

IT IS SO ORDERED.

Dated: 03:21 PM January 19 2007


MARILYN SHEA-STONUM *CS*
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

----- X
In re: : Case No. 06-51848
: (Jointly Administered)
CEP HOLDINGS, LLC, et al.,¹ :
: Chapter 11
Debtors. :
: Honorable Marilyn Shea-Stonum
: :
----- X

ORDER, PURSUANT TO SECTIONS
105(a) AND 365 OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 6006, AUTHORIZING DEBTORS TO REJECT
AN UNEXPIRED REAL PROPERTY LEASE AS OF DECEMBER 18, 2006

Upon the motion (the “**Motion**”)² of CEP Holdings, LLC and its affiliated debtors and debtors-in-possession (each a “**Debtor**” and collectively, the “**Debtors**” or “**CEP**”) in the above-captioned Chapter 11 cases (the “**Cases**”), for entry of an order, pursuant to sections 105(a) and 365 of the Bankruptcy Code and Bankruptcy Rule 6006, authorizing the Debtors to reject the

¹ The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

Lease; the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the “**Hearing**”); and the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding, (iii) notice of the Motion was sufficient under the circumstances, (iv) the rejection of the Lease is in the best interest of the Debtors’ estates and a business purpose exists for the relief granted herein, and (v) the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and this Court having determined that granting the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in its entirety.
2. The Debtors are authorized, pursuant to sections 105(a) and 365 of the Bankruptcy Code, to reject the Lease, a copy of which is attached to this Order as **Schedule 1**, effective as of December 18, 2006.
3. The Debtors and the Official Committee of Unsecured Creditors have the right to object to any claims that may be asserted by the Lessor under sections 365 and 502 of the Bankruptcy Code or otherwise.
4. Notwithstanding the Rejection Bar Date established by the Bar Date Order, the Lessor shall have 30 days from the entry of this Order in which to file a proof of claim, if any, for claims arising out of the rejection of the Lease.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

IT IS SO ORDERED.

#

Respectfully submitted by:

/s/ Joseph F. Hutchinson, Jr.
Joseph F. Hutchinson, Jr. (0018210)
Thomas M. Wearsch (0078403)
Eric R. Goodman (0076035)
BAKER & HOSTETLER LLP
3200 National City Center
1900 East 9th Street
Cleveland, Ohio 44114-3485
Phone: 216.621.0200
Fax: 216.696.0740

Counsel for the Debtors and Debtors-in-Possession

No Objection:

/s/ Jeremy Downs
Alan Solow
Jeremy Downs
Shira Isenberg
GOLDBERG KOHN
55 East Monroe
Suite 3700
Chicago, Illinois 60603

*Counsel to Wachovia Capital
Finance Corporation (Central)*

/s/ Mark Freedlander
Mark Freedlander
Sally Edison
MCGUIRE WOODS
Dominion Tower
625 Liberty Avenue
23rd Floor
Pittsburgh, PA 15222

*Counsel to the Official
Committee of Unsecured Creditors*

SCHEDULE 1

LEASE

NET LEASE

THIS LEASE is made as of the 6th day of February, 2006, between **SIJL Development Company, L.L.C.**, a Michigan limited liability company, the address of which is 26111 West Fourteen Mile Road, Suite LL-4, Franklin, MI 48025, as Landlord, and **Creative Engineered Polymer Products LLC**, an Ohio limited liability company doing business as CEP Products, the address of which is 3560 West Market Street, Suite 340, Akron, Ohio 44333, as Tenant (the "Lease").

IN CONSIDERATION OF the rents to be paid and the mutual covenants, promises and agreements herein set forth, Landlord and Tenant agree as follows:

SECTION 1

THE PREMISES

- 1.01 Landlord hereby leases to Tenant a portion of that certain building (the "Building") located in the City of Livonia, County of Wayne, and State of Michigan, more particularly described on Exhibit "A" attached to and made an integral part of this Lease (the "Land"), commonly known as Suite 100, 31557 Schoolcraft Road, Livonia Michigan, consisting of approximately 8,645 rentable square feet, as depicted on the attached site plan for the Building (the "Premises"), which site plan is attached hereto as Exhibit "B-1".

SECTION 2

RENOVATIONS TO PREMISES

- 2.01 Landlord agrees to complete renovation of the Premises prior to the Commencement Date (defined in Section 3.01), substantially in accordance with the floor plan for the Premises attached hereto as Exhibit "B-1" and made a part hereof (as the same may be modified and supplemented by Landlord and Tenant from time to time collectively the "Plans"). No minor change from the Plans which may become necessary during construction will invalidate, change or affect this Lease.
- 2.02 Landlord shall renovate the Premises in accordance with the provisions of this Section 2. Landlord shall be responsible for all Construction Costs (as defined below) in order to complete the renovation of the Premises. "Construction Costs" shall include all hard costs and soft costs of construction, including all labor and materials, the cost (including all governmental fees) of obtaining building permits and other permits and licenses, and developer's/general contractor's fee and other costs paid or incurred by Landlord to obtain permits for and build the Premises. Landlord shall renovate the Premises substantially in accordance with all applicable laws, rules or regulations of any governmental authority, including the Americans with Disabilities Act, and such Premises shall be renovated in a good and workmanlike manner with materials consistent with a Class A office facility. Notwithstanding anything

contained herein to the contrary, Tenant, at its sole cost and expense, shall solely be responsible for the purchase and installation of all security systems, telecommunications equipment and systems, signage and back-up generator (all to the extent desired by Tenant). Landlord shall provide Tenant with a written estimate for the cost of the purchase and installation of a back-up generator for the Premises.

