord would otherwise be permitted to report with respect to the Premises or this Lease being deferred or denied or cause this Lease not to be a true lease for federal income tax purposes.

12. LANDLORD'S AND TENANT'S PROPERTY. All fixtures, machinery, equipment, improvements and appurtenances attached to, or built into, the Premises, at the commencement of or during the Term, principally used for the operation of the Building or of the electrical, HVAC, gas and water utilities serving the Building, whether or not placed there by or at the expense of Tenant, but expressly excluding the machinery and equipment specified on Exhibit E attached hereto, shall become and remain a part of the Premises; shall be deemed the property of Landlord (the "Landlord's Property"), without compensation or credit to Tenant; and shall not be removed by Tenant at the Expiration Date unless Landlord requires their removal (including, but not limited to, Alterations pursuant to Section 11) by notifying Tenant, in writing, or before the Expiration Date or earlier termination date of this Lease. In no event shall Tenant remove any of the following materials or equipment without Landlord's prior written consent (which consent may be given or withheld in Landlord's sole discretion): any power wiring or power panels, lighting or lighting

fixtures, wall or window coverings, carpets or other floor coverings, heaters, air conditioners or any other HVAC equipment, fencing or security gates, or other similar Building decorations. At or before the Expiration Date, or the date of any earlier termination, Tenant, at its expense, shall remove from the Premises all of Tenant's personal property and any Alterations that Landlord requires be removed pursuant to Section 11 (including, without limitation the personal property listed on Exhibit C and that listed on Exhibit E), and Tenant shall repair (to Landlord's reasonable satisfaction) any damage to the Premises resulting from such installation and/or removal. Any other items of Tenant's personal property that shall remain in the Premises after the Expiration Date, or following an earlier termination date, may, at the option of Landlord, be deemed to have been abandoned, and in such case, such items may be retained by Landlord as its property or be disposed of by Landlord, in Landlord's sole and absolute discretion and without accountability, at Tenant's expense.

13. **REPAIRS AND MAINTENANCE.** Tenant acknowledges that, with full awareness of its obligations under this Lease, Tenant has accepted the condition, state of repair and appearance of the Premises. Except for events of damage, destruction or casualty to the Premises (to the extent addressed in Section 18 below), Tenant agrees that, at its sole expense, it shall put, keep and maintain the Premises, including any Alterations and any altered, rebuilt, additional or substituted Buildings, structures and other improvements thereto or thereon, in the condition required pursuant to Section 19(a) below (reasonable wear and tear excepted), and in a safe condition, repair and appearance (collectively, the "Required Condition") and shall make all repairs and replacements necessary therefor. Without limiting the foregoing, Tenant shall promptly make all structural and nonstructural, foreseen and unforeseen, ordinary and extraordinary changes, replacements and repairs of every kind and nature (including, without limitation, to the roof structure and roof covering, sidewalks, driveways, curbs, loading areas, landscaped areas and parking lot, and the electrical, mechanical, HVAC, and plumbing systems), and correct any patent or latent defects in the Premises, which may be required to put, keep and maintain the Premises in the Required Condition. Tenant expressly acknowledges its obligation to repair and, as necessary, replace the roof structure and roof covering in order to put, keep and maintain the roof structure and roof covering in the Required Condition. Tenant will keep the Premises orderly and free and clear of rubbish. Tenant covenants to perform or observe all terms, covenants and conditions of any easement, restriction, covenant, declaration or maintenance agreement (collectively, "Easements") to which the Premises are currently subject or become subject pursuant to this Lease, whether or not such performance is required of Landlord under such Easements, including, without limitation, payment of all amounts due from Landlord or Tenant (whether as assessments, service fees or other charges) under such Easements. Tenant shall deliver to Landlord promptly, but in no event later than five (5) business days after receipt thereof, copies of all written notices received from any party thereto regarding the non-compliance of the Premises or Landlord's or Tenant's performance of obligations under any Easements. Tenant shall, at its expense, use reasonable efforts to enforce compliance with the material terms of any Easements benefiting the Premises by any other person or entity or property subject to such Easement. Landlord shall not be required to maintain, repair or rebuild, or to make any alterations, replacements or renewals of any nature to the Premises, or any part thereof, whether ordinary or extraordinary, structural or nonstructural, foreseen or not foreseen, or to maintain the Premises or any part thereof in any way or to correct any patent or latent defect therein. Tenant hereby expressly waives any right to make repairs at the expense of Landlord which may be provided for in any Law in effect at the Commencement Date or that may thereafter be enacted. If Tenant shall vacate or abandon the Premises, it shall give Landlord immediate written notice thereof.

14. **UTILITIES.** Tenant shall purchase all utility services and shall provide for garbage, cleaning and extermination services. Tenant shall pay the utility charges for the Premises directly to the utility or municipality providing such service, all charges shall be paid by Tenant before they become delinquent. Tenant shall be solely responsible for the repair and maintenance of any meters necessary in connection with such services. Tenant's use of electrical energy in the Premises shall not, at any time, exceed the capacity of either or both of (x) any of the electrical conductors and equipment in or otherwise servicing the Premises; and (y) the HVAC systems of the Premises.

15. **INVOLUNTARY CESSATION OF SERVICES.** If and to the extent Landlord directly provides any such services to Tenant, Landlord reserves the right, without any liability to Tenant and without affecting Tenant's covenants and obligations hereunder, to stop service of any or all of the HVAC, electric, sanitary, elevator (if any), and other systems serving the Premises, or to stop any other services provided by Landlord under this Lease, whenever and for so long as may be necessary by reason of (i) accidents, emergencies, strikes, or (ii) any other cause beyond Landlord's reasonable control. Further, it is also understood and agreed that Landlord or Agent shall have no liability or responsibility for a cessation of any services to the Premises that occurs as a result of causes beyond Landlord's or Agent's reasonable control. No such interruption of any service shall be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof, or render Landlord or Agent liable to Tenant for damages, or relieve Tenant from performance of Tenant's obligations under this Lease, including, but not limited to, the obligation to pay Rent.

16. **LANDLORD'S RIGHTS.** Upon reasonable prior notice to Tenant (which may be delivered telephonically) and as long as Landlord does not unreasonably interfere with Tenant's operations, Landlord, Agent and their respective agents, employees and representatives shall have the right to enter and/or pass through the Premises at any time or times (except in the event of emergency, for which no reasonable prior notice is required) to examine and inspect the Premises and to show them to actual and prospective lenders, prospective purchasers or mortgagees of the Premises or providers of capital to Landlord and its affiliates; and in connection with the foregoing, to install a sign at or on the Premises to advertise the Premises for lease or sale; during the period of six months prior to the Expiration Date (or at any time, if Tenant has vacated or abandoned the Premises or is otherwise in default under this Lease), Landlord and its agents may exhibit the Premises to prospective tenants. Additionally, Landlord and Agent shall have the following rights with respect to the Premises, exercisable without notice to Tenant, without liability to Tenant, and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for setoff or abatement of Rent: (i) to have pass keys, access cards, or both, to the Premises; and (ii) to decorate, remodel, repair, alter or otherwise prepare the Premises for reoccupancy at any time after Tenant vacates or abandons the Premises for more than 45 consecutive days and without notice to Landlord of Tenant's intention to reoccupy the Premises.

17. **NON-LIABILITY AND INDEMNIFICATION.**

17.1. **Non-Liability.** Except to the extent directly caused by the willful misconduct or gross negligence of Landlord or Agent, none of Landlord, Agent, any other managing agent, or their respective affiliates, owners, partners, directors, officers, agents and employees shall be liable to Tenant for any loss, injury, or damage, to Tenant or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss. Further, except to the extent directly caused by the willful misconduct or gross negligence of Landlord or Agent, none of Landlord, Agent, any other managing agent, or their respective affiliates, owners, partners, directors, officers, agents and employees shall be liable to Tenant (a) for any damage caused by other persons in, upon or about the Premises, or caused by operations in construction of any public or quasi-public work; (b) with respect to matters for which Landlord is liable, for consequential or indirect damages purportedly arising out of any loss of use of the Premises or any equipment or facilities therein by Tenant or any person claiming through or under Tenant; (c) for any defect in the Premises; (d) for injury or damage to person or property caused by fire, or theft, or resulting from the operation of heating or air conditioning or lighting apparatus, or from falling plaster, or from steam, gas, electricity, water, rain, snow, ice, or dampness, that may leak or flow from any part of the Premises, or from the pipes, appliances or plumbing work of the same.