- 2.03 Any change to the Plans desired by Tenant will be subject to Landlord consent, which will not be unreasonably withheld, and must be confirmed in a written change order signed by Landlord and Tenant that describes in detail the change, an estimate of the additional construction time, if any, that will be required to complete the Premises as a result of the change, and an estimate of the Construction Costs to be incurred as a result of such change order. Once submitted, the change order must be approved by Tenant in writing (including Tenant's agreement to pay the actual excess Construction Costs, and in each case incur any actual delay regardless of the estimate) within seven (7) business days of receipt from Landlord or else the change order shall be deemed rejected. Also, all delivery dates which Landlord has obligated itself to satisfy shall be extended one day for each day of additional construction time that is required as a result of a Tenant initiated change order, it being agreed that Landlord shall have no obligation to do any work described in a change order on an overtime basis to avoid incurring construction delays. Tenant shall pay Landlord, within ten (10) days of receipt of written request for such payment (which request will come no more than monthly), such excess Construction Costs (hard and soft cost) to be incurred as a result of any Tenant change order, if any.
- 2.04 Landlord intends to complete the alterations and deliver the Premises "ready for occupancy" (as defined below) to Tenant on or before March 1, 2006, subject to Force Majeure and Tenant Delays (each as defined below). The Premises will be conclusively deemed "ready for occupancy" on the earlier to occur of when: (i) the work to be done under this Section 2 has been substantially completed, or (ii) when Tenant takes possession of the Premises. The Premises will not be considered unready or incomplete if only minor or insubstantial details of adjustments remain to be completed within the Premises, or if interior finish, architectural details or similar work requested by Tenant remains incomplete. In addition, if in good faith Landlord is delayed or hindered in any construction (including punch list items) by any labor dispute, strike, lockout, fire, unavailability of material or other ordinary construction delay, severe weather, acts of God, restrictive governmental laws or regulations, riots, insurrection, war or other casualty or events of a similar nature beyond its reasonable control ("Force Majeure"), the date for the delivery of the Premises to Tenant "ready for occupancy" shall be extended for the period of delay caused by the Force Majeure or Tenant Delay (as defined below). If Landlord is delayed or hindered in construction (including punch list items) as a result of change orders or other requests by, or acts or omissions of, Tenant, including change order requests ("Tenant Delay"), the date for the delivery of the Premises to Tenant "ready for occupancy" shall be extended by the number of days of delay caused by Tenant Delay. Landlord shall not be subject to any liability for failure to deliver possession of the Premises to Tenant "ready for occupancy" on March 1, 2006 and the validity of the Lease shall not be impaired by such failure. By occupying the Premises, Tenant will be deemed to have accepted the

Premises and to have acknowledged that they are in the condition called for in this Lease, subject only to "punch list" items (as the term "punch list" is customarily used in the construction industry in the area where the Building is located) identified by Tenant by written notice delivered to Landlord within thirty (30) days after the date Landlord tenders possession of the Premises to Tenant. Landlord agrees to use reasonable efforts to complete all punch list items within thirty (30) days after the timely delivery of the punch list.

- 2.05 Landlord warrants that the initial renovations to the Premises shall be completed in a good and workmanlike manner and that the Building mechanical and plumbing systems and electrical systems located in the Premises are in good working order as of the Commencement Date. Such warranty shall expire six (6) months from and after the Commencement Date.

SECTION 3

THE TERM; RENEWAL OPTIONS

- 3.01 The term of this Lease (the Term") shall commence (the "Commencement Date") on April 1, 2006 and shall expire on March 31, 2009, provided, however, in the event Landlord fails to tender possession of the Premises to Tenant, ready for occupancy, on or before April 1, 2006, the Commencement Date shall be delayed until the date possession is delivered to Tenant and the Term of the Lease shall expire thirty-six (36) months from and after the Commencement Date. If the Commencement Date is other than the first day of a calendar month, the Term will be extended to terminate at the end of the calendar month in which it would otherwise terminate under the preceding sentence.
- 3.02 The date shown in Section 2.05 represents Landlord's estimate of the date the Premises will be ready for occupancy. Landlord agrees to use its reasonable efforts to complete all work, and to tender possession to Tenant, on or before the date shown in Section 2.05. If Landlord is unable to tender possession by April 1, 2006, Tenant may not terminate this Lease and Landlord shall no liability for damages incurred by Tenant as a result of such delay.
- 3.03 Upon request by Landlord, Tenant will forthwith execute a written instrument in the form attached hereto as Exhibit "C" confirming the Commencement Date, and the expiration date of the Term.
- 3.04 Providing that Tenant has not defaulted in the terms or conditions of this Lease, Tenant shall have two (2) options to extend the Term of this Lease from and after the expiration of the original Term for a period of three (3) years each (each an "Option Term"). Should Tenant desire to exercise this option, same shall be deemed validly exercised only if Landlord shall have received written notice of exercise of option from Tenant in writing on or before two hundred seventy (270) days prior to the expiration of the Term or the immediately preceding Option Term, as the case may be. TIME SHALL BE DEEMED TO BE OF THE ESSENCE IN CONNECTION WITH

THE EXERCISE OF THIS OPTION. In the event of the exercise of this option, all terms and conditions of this Lease shall continue and remain in full force and effect during each three (3) year Option Term, provided, however, that the Basic Rent during such Option Terms shall be as provided in Section 4. Tenant agrees that the options granted herein shall be deemed personal to Tenant and shall not be assignable. Notwithstanding that Landlord may have consented to an assignment or sublease pursuant to Section 14 of this Lease, this option shall not be assignable and shall not be assigned to any assignee or exercised on behalf of any subtenant. Tenant shall have no right of renewal after the second Option Term.

SECTION 4

THE BASE RENT AND CAM CHARGES

- 4.01 Commencing on the Commencement Date (subject to adjustment pursuant to Section 3.01 hereof) and thereafter through the remainder of the Term and any Option Terms if so exercised, Tenant agrees to pay to Landlord, as basic net rent ("Basic Rent") for the original term of this Lease and the Option Terms if so exercised as set forth below:

<u>Period</u>	<u>Monthly Basic Rent</u>
Initial Term (4/1/03-3/31/09)	\$7,925.00
1 st Option Term (4/1/09-3/31/12)	\$8,285.00
2 nd Option Term (4/1/12-3/31/15)	\$8,645.00

The periods set forth above shall be adjusted pursuant to Section 3.01 in the event of any delay in the Commencement Date.

- 4.02 Each monthly installment of Basic Rent will be paid in advance, without any set-offs or deductions and without any prior demand therefor, on the first day of each and every month (the "Rent Day") during the Term, at the office of the Landlord at the address first shown above, or at such other place as Landlord from time to time may designate in writing. The first installment of Basic Rent shall be paid by Tenant to Landlord upon execution of this Lease. In the event the Commencement Date is other than the first day of a calendar month, the Basic Rent for the partial first calendar month of the Term will be prorated accordingly.
- 4.03 Landlord and Tenant acknowledge and agree that this is an absolute net lease, and that it must yield, net to Landlord during the original Term, not less than the Basic Rent shown in Section 4.01. In addition, its pro rata share of all costs, expenses and charges as defined herein relating to the Premises which are attributable to, or become due during, the Term will be paid by Tenant, and Tenant will indemnify and hold harmless Landlord from and against such costs, expenses and charges. As such, in addition to Basic Rent, Tenant shall pay to Landlord, its pro rata share (26.7%) of the Common Area Costs (as herein defined), insurance premiums and all other costs and expenses associated with the operation and maintenance of the Land and Building (the "Operating Costs") in accordance with the terms hereof. Landlord shall invoice Tenant for such Operating Costs on a quarterly basis in arrears based on actual

invoices for such Operating Costs and Tenant shall pay same within thirty (30) days of receipt of such invoice and supportive documentation from Landlord. Tenant shall have the right to examine accounting records supporting Operating Costs, and at its cost and at reasonable times, but not more often than once per calendar year, to examine and audit accounting books and records, relating to such Operating Expenses.

SECTION 5

LATE CHARGES AND INTEREST

- 5.01 All Basic Rent, and all other sums payable by Tenant to Landlord pursuant to this Lease ("Basic Rent and Additional Rent") which are not paid within forty-five (45) days after the date due will be subject to a late charge of five (5%) percent of the amount due. Tenant agrees that such late charge covers Landlord's administrative costs, is reasonable and is not a penalty or interest. Such late charge will be due and payable as Additional Rent on or before the next Rent Day.
- 5.02 Basic Rent and Additional Rent payable by Tenant to Landlord under this Lease not paid within fifteen (15) days after they are due will bear interest at a per annum rate equal to the greater of eleven (11%) percent or four percentage points above the effective prime interest rate per annum charged by Comerica Bank to its best commercial customers on the date when the Basic Rent, or Additional Rent became due, but not in excess of the maximum interest rate permitted by law. Such interest will be due and payable as Additional Rent on or before the next Rent Day, and will commence to accrue thirty (30) days from the date that such Basic Rent, late charges or other sums and Additional Rent are payable under the provisions of this Lease until actually received by Landlord.
- 5.03 Any default in the payment of Basic Rent, late charges or other sums and Additional Rent will not be considered cured unless and until the late charges, interest due hereunder and all sums required to be paid pursuant to Paragraph 20.01(c) are received by Landlord. If Tenant defaults in paying such late charges and/or interest, Landlord will have the same remedies as on default in the payment of Basic Rent. The obligation hereunder to pay late charges, interest and the sums required under Paragraph 20.01(c) will exist in addition to, and not in place of, the other default provisions of this Lease.