17.2. **Tenant Indemnification.** Except for the Landlord's gross negligence or willful misconduct, Tenant hereby indemnifies, defends, and holds the Indemnitees harmless from and against any and all Losses arising from or in connection with any or all of: (a) the conduct or management of the Premises or any business therein, or any work or Alterations done, or any condition created by any or all of Tenant and Tenant's Parties in or about the Premises during the Term or during the period of time, if any, prior to the Commencement Date that Tenant is given access to the Premises; (b) any act, omission or negligence of any or all of Tenant and Tenant's Parties; (c) any accident, injury or damage whatsoever occurring in, at or upon the Premises and caused by any or all of Tenant and Tenant's Parties; (d) any breach by Tenant of any or all of its warranties, representations and covenants under this Lease; (e) any actions necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding or other proceeding under the Bankruptcy Code relating to the Tenant; (f) the creation or existence of any Hazardous Materials in, at, on or under the Premises, if and to the extent brought to the Premises or caused by Tenant or any party within Tenant's control (whether (x) prior to the Commencement Date, but during the period of time during which Tenant, or its affiliate, as the case may be, owned or occupied the Premises, or (y) from time to time during the Term and any extension thereof); (g) any violation or alleged violation by any or all of Tenant and Tenant's Parties of any Law; and (h) all costs, charges, expenses or outlays of any nature whatsoever arising from or relating to the Premises or the use or occupancy thereof during the Term (collectively, "Tenant's Indemnified Matters"). In case any action or proceeding is brought against any or all of the Indemnitees by reason of any of Tenant's Indemnified Matters, Tenant, upon notice from any or all of Landlord, Agent or any Holder (defined below), shall resist and defend such action or proceeding by counsel reasonably satisfactory to, or selected by, Landlord. The term "Losses" shall mean all claims, demands, expenses, actions, judgments, damages (actual, but not consequential), penalties, fines, liabilities, losses of every kind and nature, suits, administrative proceedings, costs and fees, including, without limitation, attorneys' and consultants' reasonable fees and expenses, and the costs of cleanup, remediation, removal and restoration, that are in any way related to any matter covered by any applicable indemnity provided by Tenant under the terms of this Lease. The provisions of this Section 17.2 shall survive the expiration or termination of this Lease.

18. **CASUALTY AND CONDEMNATION.**

18.1. **Casualty.** If the Building and/or other improvements on the Premises shall be damaged or destroyed by fire or other casualty (each, a "Casualty"), Tenant, at Tenant's sole cost and expense, shall promptly and diligently repair, rebuild or replace such Building and other improvements, so as to restore the Premises to the condition in which they were immediately prior to such damage

or destruction, irrespective of whether any insurance proceeds are adequate or available to repair, rebuild or replace such Building. The net proceeds of any insurance (other than rent loss insurance) recovered by reason of such damage to or such destruction of the Building and/or other improvements on the Premises in excess of the cost of adjusting the insurance claim and collecting the insurance proceeds (such excess being hereinafter called the "net insurance proceeds") shall be held in trust by Landlord or held by any holder of an interest in the Premises which may be superior to Tenant's interest under this Lease (a "Holder") and released for the purpose of paying the fair and reasonable cost of restoring such Building and other improvements. Such net insurance proceeds shall be released from time to time as the work progresses to Tenant or to Tenant's contractors. Prior to the commencement of the work, Tenant shall deliver to Landlord reasonable proof that such net insurance proceeds are adequate to pay the cost of such restoration. If such net insurance proceeds are not adequate, Tenant shall pay, out of funds other than such net insurance proceeds, the amount by which such cost will exceed such net insurance proceeds and shall furnish proof to Landlord of the payment of such excess for work performed, before Landlord or any such Holder shall release any part of such net insurance proceeds. If such net insurance proceeds are more than adequate, the amount by which such net insurance proceeds exceed the cost of restoration will be paid to Tenant. If a Holder shall decline to make the net insurance proceeds available for the restoration provided herein and Landlord does not elect to substitute other funds for such insurance proceeds, Landlord shall have the right to terminate this Lease unless Tenant pays Landlord, within thirty (30) days after written notice from Landlord to Tenant, an amount sufficient to fully complete such restoration (as reasonably calculated by Landlord).

18.2. Condemnation.

18.2.1. Condemnation of Entire Premises. If all or substantially all of the Premises is taken or condemned for a public or quasi-public use ("Condemnation"), the provisions of Section 18.3 shall apply.

18.2.2. Partial Condemnation. If less than all or substantially all of the Premises is subject to a Condemnation, Tenant shall restore the Building and other improvements upon the Premises to a condition and size as nearly comparable as reasonably possible to the condition and size thereof immediately prior to the Condemnation, and there shall be an equitable abatement of the minimum rent according to the value of the Premises before and after the Condemnation. In the event that the parties are unable to agree upon the amount of such abatement, either party may submit the issue for arbitration pursuant to the rules then obtaining of the American Arbitration Association and the determination or award rendered by the arbitrator(s) shall be final, conclusive and binding upon the parties and not subject to appeal, and judgment thereon may be entered in any court of competent jurisdiction.

18.2.3. Award. Tenant shall have the right to make a claim against the condemnor for moving and related expenses which are payable to tenants under applicable law without reducing the awards otherwise payable to Landlord and the Holders. Except as aforesaid, Tenant hereby waives all claims against Landlord and all claims against the condemnor, and Tenant hereby assigns to Landlord all claims against the condemnor including, without limitation, all claims for leasehold damages and diminution in the value of Tenant's leasehold interest. If only part of the Premises is Condemned, the net proceeds of any Condemnation award recovered by reason of any taking or Condemnation of the Premises in excess of the cost of collecting the award and in excess of any portion thereof attributable to the then-current market value of the land taken or Condemned (such excess being hereinafter called the "net condemnation proceeds") shall be held in trust by Landlord or any Holder and released for the purpose of paying the fair and reasonable cost of restoring the Building or Buildings and other improvements damaged by reason of the taking or Condemnation. Such net condemnation proceeds shall be released from time to time as the work progresses to Tenant or to Tenant's contractors. Prior to the commencement of the work, Tenant shall deliver to Landlord reasonable proof that such net condemnation proceeds are adequate to pay the cost of such restoration. If such net condemnation proceeds are not adequate, Tenant shall pay, out of funds other than such net condemnation proceeds, the amount by which such cost will exceed such net condemnation proceeds and shall furnish proof to Landlord of the payment of such excess for work performed before Landlord or any such Holder shall release any part of such net condemnation proceeds. If such net condemnation proceeds are more than adequate, the amount by which such net condemnation proceeds exceed the cost of restoration will be retained by Landlord or applied to repayment of any mortgage loan secured by the Premises. In the event that the parties are unable to agree upon the portion of the award attributable to the then-current market value of the land taken or Condemned, either party may submit the issue for arbitration pursuant to the rules then obtaining of the American Arbitration Association and the determination or award rendered by the arbitrator(s) shall be final, conclusive and binding upon the parties and not subject to appeal, and judgment thereon may be entered in any court of competent jurisdiction.

18.2.4. Temporary Taking. If the condemnor should take only the right to possession for a fixed period of time or for the duration of an emergency or other temporary condition (a "Temporary Taking"), then, notwithstanding anything hereinabove provided, this Lease shall continue in full force and effect without any abatement of rent, but the amounts payable by the condemnor with respect to any period of time prior to the expiration or sooner termination of this Lease shall be paid by the

condemnor to Landlord and the condemnor shall be considered a subtenant of Tenant. Landlord shall apply the condemnation award, to the extent actually received, or as much thereof as may be necessary for the purpose, toward the amount of Rent due from Tenant as rent for that period, and Tenant shall pay to Landlord any deficiency between the amount thus paid by the condemnor and the amount of the Rent, while Landlord shall pay over to Tenant any excess of the amount of the award over the amount of the Rent.

18.3. Termination of Lease Following Major Casualty or Major Condemnation.

18.3.1. If a (1) Casualty or (2) Condemnation shall affect all or a substantial portion of the Premises, and:

18.3.1.1. in the case of a Casualty, such Casualty shall be deemed a "total loss" for insurance purposes or shall be determined to be a loss of such dimension that the Premises cannot be completely restored or rebuilt within two hundred seventy (270) days computed after the hypothetical date of commencement of such construction (a "Major Casualty"); or

18.3.1.2. in the case of a Condemnation (other than a Temporary Taking), such Condemnation shall, in Tenant's and Landlord's reasonable judgment, render the Premises unsuitable for restoration for continued use and occupancy of Tenant's business;

then Tenant may, at its option, exercisable not later than sixty (60) days after the date of such Major Casualty or Condemnation, deliver to Landlord each of the following: (A) notice (a "Termination Notice") of its intention to terminate this Lease on the next rental payment date that occurs not less than ninety (90) days after the delivery of such notice (the "Termination Date"); (B) in the case of a Condemnation, a certificate of an authorized officer of Tenant describing the event giving rise to such termination; (C) in the case of a Major Casualty, (x) the certificate of an architect licensed in the state in which the Premises is located stating that the architect has determined, in its good faith judgment, that the Premises cannot be completely restored or rebuilt for continued use and occupancy in Tenant's business within a building construction period of two hundred seventy (270) days computed from the hypothetical date of commencement of such construction or (y) written confirmation from the issuer of the applicable insurance policy that it will treat the damage to the Building or Buildings as a "total loss"; and (D) an irrevocable offer (a "Event of Loss Purchase Offer") by Tenant to Landlord to purchase the Premises on the Termination Date. Landlord shall, within fifteen (15) business days of any request by Tenant, provide Tenant with the then current calculation of the purchase price, as determined in accordance with Exhibit D hereto.

If Landlord shall reject the Event of Loss Purchase Offer by written notice given to Tenant not later than fifteen (15) days prior to the Termination Date, this Lease shall terminate on the Termination Date, except with respect to obligations and liabilities of Tenant or Landlord hereunder, actual or contingent, which have arisen on or prior to the Termination Date, upon payment by Tenant of all of the Base Rent, Additional Rent and other sums then due and payable or accrued hereunder to and including the Termination Date, and the net condemnation proceeds or net insurance proceeds (as the case may be) shall belong to Landlord. Tenant shall, on or before the Termination Date, execute and deliver to Landlord an outright assignment of such proceeds in form and substance reasonably acceptable to Landlord and pay to Landlord an amount equal to any applicable insurance deductible or self-insurance amounts. Unless Landlord shall have rejected the Event of Loss Purchase Offer in accordance with this Section 18.3.1, Landlord shall be conclusively considered to have accepted the Event of Loss Purchase Offer. In the event Landlord accepts (or is deemed to have accepted) the Event of Loss Purchase Offer, then, on the Loss Closing Date (as defined in Section 18.3.2.1 below) (1) Tenant shall pay to Landlord a purchase price determined pursuant to Exhibit D attached hereto, (2) Landlord shall convey to Tenant or its designee the Premises, and (3) Landlord shall assign to Tenant or its designee all of Landlord's interest in the net condemnation proceeds or net insurance proceeds (as the case may be), by assignment in form and substance reasonably acceptable to Tenant or, if Landlord has already received all or a portion of such net condemnation proceeds or net insurance proceeds (as the case may be), then Landlord shall pay the same to Tenant or Tenant's designee after deducting Landlord's costs payable by Tenant hereunder. Such sale shall otherwise be consummated in accordance with the terms set forth in Section 18.3.2 below. In the event Tenant fails to deliver the Termination Notice and the Event of Loss Purchase Offer in accordance with the time deadlines set forth in this Section 18.3, then, at Landlord's election, Tenant shall have no right to terminate this Lease or right to make an offer to purchase the Premises, and the Lease will continue in full force and effect.

18.3.2. Closing/Conveyance Procedures. In the event, pursuant to the terms and conditions of Section 18.3.1 above, Landlord is to convey its interest in the Premises to Tenant as a result of an Event of Loss Purchase Offer, the following provisions shall apply:

18.3.2.1. The purchase of the Premises contemplated herein shall be consummated at a closing ("Loss Closing") to take place at the offices of Landlord or Landlord's counsel. The Loss Closing shall occur on the date (the "Loss Closing Date") which is no later than sixty (60) days after Landlord's receipt of a timely Termination Notice or such other date as the parties shall mutually agree in writing. The Loss Closing shall be effective as of 11:59 p.m. on the Loss Closing Date. Time is of the essence.

18.3.2.2. The total purchase price to be paid to Landlord by Tenant at the Loss Closing for the sale hereunder shall be an amount equal to the applicable purchase price set forth on Exhibit D attached hereto. In the event of a Loss Closing hereunder, Tenant shall not have the right to escrow or hold back any portion of the purchase price hereunder. The purchase price shall be paid to Landlord at the Loss Closing, by federal wire transfer of immediately available funds.

18.3.2.3. At the Loss Closing, Landlord shall convey fee simple title to the Premises to Tenant (or its assignee or designee) pursuant to a quitclaim deed, subject only to (a) Taxes; (b) those matters and exceptions shown in Landlord's existing owner's policy of title insurance effective on or about the date hereof, issued by First American Title Insurance Company (File No. NCS-226089) and the survey prepared by Mollenhauer Group, dated on or about June 27, 2006 as Job No. 20194; (c) those matters that may be otherwise specifically approved, in writing, by Tenant or otherwise deemed approved or accepted by Tenant, or that otherwise result from the construction of any improvements or Alterations by Tenant; (d) matters arising out of any act of Tenant or any or all of its affiliates, representatives, lenders, agents, contractors, employees or invitees; and (e) any lien, claim or encumbrance or other matter, except liens, claims, or adverse encumbrances directly caused by any act of Landlord or its affiliates, representatives, lenders, agents, contractors or employees.

18.3.2.4. The sale of the Premises as provided for herein shall be made on a strictly "AS IS," "WHERE-IS" basis as of the Loss Closing Date, without any representations or warranties, of any nature whatsoever from Landlord. Landlord hereby specifically disclaims any warranty (oral or written) concerning: (i) the nature and condition of the Premises and the suitability thereof for any and all activities and uses that Tenant may elect to conduct thereon, (ii) the manner, construction, condition and state of repair or lack of repair of any improvements located thereon, (iii) the nature and extent of any right-of-way, lien, encumbrance, license, reservation, or condition, (iv) the compliance of the Premises or its operation with any laws, rules, ordinances, or regulations of any government or other body; and (v) any other matter whatsoever. Tenant expressly acknowledges that, in consideration of the agreements of Landlord herein, LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF QUANTITY, QUALITY, CONDITION, HABITABILITY, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, ANY IMPROVEMENTS LOCATED THEREON, OR ANY SOIL CONDITIONS RELATED THERETO. TENANT SPECIFICALLY ACKNOWLEDGES THAT TENANT IS NOT RELYING ON (AND LANDLORD HEREBY DISCLAIMS AND RENOUNCES) ANY REPRESENTATIONS OR WARRANTIES MADE BY OR ON BEHALF OF LANDLORD OF ANY KIND OR NATURE WHATSOEVER.

18.3.2.5. If Tenant fails to timely perform or satisfy any of its obligations imposed under this Section 18.3, including its obligation to timely close on the purchase of the Premises, then such failure shall constitute a default by Tenant under this Lease (for which there is no cure period), and Landlord shall have all rights and remedies available to it under this Lease, at law or in equity (including, without limitation the right to file an action to specifically enforce the terms of this Section 18.3), with respect to such default.

18.3.2.6. Upon the purchase of the Premises pursuant to Section 18.3.1 above, this Lease shall terminate except for provisions under this Lease that by their terms specifically survive.

18.3.2.7. Landlord and Tenant each hereby indemnify, protect and defend and hold the other harmless from and against all Losses resulting from the claims of any broker, finder, or other such party claiming by, through or under the acts or agreements of the indemnifying party. The obligations of the parties pursuant to this Section 18.3 shall survive any termination of this Lease.

18.3.2.8. There shall be no prorations of any cost items relating to the Premises, whether Taxes, Operating Expenses or otherwise; provided, however, that if and to the extent that, as of the Loss Closing, Landlord has paid any bills for any ownership expenses incurred (prior to Closing) in connection with the ownership and operation of the Premises and, under the terms of this Lease, Tenant would be required to reimburse Landlord for some or all of such expenses, then at Closing, Tenant shall be required to pay to Landlord, in addition to the purchase price set forth above, any such accrued Operating Expenses (including, but not limited to, Taxes) for which Tenant is responsible under this Lease.