SECTION 6

TAXES, ASSESSMENTS, UTILITIES AND TRASH REMOVAL

- 6.01 In addition to Basic Rent and Operating Costs, Tenant agrees to pay as Additional Rent for the Premises 26.7% of: (i) all taxes and existing and future assessments which may be levied or assessed by any lawful authority during or for each calendar year of the Term of this Lease against the Landlord Building, or any building or improvements at any time situated, or otherwise allocable thereto as herein provided, and (ii) all Replacement Taxes as hereinafter defined. All such taxes, assessments and

Replacement Taxes shall be paid directly by Landlord when due and reimbursed by Tenant to Landlord within thirty (30) days after Landlord's receipt of written demand therefor which shall include a copy of the Tax Bill and the computation of Tenant's pro-rata share on account thereof. The taxes, assessments and Replacement Taxes for the first and last years of the Term or any extension thereof will be prorated between Landlord and Tenant so that Tenant will be responsible only for such tax, assessment and Replacement Tax as may be attributable to the period included in the Term of this Lease. The "due date" method of proration will be used based on the presumption that taxes and assessments are payable in advance.

- 6.02 In the event that any present or future enactment of the United States, the State of Michigan or any political subdivision thereof or any governmental authority having jurisdiction there over imposes a tax and/or assessment of any kind or nature upon, against, or with respect to the rentals and other charges payable by Tenant to Landlord derived from the Premises or with respect to the Landlord's or the individual or entities (which form the Landlord herein), ownership of the land and building comprising the Premises, either in addition to or by way of substitution for all or any part of the taxes and assessments levied or assessed against the Premises, including, without limitation, any net profits tax or any comparable tax imposed on any portion of Landlord's revenues from the Premises, exclusive of state and federal income taxes (herein collectively referred to as the "Replacement Taxes"), then for the purpose of this Section 6.02, Tenant shall be obligated to pay same as provided herein.
- 6.03 Tenant agrees to pay all charges made against the Premises for gas, heat and electricity as and when due during the continuance of this Lease. All electric and gas services have been separately metered. Landlord shall not be liable to Tenant for any loss, damage or expense which Tenant may sustain if the quality or character of utilities or trash removal service used upon or furnished to the Premises are no longer available or suitable for Tenant's requirements, or if said utilities or trash removal are interrupted as a result of actions by the public utility companies or any cause other than Landlord's sole negligence or willful default.
- 6.04 In the event that payment of any and all of the aforesaid taxes and assessments are to be made from an escrowed fund required to be established by Landlord as mortgagor under the terms of any first mortgage on the Premises, Landlord will so notify Tenant. Tenant will, as additional rent, pay to Landlord on the first day of each month of the Term in arrears an amount equal to the amount required to be paid by Landlord under the terms of such first mortgage to the escrowed fund on account of such charges. If the actual taxes and assessments, when due, exceed the total amounts from time to time paid by Tenant, Tenant will pay on demand any deficiency to Landlord. If such payments by Tenant, over the Term, exceed the amount of taxes and assessments paid therefrom, such excess will be refunded by Landlord to Tenant either at the expiration of the Term or when such excess is refunded by the mortgagee to Landlord, whichever occurs first.
- 6.05 The Tenant shall pay as additional rent any money and charges required to be paid by it pursuant to the terms of this Lease, whether or not the same may be designated as

Additional Rent. If such amounts or charges are not paid at the time provided in the Lease, they shall nevertheless, if not paid when due, be collectible as and together with the rent next falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

SECTION 7

USE OF PREMISES AND SIGNS

- 7.01 The Premises during the continuance of this Lease will be used and occupied solely for general office administration and sales and legally permitted uses ancillary thereto and not for any other purpose without the prior written consent of Landlord. Tenant agrees that it will not use or permit any person to use the Premises or any part thereof for any use or purpose in violation of the laws of the United States, the laws, ordinances or other regulations of the state and municipality in which the Premises are located, or of any other lawful authorities. Tenant hereby agrees to observe and comply with all terms and conditions of all instruments, whether or not of record, relating to or affecting the Premises, and Tenant shall be responsible for the payment of all costs, fees and expenses of any nature thereunder or relating thereto.
- 7.02 All signs and advertising displayed in and about the Premises will only advertise the business carried on upon the Premises and shall be subject to Landlord approval for the location, character and size thereof. No signs will be displayed except as approved in advance, in writing, by Landlord which approval shall not be unreasonably withheld or delayed, and no awning will be installed or used on the exterior of the building unless approved in advance, in writing, by Landlord. Tenant shall promptly comply, at Tenant's sole cost and expense, with all laws, ordinances, rules, orders, and regulations in any way relating to Tenant's on-premises sign(s) or advertising. Tenant shall not install any exterior lighting or plumbing fixtures, shades, any exterior decorations or painting, build any fences or make any changes to the exterior of the Premises without the prior written consent of Landlord. Any sign(s) which Tenant may install in or about the Premises with the written approval of Landlord, either simultaneously with the execution of this Lease or subsequently, shall belong to the Tenant upon the expiration or termination of this Lease and shall be removed from the Premises (or upon any property adjoining the Premises) and damage to the Premises caused as a result of said removal shall be promptly restored to its original condition all at Tenant's sole cost and expense.
- 7.03 (a) Tenant shall not use, store, generate, treat, or dispose of any hazardous substance on the Premises, or cause suffer or permit the same to be done by any person except in compliance with applicable Environmental Regulations and not without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion. For purposes of this section, the term "hazardous substance" means any pollutant, contaminant, waste, petroleum or petroleum product, dangerous or toxic substance, hazardous substance or chemical, or other material governed by Environmental