18.3.2.9. Provided the Loss Closing is consummated in accordance with this Section 18.3, Tenant shall pay for all closing costs, including, but not limited to, the cost to record the deed, any transfer taxes, any closing escrow fees, the costs of any title insurance policy and the cost of the survey. Tenant shall be solely responsible for procuring the title insurance policy and the survey and in no event shall the procurement of those items be a condition precedent to Tenant's obligation to acquire the Premises (but it shall be a condition precedent to Tenant's obligation to close that Landlord conveys title in compliance with Section 18.3.2.3 hereof). All other costs shall be paid in accordance with local custom. Each of Landlord and Tenant shall be responsible for their respective attorneys' fees.

19. **SURRENDER AND HOLDOVER.** On the last day of the Term, or upon any earlier termination of this Lease, or upon any re-entry by Landlord upon the Premises: (a) Tenant shall quit and surrender the Premises to Landlord "broom-clean" (as defined by Exhibit C, attached hereto and incorporated herein by reference), and in a condition that would reasonably be expected with normal and customary use in accordance with prudent operating practices and in accordance with the covenants and requirements imposed under this Lease, subject only to ordinary wear and tear (as is attributable to deterioration by reason of time and use, in spite of Tenant's reasonable care) and such damage or destruction as Landlord is required to repair or restore under this Lease; provided, however, that, notwithstanding any contrary language in this Section 19(a), upon Tenant's surrender of the Premises to Landlord, the roof structure and roof covering of the Premises shall be in good condition at the time of surrender without the need for replacement or extraordinary repair; (b) Tenant shall remove all of Tenant's personal property therefrom, except as otherwise expressly provided in this Lease, and (c) Tenant shall surrender to Landlord any and all keys, access cards, computer codes or any other items used to access the Premises. Upon prior notice (which may be delivered telephonically), Landlord shall be permitted to inspect the Premises in order to verify compliance with this Section 19 at any time prior to (x) the Expiration Date, (y) the effective date of any earlier termination of this Lease, or (z) the surrender date otherwise agreed to in writing by Landlord and Tenant. The obligations imposed under the first sentence of this Section 19 shall survive the termination or expiration of this Lease. If Tenant remains in possession after the Expiration Date hereof or after any earlier termination date of this Lease or of Tenant's right to possession: (i) Tenant shall be deemed a tenant-at-will; (ii) Tenant shall pay 150% of the aggregate of all Rent last prevailing hereunder, and also shall pay all actual damages sustained by Landlord, directly by reason of Tenant's remaining in possession after the expiration or termination of this Lease; (iii) there shall be no renewal or extension of this Lease by operation of law; and (iv) the tenancy-at-will may be terminated by either party hereto upon 30 days' prior written notice given by the terminating party to the non-terminating party. The provisions of this Section 19 shall not constitute a waiver by Landlord of any re-entry rights of Landlord provided hereunder or by law.

20. **EVENTS OF DEFAULT.**

20.1. **Bankruptcy of Tenant.** It shall be a default by Tenant under this Lease ("Default" or "Event of Default") if Tenant makes an assignment for the benefit of creditors, or files a voluntary petition under any state or federal bankruptcy (including the United States Bankruptcy Code) or insolvency law, or an involuntary petition is filed against Tenant under any state or federal bankruptcy (including the United States Bankruptcy Code) or insolvency law that is not dismissed within 90 days after filing, or whenever a receiver of Tenant, or of, or for, the property of Tenant shall be appointed, or Tenant admits it is insolvent or is not able to pay its debts as they mature.

20.2. **Default Provisions.** In addition to any Default arising under Section 20.1 above, each of the following shall constitute a Default: (a) if Tenant fails to pay Rent or any other payment when due hereunder within five (5) days after written notice from Landlord of such failure to pay on the due date; provided, however, that if, in any consecutive 12 month period, Tenant shall, on two (2) separate occasions, fail to pay any installment of Rent on the date such installment of Rent is due, then, on the third such occasion within such twelve month period on which Tenant shall fail to pay an installment of Rent on the date such installment of Rent is due, Landlord shall be relieved from any obligation to provide notice to Tenant, and Tenant shall then no longer have a five day period in which to cure any such failure; (b) if Tenant fails, whether by action or inaction, to timely comply with, or satisfy, any or all of the obligations imposed on Tenant under this Lease (other than the obligation to pay Rent) for a period of 30 days after Landlord's delivery to Tenant of written notice of such default under this Section 20.2(b); provided, however, that if the default cannot, by its nature, be cured within such 30 day period, but Tenant commences and diligently pursues a cure of such default promptly within the initial 30 day cure period, then, as long as Tenant continues to diligently pursue such a cure, Landlord shall not exercise its remedies under Section 21 unless such default remains uncured for more than 120 days after the initial delivery of Landlord's original default notice; and, at Landlord's election; and (c) if Tenant vacates or abandons the Premises during the Term for more than 45 consecutive days; and (d) if Guarantor defaults under, or otherwise fails to timely satisfy, any or all of its obligations under the guaranty into which Guarantor enters with Landlord on the date of this Lease.

21. RIGHTS AND REMEDIES.

21.1. Landlord's Cure Rights Upon Default of Tenant. If a Default occurs, then Landlord may (but shall not be obligated to) cure or remedy the Default for the account of, and at the expense of, Tenant, but without waiving such Default.

21.2. Landlord's Remedies. In the event of any Default by Tenant under this Lease, Landlord, at its option, may, in addition to any and all other rights and remedies provided in this Lease or otherwise at law or in equity do or perform any or all of the following:

21.2.1. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession to Landlord. In such event, Landlord shall be entitled to recover from Tenant all of: (i) the unpaid Rent that is accrued and unpaid as of the date on which this Lease is terminated; (ii) the worth, at the time of award, of the amount by which (x) the unpaid Rent that would otherwise be due and payable under this Lease (had this Lease not been terminated) for the period of time from the date on which this Lease is terminated through the Expiration Date exceeds (y) the amount of such rental loss that the Tenant proves could have been reasonably avoided; and (iii) any other amount necessary to compensate Landlord for all the detriment proximately caused by the Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of events, would be likely to result therefrom, including but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Landlord in connection with this Lease applicable to the unexpired Term (as of the date on which this Lease is terminated). The worth, at the time of award, of the amount referred to in provision (ii) of the immediately preceding sentence shall be computed by discounting such amount at the per annum discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award, plus one percent per annum. Efforts by Landlord to mitigate damages caused by Tenant's Default shall not waive Landlord's right to recover damages under this Section 21.2. If this Lease is terminated through any unlawful entry and detainer action, Landlord shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable in such action, or Landlord may reserve the right to recover all or any part of such Rent and damages in a separate suit; or

21.2.2. Continue the Lease and Tenant's right to possession and recover the Rent as it becomes due. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Landlord's interests shall not constitute a termination of the Tenant's right to possession; or

21.2.3. Pursue any other remedy now or hereafter available under the laws of the state in which the Premises are located.

21.2.4. Without limitation of any of Landlord's rights in the event of a Default by Tenant, Landlord may also exercise its rights and remedies with respect to any security held or maintained by Landlord.

Any and all personal property of Tenant that may be removed from the Premises by Landlord pursuant to the authority of this Lease or of law may be handled, removed or stored by Landlord at the sole risk, cost and expense of Tenant, and in no event or circumstance shall Landlord be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges for such property of Tenant so long as the same shall be in Landlord's possession or under Landlord's control. Any such property of Tenant not removed from the Premises as of the Expiration Date or any other earlier date on which this Lease is terminated shall be conclusively presumed to have been conveyed by Tenant to Landlord under this Lease as in a bill of sale, without further payment or credit by Landlord to Tenant. Neither expiration or termination of this Lease nor the termination of Tenant's right to possession shall relieve Tenant from its liability under the indemnity provisions of this Lease.

21.3. Additional Rights of Landlord. All sums advanced by Landlord or Agent on account of Tenant under this Section, or pursuant to any other provision of this Lease, and all Base Rent and Additional Rent, if delinquent or not paid by Tenant and received by Landlord when due hereunder, shall bear interest at the Default Interest (defined below) rate from the due date thereof until paid, and such Default Interest shall be and constitute Additional Rent and be due and payable upon Landlord's or Agent's submission of an invoice therefor. The various rights, remedies and elections of Landlord reserved, expressed or contained herein are cumulative and no one of them shall be deemed to be exclusive of the others or of such other rights, remedies, options or elections as are now or may hereafter be conferred upon Landlord by law.

21.4. **Event of Bankruptcy.** In addition to, and in no way limiting the other remedies set forth herein, Landlord and Tenant agree that if Tenant ever becomes the subject of a voluntary or involuntary bankruptcy, reorganization, composition, or other similar type proceeding under the federal bankruptcy laws, as now enacted or hereinafter amended, then: (a) "adequate assurance of future performance" by Tenant pursuant to Bankruptcy Code Section 365 will include (but not be limited to) payment of an additional/new security deposit in the amount of the then current Base Rent payable hereunder; (b) any person or entity to which this Lease is assigned, pursuant to the provisions of the Bankruptcy Code, shall be deemed, without further act or deed, to have assumed all of the obligations of Tenant arising under this Lease on and after the effective date of such assignment, and any such assignee shall, upon demand by Landlord, execute and deliver to Landlord an instrument confirming such assumption of liability; (c) notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as "Rent", shall constitute "rent" for the purposes of Section 502(b)(6) of the Bankruptcy Code; and (d) if this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations payable or otherwise to be delivered to Landlord or Agent (including Base Rent, Additional Rent and other amounts hereunder), shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the bankruptcy estate of Tenant. Any and all monies or other considerations constituting Landlord's property under the preceding sentence not paid or delivered to Landlord or Agent shall be held in trust by Tenant or Tenant's bankruptcy estate for the benefit of Landlord and shall be promptly paid to or turned over to Landlord.

22. **BROKER.** Tenant covenants, warrants and represents that no brokers represented Tenant in the negotiation of this Lease. Landlord covenants, warrants and represents that no brokers represented Landlord in the negotiation of this Lease. Each party agrees to and hereby does defend, indemnify and hold the other harmless against and from any brokerage commissions or finder's fees or claims therefor by a party claiming to have dealt with the indemnifying party and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, for any breach of the foregoing. The foregoing indemnification shall survive the termination or expiration of this Lease.

23. **MISCELLANEOUS.**

23.1. **Merger.** All prior understandings and agreements between the parties are merged in this Lease, which alone fully and completely expresses the agreement of the parties. No agreement shall be effective to modify this Lease, in whole or in part, unless such agreement is in writing, and is signed by the party against whom enforcement of said change or modification is sought.

23.2. **Notices.** Any notice required to be given by either party pursuant to this Lease, shall be in writing and shall be deemed to have been properly given, rendered or made only if personally delivered, or if sent by Federal Express or other comparable commercial overnight delivery service, addressed to the other party at the addresses set forth below each party's respective signature block (or to such other address as Landlord or Tenant may designate to each other from time to time by written notice), and shall be deemed to have been given, rendered or made on the day so delivered or on the first business day after having been deposited with the courier service.

23.3. **Non-Waiver.** The failure of either party to insist, in any one or more instances, upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the Lease shall continue and remain in full force and effect with respect to any subsequent breach, act or omission. The receipt and acceptance by Landlord or Agent of Base Rent or Additional Rent with knowledge of breach by Tenant of any obligation of this Lease shall not be deemed a waiver of such breach.

23.4. **Advances by Landlord.** If Tenant shall fail to make or perform any payment or act required by this Lease within any applicable cure period, then Landlord may at its option make such payment or perform such act for the account of Tenant, and Landlord shall not thereby be deemed to have waived any default or released Tenant from any obligation hereunder. Landlord shall give Tenant five (5) days notice (except in the case of an emergency) prior to Landlord making such payment or protective advance. All amounts so paid by Landlord and all incidental costs and expenses (including reasonable attorneys' fees and expenses) actually incurred in connection with such payment or performance, together with interest at the annual rate equal to (a) the greater of (i) twelve percent (12%) and (ii) three percent (3%) above the prime rate as announced from time to time in New York City by Citibank, N.A., or its successor or (b) at the highest rate not prohibited by applicable law, whichever of (a) or (b) is less ("Default Interest") from and including the date of the making of such payment or of the incurring of such costs and expenses to and including the date of repayment, shall be paid by Tenant to Landlord on demand.

23.5. **Parties Bound.** Except as otherwise expressly provided for in this Lease, this Lease shall be binding upon, and inure to the benefit of, the successors and assignees of the parties hereto. Tenant hereby releases Landlord named herein from any obligations of Landlord for any period subsequent to the conveyance and transfer of Landlord's ownership interest in the Premises. In the event of such conveyance and transfer, Landlord's obligations shall thereafter be binding upon each transferee (whether Successor Landlord or otherwise). No obligation of Landlord shall arise under this Lease until the instrument is signed by, and delivered to, both Landlord and Tenant.

23.6. **Recordation of Lease.** Tenant shall not record or file this Lease (or any memorandum hereof) in the public records of any county or state.

23.7. **Governing Law; Construction.** This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises is located. If any provision of this Lease shall be invalid or unenforceable, the remainder of this Lease shall not be affected but shall be enforced to the extent permitted by law. The captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation, or other provision of this Lease to be performed by Tenant, shall be construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. This Lease may be executed in counterpart and, when all counterpart documents are executed, the counterparts shall constitute a single binding instrument.

23.8. **Time.** Time is of the essence for this Lease. If the time for performance hereunder falls on a Saturday, Sunday or a day that is recognized as a holiday in the state in which the Premises is located, then such time shall be deemed extended to the next day that is not a Saturday, Sunday or holiday in said state.

23.9. **Authority of Parties.** Each of Tenant and Landlord hereby represents, warrants, and covenants with and to the other as follows: the individual(s) acting as signatory on behalf of such party is(are) duly authorized to execute this Lease; such party has procured (whether from its members, partners or board of directors, as the case may be), the requisite authority to enter into this Lease; this Lease is and shall be fully and completely binding upon such party; and such party shall timely and completely perform all of its obligations hereunder.

23.10. **WAIVER OF TRIAL BY JURY.** THE LANDLORD AND THE TENANT, TO THE FULLEST EXTENT THAT THEY MAY LAWFULLY DO SO, HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY ANY PARTY TO THIS LEASE WITH RESPECT TO THIS LEASE, THE PREMISES, OR ANY OTHER MATTER RELATED TO THIS LEASE OR THE PREMISES.

23.11. **Financial Information.** Within 60 days after the end of each of the first three fiscal quarters of each fiscal year of Quantum Foods, LLC, Tenant shall deliver to Landlord consolidated and consolidating unaudited financial statements of Quantum Foods, LLC and subsidiaries, and GDC Logistics, LLC and subsidiaries, including balance sheets as of the close of such fiscal quarter and statements of income and members equity and of cash flows for such fiscal quarter and for the period from the beginning of the applicable fiscal year to the end of such fiscal quarter, all prepared in accordance with U.S. generally accepted accounting principles (except for exclusion of footnotes and subject to normal year-end audit adjustments), and certified by the chief executive officer or the chief financial officer of Quantum Foods, LLC, and of GDC Logistics, LLC, respectively ("Financial Statements"). Within 120 days after the end of each fiscal year of Quantum Foods, LLC, and GDC Logistics, LLC, Tenant shall deliver to Landlord the consolidated and consolidating financial statements of Quantum Foods, LLC and subsidiaries, and GDC Logistics, LLC and subsidiaries, for such fiscal year, including consolidated and consolidating balance sheets as of the end of such fiscal year and consolidated and consolidating statements of income and members equity and of cash flows for such fiscal year, all prepared in accordance with U.S. generally accepted accounting principles consistently applied (except for the application of Financial Accounting Standards Board Interpretation No. 46 or similar principles that would require the consolidation of the results and operations of Quantum Foods, LLC, and its subsidiaries with the results and operations of its parent), together with audit opinions of independent auditors with respect to the consolidated financial statements ("Annual Financial Statements"). No later than thirty (30) days prior to the expiration of each fiscal year of Quantum Foods, LLC, Tenant shall deliver to Landlord financial projections of each of Quantum Foods, LLC and subsidiaries, and GDC Logistics, LLC and subsidiaries, for at least the following fiscal year. These projections shall include an annual income statement and balance sheet of the Tenant and Guarantor. Not less frequently than each fiscal quarter, Tenant shall also provide Landlord any covenant calculations then required to be sent to any lenders to Quantum Foods, LLC and subsidiaries, or GDC Logistics, LLC and subsidiaries, or both.