Regulation, including without limitation leaded paint, polychlorinated biphenyls, asbestos, radon, urea-formaldehyde foam insulation, bioaerosols and polyvinyl chloride or the manufacture, use, treatment, storage, transportation, or disposal of which is regulated by any law having as its object the protection of public health, natural resources, or the environment, including, by way of illustration only and not as a limitation, the following: the Resource Conservation and Recovery Act; the Comprehensive Environmental Response, Compensation, and Liability Act; the Toxic Substances Control Act; the Federal Water Pollution Control Act; the Clean Air Act; the Michigan Hazardous Waste Management Act; the Michigan Water Resources Commission Act, the Michigan Solid Waste Management Act; and the Michigan Environmental Response Act as each of such acts shall be amended from time to time (collectively the "Environmental Regulations").

- (b) Landlord reserves the right (but shall not have the obligation) to enter upon and inspect the Premises at any time, and from time to time, during Tenant's business hours and, on reasonable notice, at other times. Such inspection may include, without limitation, the taking and analysis of soil borings, samples of ground water or surface water, installation of observation wells, and investigation of the surface or subsurface of the Premises by geophysical means. Tenant shall promptly furnish to Landlord any information requested by or on behalf of Landlord concerning Tenant's operations on the Premises and on adjacent property, excluding only information which is of a proprietary nature, which information shall only be provided if Landlord needs such information and provides an appropriate confidentiality agreement or such disclosure is required by law.

SECTION 8

INSURANCE

- 8.01 Landlord, at Tenant's expense, will obtain and maintain at all times until termination of this Lease and surrender of the Premises to Landlord, policies of all risk property insurance (including fire and extended coverage and boiler insurance) and liability covering the Land and Building and providing the insurance protection to Landlord described in this Section. Landlord will retain in its possession the original policy and all endorsements, renewal certificates and new policies, if any, if issued during the Term, but will provide Tenant upon request certificates evidencing the existence of the policy. Tenant agrees to pay as Operating Costs 26.7% of the premiums for such insurance as additional rent in accordance with Section 4.03.
- 8.02 From and after the Commencement Date, Tenant agrees to defend, indemnify and hold Landlord harmless from any liability for damages, including costs and reasonable attorney's fees of Landlord, to any person or property in or upon the Premises or the adjacent common areas from any cause whatsoever, except liability arising out of the gross neglect or wrongful acts of Landlord. Tenant further agrees that it will obtain at or prior to the commencement of the Lease term, and maintain at all times thereafter

until the termination of this Lease, for the mutual benefit of Landlord, Landlord's mortgagee and Tenant, and naming Landlord and Landlord's mortgagee as insured parties, general public liability insurance. The coverage must insure against claims for or arising out of personal injury, death or property damage, occurring in, on or about the Premises and the adjacent common areas. On the Commencement Date, the coverage must afford protection to the limit of not less than Five Million and 00/100 (\$5,000,000.00) Dollars with respect to injury or death of a single person, and to the limit of not less than Five Million and 00/100 (\$5,000,000.00) Dollars with respect to any one occurrence, and to the limit of not less than One Million and 00/100 (\$1,000,000.00) Dollars with respect to any one occurrence of property damage and thereafter in such changed amounts as the Landlord may reasonably require. Tenant shall furnish evidence suitable to Landlord with such evidence with respect to such policies as are from time to time in force until the termination of this Lease. Such policy or policies shall provide for thirty (30) days' prior written notice to Landlord of cancellation.

- 8.03 Except with respect to the insurance required by Subsection 8.01 and 8.02, neither Landlord nor Tenant may take out separate insurance concurrent in form or contributing in the event of loss with that required under this Section unless Landlord and Tenant are included therein as the insured payable as provided in this Lease. Each party will notify the other immediately of the placing of any such separate insurance.
- 8.04 If Tenant fails to provide all or any of the insurance required by Subsection 8.02 or subsequently fails to maintain such insurance in accordance with the requirements thereof, Landlord may, (but will not be required to) procure or renew such insurance, and any amounts paid by Landlord for such insurance will be additional rent, due and payable, on or before the next Rent Day, together with late charges and interest as provided in Section 5.
- 8.05 If Landlord's mortgagee under any first mortgagee on the Premises at any time requires, pursuant to the terms of the mortgage, that payment of insurance premiums be made from an escrowed fund, Landlord will so notify Tenant. In such event, Tenant will not pay the insurance premiums as provided above, but instead will pay to Landlord, as additional rent, the amounts which Landlord must pay into the escrowed fund on account of such premiums in arrears. If the actual premiums, when due, exceed the total payments from time to time made by Tenant into the escrowed fund,
- 8.06 Tenant shall not carry any stock of goods or do or cause to be done anything in or about the Premises which in any way is likely to increase the insurance rates on the Premises. Tenant agrees to pay, in addition to the insurance costs as described in this Lease, the total of any increase in premiums for insurance against loss by fire that may be charged during the Term on the amount of insurance to be carried by Landlord on the Premises resulting from the nature of the business carried on by Tenant in the Premises, whether or not Landlord has consented to the activity. If Tenant installs any electrical equipment that overloads the electrical distribution system in the Premises, Tenant shall, at its own expense, make whatever changes are necessary to comply with

the requirements of the applicable insurance underwriters and governmental authorities having jurisdiction.