23.12. Confidential Information. With respect to any of Tenant's non-public business or financial information, Landlord agrees to maintain such information in confidence and not disclose such information to any third party whatsoever, provided, however, that, notwithstanding the foregoing, Landlord may disclose such information (a) to Landlord's employees, agents, officers, directors, representatives, brokers, third party consultants, engineers, lenders, accountants and attorneys (collectively, "Landlord's Representatives") to the extent that such Landlord's Representatives reasonably need to know such information in order to assist, and perform services on behalf of, Landlord or evaluate the transactions contemplated by this Lease; (b) to the extent required by any applicable statute, law, regulation, governmental or judicial authority; and (c) in connection with any litigation that may arise between the parties in connection with the transactions contemplated by this Lease. The provisions of this Section 23.12 shall survive the termination of this Lease.

23.13. Submission of Lease. Submission of this Lease to Tenant for signature does not constitute a reservation of space or an option to lease. This Lease is not effective until execution by and delivery to both Landlord and Tenant.

23.14. Landlord's Waiver. Landlord shall, within fifteen (15) business days of written request by Tenant therefor, execute and deliver to Tenant and its lender a so-called "Landlord's waiver" waiving any interest of Landlord in Tenant's Property and Tenant's personal property to the extent such instrument contains commercially reasonable terms, as determined by Landlord in its sole, but reasonable, judgment.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

LANDLORD:

FIRST INDUSTRIAL DEVELOPMENT SERVICES,
INC., a Maryland corporation

By: 

Its: Executive Director of Investments

TENANT:

CHOICE ONE FOODS, LLC, a Delaware limited liability
company

By: _____

Its: _____

<u>Landlord's Addresses for Notices:</u> First Industrial Development Services, Inc. 311 South Wacker Drive, Suite 4000 Chicago, Illinois 60606 Attn: Executive Vice President-Operations	<u>Tenant's Addresses for Notices:</u> c/o Quantum Foods, LLC 750 South Schmidt Road Bolingbrook, Illinois 60440 Attn: President
<u>With a copy to:</u> First Industrial Realty Trust, Inc. 9450 West Bryn Mawr Avenue Suite 750 Rosemont, Illinois 60018 Attn: Lease Administration	<u>With a copy to:</u> Quantum Rosa Mystica Enterprises, LLC 1011 State Street Lemont, Illinois 60439 Attn: President
<u>With a copy to:</u> Barack Ferrazzano Kirschbaum Perlman & Nagelberg LLP 333 West Wacker Drive Suite 2700 Chicago, Illinois 60606 Attn: Suzanne Bessette-Smith	

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Lease as of the day and year first above written.

LANDLORD:

FIRST INDUSTRIAL DEVELOPMENT SERVICES,
INC., a Maryland corporation

By: _____
Its: _____

TENANT:

CHOICE ONE FOODS, LLC, a Delaware limited liability
company

By: _____
Its: Manager

<u>Landlord's Addresses for Notices:</u> First Industrial Development Services, Inc. 311 South Wacker Drive, Suite 4000 Chicago, Illinois 60606 Attn: Executive Vice President-Operations	<u>Tenant's Addresses for Notices:</u> c/o Quantum Foods, LLC 750 South Schmidt Road Bolingbrook, Illinois 60440 Attn: President
<u>With a copy to:</u> First Industrial Realty Trust, Inc. 9450 West Bryn Mawr Avenue Suite 750 Rosemont, Illinois 60018 Attn: Lease Administration	<u>With a copy to:</u> Quantum Rosa Mystica Enterprises, LLC 1011 State Street Lemont, Illinois 60439 Attn: President
<u>With a copy to:</u> Barack Ferrazzano Kirschbaum Perlman & Nagelberg LLP 333 West Wacker Drive Suite 2700 Chicago, Illinois 60606 Attn: Suzanne Bessette-Smith	

EXHIBIT A

PREMISES

[ATTACH APPROPRIATE LEGAL DESCRIPTION]

PARCEL 1:

That portion of Section 9, Township 2 South, Range 13 West, San Bernardino Meridian, in the City of Los Angeles, County of Los Angeles, State of California, according to the Official Plat of said land filed in the District Land Office on April 22, 1868, described as follows:

Beginning at the intersection of the Northerly line of 38th Street, now 41st Street, in the City of Los Angeles, County of Los Angeles, State of California, as established by Decree in Case No. 74965, Superior Court, with the Easterly line of Compton Avenue; thence Easterly along the Northerly line of 38th Street, 335.63 feet to the Westerly line of right of way granted to Los Angeles Railway Company, a corporation, by Deed of Ellen Meade, a widow, recorded in Book 1969 Page 230 of Deeds, in the Office of the County Recorder of said County; thence Northeasterly along the Westerly line of said right of way, North 26° 03' East (the record course being North 26° 08' 30" East) 638.20 feet to the Southerly line of the Deeble Tract, recorded in Book 9 Page 188 of Maps, records of said County; thence Northwesterly along said Southerly line, North 71° 54' 45" West (the record course being North 71° 55' West) 324.61 feet to the Easterly line of said Compton Avenue and thence, Southwesterly along the last mentioned line South 26° 03' West 689.88 feet to the point of beginning.

EXCEPT the Northerly 50 feet thereof, measured along the Easterly line of Compton Avenue, 60 feet wide.

ALSO EXCEPT that portion of said land, described as follows:

Beginning at the intersection of the Northerly line of 38th Street, now 41st Street, Case No. 74965 with the Easterly line of Compton Avenue, 60 feet wide; thence along said Easterly line, North 26° 03' 00" East 137.00 feet; thence South 80° 41' 15" East 60.00 feet; thence South 13° 52' 20" West 131.60 feet to a point in the Northerly line of 41st Street, said Point being South 80° 41' 15" East 69.00 feet from the above intersection of 41st Street and Compton Avenue; thence North 80° 41' 15" West 69.00 feet to the point of beginning.

ALSO EXCEPT therefrom that portion of said land, described as follows:

Beginning at the most Westerly corner of Lot 2 of the Deeble Tract, as shown on map recorded in Book 9 Page 188 of Maps, in the Office of the County Recorder of said County; thence along the Easterly line of Compton Avenue, 60 feet wide, South 26° 03' West 50 feet to the true point of beginning; thence continuing along said Easterly line, South 26° 03' West 172.86 feet; thence South 71° 53' East 324.54 feet to the Westerly line of the right of way granted to Los Angeles Railway Company, by deed recorded in Book 1969 Page 230 of Deeds in the Office of the County Recorder of said County; thence along said Westerly line, North 26° 03' East 173.03 feet to a line parallel with the Southerly line of said Deeble Tract which passes through the true point of beginning; thence along said parallel line, North 71° 54' 45" West 324.56 feet to the true point of beginning.

PARCEL 2:

That portion of Section 9, Township 2 South, Range 13 West, San Bernardino Meridian, in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

Beginning at the intersection of the Northerly line of 38th Street, now 41st Street, in said City of

Los Angeles, as established by the Decree of the Superior Court of said Los Angeles County, in Case No. 74965 of said Court with the Easterly line of Compton Avenue, 60 feet wide; thence along said Easterly line, North $26^{\circ} 03' 00''$ East 137.00 feet; thence South $80^{\circ} 41' 15''$ East 60.00 feet; thence South $13^{\circ} 52' 20''$ West 131.60 feet to a point in the Northerly line of 41st Street, said Point being South $80^{\circ} 41' 15''$ East 89.00 feet from the above described intersection of 41st Street and Compton Avenue; thence North $80^{\circ} 41' 15''$ West 89.00 feet to the point of beginning.

APN: 5117-013-006 and 5117-013-007

EXHIBIT B

TENANT OPERATIONS INQUIRY FORM

1. Name of Company/Contact _____
2. Address/Phone _____

3. Provide a brief description of your business and operations: _____

4. Will you be required to make filings and notices or obtain permits as required by Federal and/or State regulations for the operations at the proposed facility? Specifically:

- | | | |
|--|-----|----|
| a. SARA Title III Section 312 (Tier II) reports
(> 10,000 lbs. of hazardous materials STORED at any one time) | YES | NO |
| b. SARA Title III Section 313 (Tier III) Form R reports
(> 10,000 lbs. of hazardous materials USED per year) | YES | NO |
| c. NPDES or SPDES Stormwater Discharge permit
(answer "No" if "No-Exposure Certification" filed) | YES | NO |
| d. EPA Hazardous Waste Generator ID Number | YES | NO |

5. Provide a list of chemicals and wastes that will be used and/or generated at the proposed location. Routine office and cleaning supplies are not included. Make additional copies if required.

Chemical/Waste	Approximate Annual Quantity Used or Generated	Storage Container(s) (i.e. Drums, Cartons, Totes, Bags, ASTs, USTs, etc)

EXHIBIT C

BROOM CLEAN CONDITION AND REPAIR REQUIREMENTS

- All lighting is to be placed into good working order. This includes replacement of bulbs, ballasts, and lenses as needed.
- All truck doors and dock levelers should be serviced and placed in good operating order (including, but not limited to, overhead door springs, rollers, tracks and motorized door operator). This would include the necessary (a) replacement of any dented truck door panels, broken panels and cracked lumber, and (b) adjustment of door tension to insure proper operation. All door panels that are replaced shall be painted to match the building standard.
- All structural steel columns in the warehouse and office should be inspected for damage, and must be repaired. Repairs of this nature shall be pre-approved by the Landlord prior to implementation.
- HVAC system shall be in good working order, including the necessary replacement of any parts to return the unit to a well-maintained condition. This includes, but is not limited to, filters, thermostats, warehouse heaters and exhaust fans. Upon move-out, Landlord will have an exit inspection performed by a certified mechanical contractor to determine the condition of the HVAC system.
- All holes in the sheet rock walls shall be repaired prior to move-out. All walls shall be clean.
- The carpets and vinyl tiles shall be in a clean condition and shall not have any holes or chips in them. Flooring shall be free of excessive dust, dirt, grease, oil and stains.
- Facilities shall be returned in a clean condition, including, but not limited to, the cleaning of the coffee bar, restroom areas, windows, and other portions of the Premises.
- There shall be no protrusion of anchors from the warehouse floor and all holes shall be appropriately patched. If machinery/equipment is removed, the electrical lines shall be properly terminated at the nearest junction box.
- All exterior windows with cracks or breakage shall be replaced. All windows shall be clean.
- Tenant shall provide keys for all locks on the Premises, including front doors, rear doors, and interior doors.
- All mechanical and electrical systems shall be left in a safe condition that confirms to code. Bare wires and dangerous installations shall be corrected to Landlord's reasonable satisfaction.
- All plumbing fixtures shall be in good working order, including, but not limited to, the water heater. Faucets and toilets shall not leak.
- All dock bumpers shall be left in place and well-secured.
- Drop grid ceiling shall be free of excessive dust from lack of changing filters. No ceiling tiles may be missing or damaged.
- All trash shall be removed from both inside and outside of the Building.
- All signs in front of Buildings and on glass entry door and rear door shall be removed.
- Remove all pads for machinery and repair and seal any roof penetrations.

EXHIBIT D

TERMINATION VALUES

In the event Tenant has the right to purchase the Premises pursuant to Section 18.3.1, the purchase price shall be an amount equal to the product of (A) 1.10, multiplied by (B) the sum of the following: (i) the amount of the current Landlord's equity investment in the Premises (including all related acquisition costs, including, but not limited to, legal fees, brokerage commissions, environmental consultants and engineering consultants and any unreimbursed improvements and capital expenditures), (ii) the amount of any then-outstanding debt on the Premises, and (iii) the amount of any yield maintenance or defeasance fees or other fees or premiums due in connection with the pre-payment of any then-outstanding debt.

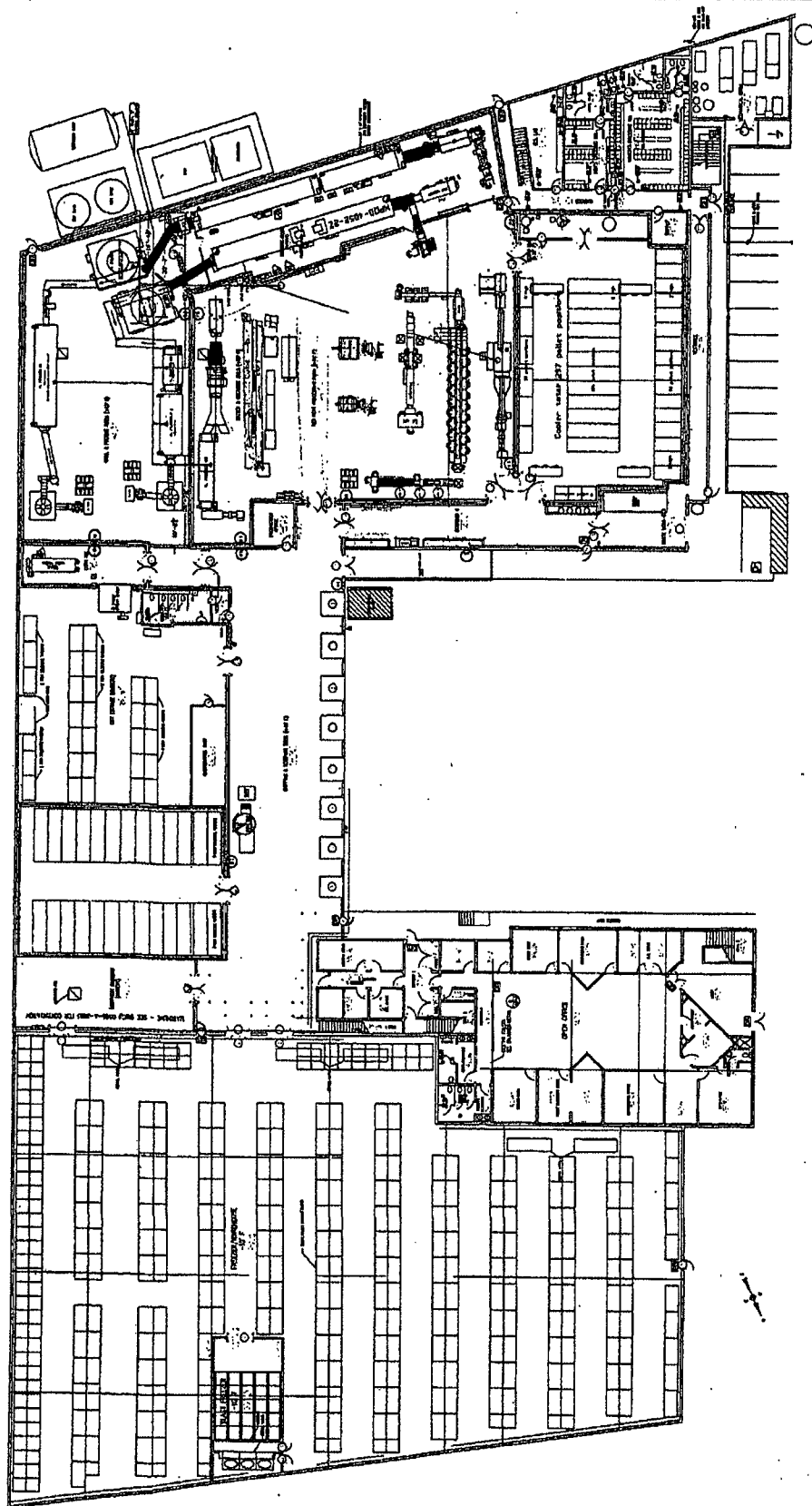
The determination of the purchase price under this Exhibit D shall be determined by Landlord in its sole, but reasonable, discretion and shall be conclusive absent manifest error.

EXHIBIT E

TENANT'S PROPERTY

1. Any racking, machinery and equipment in the Building, except any machinery and equipment that is (i) part of the HVAC, electrical, water, or natural gas systems and utilities or (ii) structures, systems, machinery, and equipment used in connection with cooling the Building's cooler and freezer rooms.
2. CO₂, nitrogen, ammonia and other gas and compressed gas tanks, except to the extent that any of such tanks are required for the operation of any or all of the items described in 1(i) or (ii) above.

EXHIBIT B
(see Section 4(b))



CHOICE ONE FOODS
4021 S. COMPTON AVE.