- 8.07 Landlord and Tenant shall each be released from any liability resulting from damage by fire or casualty (irrespective of the cause of such fire or casualty) upon the express provision that if at any time their respective insurers shall refuse to permit waivers of subrogation, Landlord or Tenant may in each instance revoke said waiver of subrogation effective thirty (30) days from the date of notice to the other unless within such thirty (30) day period, the other is able to secure and furnish without additional expense insurance in other companies with such waiver of subrogation, or if such waiver can only be obtained at additional expense, if the other agrees to pay such additional expense.

SECTION 9

DAMAGE BY FIRE OR OTHER CASUALTY

- 9.01 In the event the Premises shall be partially or totally destroyed by fire or other casualty insured under the insurance carried by Landlord so as to become partially or totally untenable, then the damage to the Premises shall be promptly repaired (unless Landlord shall elect not to rebuild as hereinafter provided), and the Basic Rent and Additional Rent shall be abated in proportion to the floor area of the Premises rendered untenable, as of the date of destruction. Payment of full rental so abated shall commence from the 30th day following the date that Landlord advises Tenant that the Premises are tenantable, unless Tenant opens at an earlier time in the damaged area or remains open in such area following destruction or damage, in which event there shall be no abatement or any such abatement shall terminate as to the date of Tenant's earlier re-opening. The obligation of Landlord hereunder shall be limited to reconstructing the Premises in accordance with the initial plans and specifications for the original construction of the Premises. In no event shall Landlord be required to repair or replace Tenant's merchandise, trade fixtures, furnishings or equipment.
- 9.02 Subject to Section 9.01, if (i) more than forty (40%) percent of the floor area of the Premises shall be damaged or destroyed by fire or other casualty, or (ii) during the last eighteen (18) months of the Term hereof or any Option Term more than twenty-five (25%) percent of the floor area of the Premises shall be damaged or destroyed by fire or other casualty, or (iii) all or any part of the Premises are damaged or destroyed at any time by the occurrence of any risk not insured under the insurance carried by Landlord, then Landlord, at its sole option, may terminate this Lease by giving written notice to Tenant of Landlord's election so to terminate, such notice to be given within ninety (90) days after the occurrence of such damage or destruction.

SECTION 10

MAINTENANCE AND REPAIRS

- 10.01 Landlord at its sole cost and expense, shall keep and maintain in good repair the Structure ("Structure") of the Building and walls of the Building, exterior siding, (or any other curtain wall system), gutters and downspouts and all doors (including pedestrian and overhead truck doors), door frames, door checks, and window frames located in exterior building walls. Landlord shall be responsible for the replacement of all or a portion of the building roof. Notwithstanding anything contained herein to the contrary, Landlord shall not be called upon to make any repairs or replacements occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees or contractors. Landlord shall not be called upon to make any other improvements, repairs or replacements of any kind upon the Premises and appurtenances.
- 10.02 Landlord agrees to maintain during the term of this Lease the parking areas, sidewalks, landscaping, drainage, lighting facilities, interior Building Areas and all other common portions of the Land and Building (the "Common Areas"). The maintenance of the Common Areas shall include, but shall not be limited to, the following: improving, updating, operating, equipping, lighting, repairing, replacing and maintaining the Common Areas, parking lot lighting and exterior building lighting (and electricity therefor), parking lot cleaning, exterior window cleaning, snow removal and salting, parking lot striping, parking lot repairs and replacements, landscaping maintenance and replacements, lawn sprinkler system and water therefor, flagpole maintenance, all non structural roof repairs and replacements, eaves troughs, repairing, repainting and washing of the exterior of the building exterior walls. All of the foregoing (except those Structural Repairs which are required of Landlord under Section 10.01 and major building systems replacements which shall be completed by Landlord), together with an annual management fee of five (5%) percent of the annual Basic Rent hereunder, shall be included in and shall be deemed to be Common Area costs ("Common Area Costs") to be borne by Tenant as part of Operating Costs and billed quarterly in the manner stated in Section 4.03.
- 10.03 Except as provided in Subparagraphs 10.01 and 10.02 and 10.05, Tenant shall keep and maintain in good order, condition and repair (including replacement, parts, materials and equipment if necessary) the non-structural components of the Premises and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the interior portion of all doors door jams, windows, plate glass (including interior cleaning thereof), all plumbing and sewage facilities within the Premises, including free flow up to the main sewer line, interior and exterior lighting fixtures, heating and air conditioning and electrical systems (located directly in or above the Premises), interior sprinkler (fire suppression) system, walls, floor coverings and ceilings. The plumbing and sewage facilities shall not be used for any other purpose than that for which they are constructed and no foreign substance of any kind shall be introduced therein. Tenant hereby agrees to be responsible for any expenses incurred in connection with any breakage, stoppage or damage resulting

from a violation of this paragraph by Tenant, its agents, employees, invitees, licensees or contractors.