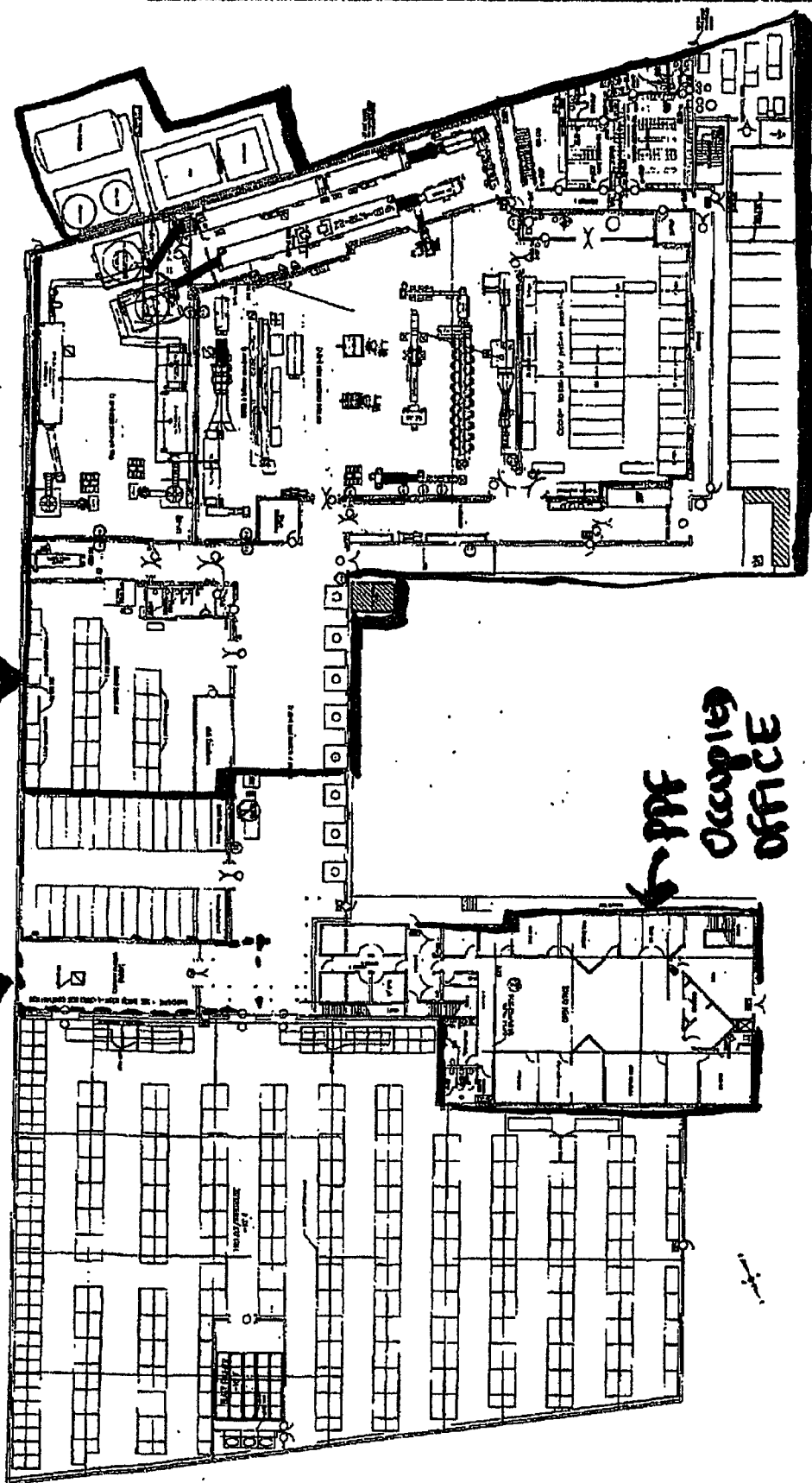
FIRST FLOOR
FLOOR PLAN & EQUIPMENT LAYOUT

0596-A-200

EXHIBIT C
(see Section 9(e))

PROPORTION FOODS, LLC
SHARED OCCUPANCY

PROPORTION FOODS, LLC
OCCUPIED SPACE



FIRST FLOOR
FLOOR PLAN & EQUIPMENT LAYOUT

CHURCH ONE ROOMS
4000 R. COLUMBIA AVE.

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000
000

EXHIBIT D
(see Section 9(f))

- 1 Martin-Barron LN2 Freezer Tunnel with exhaust system, 20' L x 50" W belt
- 1 Stainless Steel work station for Biro Cubers-12' feet
- 1 Stein Batter & Breader, 24"
- 3 Meat Flatteners conveyors
- 1 Vickers 20 H.P. Hydraulic Power Package
- 2 Ingersoll Rand Air Compressors, 25 H.P.
- 1 Ingersoll Rand DXP100A Air Dryer, Ser. #9540XR4670
- 1 Bridge Machine CC-24 Slicer, Ser.# 26515-n1
- 2 Scissors lifts
- 1 Process Engineering Horizontal Liquid Nitrogen Storage Tank, 13,000 gal.
- 1 Norfrig Tempering Trailer 301, 24' L
- 2 Crown RC3000 Standup Pallet jack forklifts (broken)
- 2 Crown PE3000 Walk Rider (broken)
- 1 Crown PE4000 Walk Rider (broken)
- 1 Yale sitdown forklift (broken)
- 1 16 Station Trim Conveyor, Stainless Steel shelf on top, 18" Intralox Conveyor Belt
- 3 Tuthill Vertical Mixers & chilled water metering mixer
- 2 Jaccard Slicers 1 good and 1 bad
- 2 Liquid Carbonics CO2/Nitrogen Spiral Freezer 15 Tier
- 1 Mauer Oven, 4 truck, Steam & natural gas, with 4 racks
- 2 Digital floor scales (in floor)
- 1 Packaging Progression Paper sorter (Needs parts)
- 2 Portable hydraulic units
- 1 Portable tumbler
- 8 Battery chargers
- 74 Miscellaneous Stainless Steel tables, stands, carts and conveyors.
- 6 50 hp boilers

Phone: (215) 569-5702
Fax: (215) 832-5702
Email: vizza@BlankRome.com

May 19, 2014

VIA FEDERAL EXPRESS

BMC Group, Inc.
18675 Lake Drive East
Chanhassen, MN 55317
Attn: Quantum Foods, LLC Claims Processing

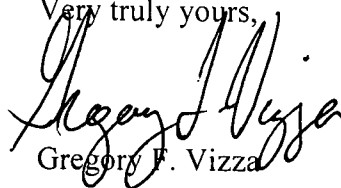
Re: In re Choice One Foods, LLC,
Bankruptcy Case No. 14-10322

Dear Sir/Madam:

Enclosed please find an original and a copy of the Proof of Claim by ProPortion Foods, LLC against Choice One Foods, LLC.

Please be kind enough to cause the enclosed original to be properly filed and receipt-stamped. Please also receipt-stamp and return the copy in the self-addressed stamped envelope provided for your convenience.

Very truly yours,


Gregory F. Vizza

Enclosures

From: (215) 569-5500
Gregory Vizza
Blank Rome LLP
1 Logan Square
18th & Cherry Street
Philadelphia, PA 19103

Origin ID: REDA



J14101402070326

Ship Date: 19MAY14
ActWgt: 1.0 LB
CAD: 103873866/WSXI2500

Delivery Address Bar Code



SHIP TO: (215) 569-5500

BILL SENDER

Quantum Foods Claims Processing
BMC Group, Inc.
18675 Lake Drive East

Chanhassen, MN 55317

Ref # 142649.00401
Invoice #
PO #
Dept #

RECEIVED

MAY 20 2014

RELEASE#: 3785346

TUE - 20 MAY 10:00 AM
PRIORITY OVERNIGHT

TRK# 7700 2925 9631

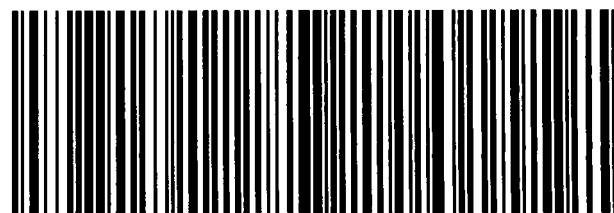
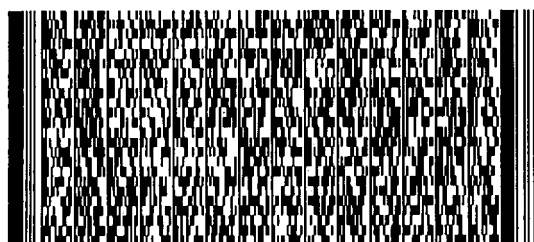
0201

XH FBLA

55317

MN-US

MSP



FOLD on this line and place in shipping pouch with bar code and delivery address visible

1. Fold the first printed page in half and use as the shipping label.
2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.