- 10.04 Tenant shall keep and maintain the Premises in a clean, sanitary and safe condition in accordance with the laws of the State of Michigan, and in accordance with the all directions, rules and regulations of the health officers fire marshall, building inspectors or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant. Tenant shall comply with the requirements of all laws, ordinances or regulations otherwise affecting the Premises, including, without limitation, the Americans with Disabilities Act. Tenant shall install and maintain fire extinguishers and other fire protection devices on the Premises as may be required from time to time by any agency having jurisdiction thereof and the insurance underwriter insuring the Premises or any part thereof.
- 10.05 Tenant agrees that no less frequently than semi-annually, it shall cause a reputable heating and air conditioning maintenance company to inspect the heating, ventilating and air conditioning system servicing the Premises which shall include filter replacement, oiling, freon recharging, belt adjustments, checking mountings and fastenings, gas pressure, inspection of bearings, and checking condensate drains and other maintenance, repairs and replacements as may be required to maintain such system in good operating condition and repair, reasonable wear and tear excepted. Upon written request of Landlord, Tenant shall submit paid bills for same to Landlord semi-annually as evidence of compliance with this subparagraph.

SECTION 11

ALTERATIONS

- 11.01 The parties agree that Tenant will not make any alterations, additions, or improvements to the Premises without the written consent of Landlord which shall not be unreasonably withheld or delayed and, if required by the terms of any mortgage on the Premises, the written consent of the mortgagee. All alterations, additions, improvements and fixtures (other than trade fixtures) which may be made or installed by either of the parties hereto upon the Premises and which in any manner are attached to the floors, walls or ceilings or any extension thereof shall be the property of Landlord, and at the termination of this Lease shall remain upon and be surrendered with the Premises as a part thereof, without disturbance, molestation or injury. All alterations, additions, or improvements by Tenant shall be accomplished in accordance with all applicable building codes and shall be inspected by the municipality, if so required. Any floor covering, irrespective as to the manner affixed, shall become the property of the Landlord; provided however that contemporaneously with providing approval to Tenant for alterations, Landlord may designate by written notice to Tenant those alterations, additions, improvements and fixtures which shall be required to be removed by Tenant at the expiration or termination of the Lease, and Tenant shall, at Tenant's sole cost and expense, promptly remove these improvements, additions and fixtures and repair any damage to the Premises caused by such removal, to the condition as when originally received by Tenant, reasonable wear and tear excepted.

Further, Tenant shall, at Tenant's sole cost and expense, likewise remove its machinery and equipment at the expiration or termination of this Lease and repair any damage to the Premises caused by such removal, restoring the Premises to the condition as when originally received by Tenant, reasonable wear and tear excepted. In the event Tenant shall be in default at the time of vacation of the Premises, either at the expiration or termination of the Lease or otherwise, the Tenant shall not be permitted to remove trade fixtures, machinery and equipment unless Landlord shall expressly agree in writing, and the trade fixtures, machinery and equipment shall be deemed, as with all other alterations, additions, improvements, including machinery and equipment and fixtures to belong to Landlord. With respect to any machinery, equipment, fixtures or personalty remaining in or on the Premises upon expiration or termination of this Lease, Landlord shall have the right, without liability to Tenant, to cause same to be removed and stored at a storage facility, all at the cost and expense of Tenant.

SECTION 12

LIENS

- 12.01 Tenant shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant, and agrees to bond against or discharge any such lien (including, without limitation, any construction, mechanics or materialman lien) within ten (10) days after receipt of written request therefore by Landlord. Tenant shall reimburse Landlord for any reasonable and actual costs and expenses which may be incurred by Landlord by reason of the filing of any such liens and/or the removal of same, such reimbursement to be made within ten (10) days after receipt of written notice from Landlord to Tenant setting forth the amount of such costs and expenses.

SECTION 13

EMINENT DOMAIN

- 13.01 If seventy-five (75%) percent or more of the building's net rentable area is condemned or taken in any manner (including, without limitation, any conveyance in lieu thereof) for any public or quasi-public use, the Term of this Lease shall cease and terminate as of the date title is vested in the condemning authority. If twenty-five (25%) percent or less of the building's net rentable area is so condemned or taken, the Landlord may terminate this Lease if it determines, in the reasonable exercise of its business judgment, that continued operation of the Premises under this Lease would be uneconomic. If more than twenty-five (25%) percent but less than seventy-five (75%) percent of the building's net rentable area is so condemned or taken, with the result that Tenant's business is significantly and adversely affected thereby, or if such a portion of the parking area is so condemned or taken that the number of parking spaces remaining are less than the number required by applicable zoning or other code for the building, then either Landlord or Tenant may terminate this Lease as of the

date title is vested in the condemning authority by written notice to the other within twenty (20) days thereafter.

- 13.02 If this Lease is not terminated following such a condemnation or taking, Landlord, as soon as reasonably practicable after such condemnation or taking and the determination and payment of Landlord's award on account thereof, shall expend as much as may be necessary of the net amount which is awarded to Landlord and released by Landlord's mortgagee, if any, in restoring, to the extent originally constructed by Landlord (consistent, however, with zoning laws and building codes then in existence), so much of the building as was originally constructed by Landlord to an architectural unit as nearly like its condition prior to taking as shall be practicable. Should the net amount so awarded to Landlord be insufficient to cover the costs of restoring the building, in the reasonable estimate of Landlord, Landlord may, but shall have no obligation to, supply the amount of such insufficiency and restore the building to such an architectural unit, with all reasonable diligence, or Landlord may terminate this Lease by giving notice to Tenant not later than a reasonable time after Landlord has determined the estimated net amount which may be awarded to Landlord and the estimated cost of such restoration.
- 13.03 If this Lease is not terminated pursuant to Section 13.01, the Basic Rent payable by Tenant shall be reduced in proportion to the reduction in net rentable area of the building by reason of the condemnation or taking. If this Lease is terminated pursuant to Section 13.01, the Basic Rent and other charges which are the obligation of Tenant hereunder shall be apportioned and prorated accordingly as of the date of termination.
- 13.04 The whole of any award or compensation for any portion of the Premises taken, condemned or conveyed in lieu of taking or condemnation shall be solely the property of and payable to Landlord. Nothing herein to the contrary contained shall be deemed to preclude Tenant from seeking, at its own cost and expense, an award from the condemning authority for loss of its business, the value of any trade fixtures or other personal property of Tenant in the Premises or moving expenses, provided that the award for such claim or claims shall not be in diminution of the award made to Landlord.

SECTION 14

ASSIGNMENT OR SUBLETTING

- 14.01 Tenant agrees not to assign or in any manner transfer this Lease or any interest in this Lease without the previous written consent of Landlord, and not to sublet the Premises or any part of the Premises or allow anyone to use or to come in with, through or under it without like consent, which consent will not be withheld unreasonably. The sale, issuance or transfer of more than 40% of the stock of Tenant shall be deemed to be a prohibited assignment within the meaning of this Section 14.01. In no event may Tenant assign or otherwise transfer this Lease or any interest in this Lease at any time while in default thereunder. One such consent will not be deemed a consent to any subsequent assignment, subletting, occupation, or use by any other person. Tenant

may, however, assign or sublet this Lease to a corporation with which it may merge or consolidate, to any parent or subsidiary of Tenant or subsidiary of Tenant's parent, or to a purchaser of substantially all of Tenant's assets if the assignee has assets and creditworthiness substantially equal to or greater than the net worth of Tenant at the time of execution of this Lease, and if the assignee executes an agreement required by Landlord assuming Tenant's obligations. The acceptance of rent from an assignee, sub-tenant or occupant will not constitute a release of Tenant from the further performance of the obligations of Tenant contained in this Lease. In the event of any assignment or sublease of all or any portion of the Premises where the rental or other consideration reserved in the sublease or by the assignment exceeds the rental or prorata portion of the rental as the case may be, for such space reserved in this Lease, Tenant agrees to pay Landlord monthly, as additional rent, on the Rent Day, the excess of the rental or other consideration reserved in the sublease or assignment over the rental reserved in this Lease applicable to the subleased/assigned space. Tenant acknowledges that Landlord selected Tenant in part on the basis of Tenant's proposed use and occupation of the Premises, and agrees that Landlord may withhold consent to any proposed sublease or assignment if the sub-tenant's or assignee's business or proposed use of the Premises would be physically injurious to the Premises. Tenant represents and warrants to Landlord that Tenant is a subsidiary of The Regency Group (located in Akron, Ohio) and Tenant understand that Landlord has relied on such representation in entering into this Lease.

- 14.02 Landlord and Tenant agree that any one of the following factors, or any other reasonable factor, will be reasonable grounds for Landlord determining whether to consent to Tenant's request to assign or sublet:
- (a) Proposed sub-tenant/assignee must be able to demonstrate its ability to perform under the Lease (and in any such event, Tenant shall not be released from liability hereunder).
 - (b) Business reputation of the proposed sub-tenant/assignee must be in accordance with generally acceptable commercial standards.
 - (c) Use of the Premises by the proposed sub-tenant/assignee must be substantially similar to the use permitted by this Lease.
 - (d) Use of the Premises by the proposed sub-tenant/assignee will not tend to violate or create any potential violation of any laws, ordinances, or regulations; and
 - (e) Use of the Premises will not violate any other agreements affecting the Premises, the Land, the building, or the park or project, if any, of which the Premises are a part.

SECTION 15

INSPECTION OF PREMISES

- 15.01 Upon reasonable advance notice to Tenant (except in emergency situations), Landlord and the authorized representatives of Landlord shall be permitted to enter the Premises for the purpose of inspecting the same.

SECTION 16

FIXTURES AND EQUIPMENT

- 16.01 All fixtures and equipment paid for by Landlord and all fixtures and equipment which may be paid for and placed on the Premises by Tenant from time to time but which are so incorporated and affixed to Improvements that their removal would involve damage or structural change to Improvements, will be and remain the property of Landlord upon the expiration or earlier termination of this Lease.
- 16.02 All furnishings, equipment and fixtures other than those specified in Section 16.01, which are paid for and placed on the Premises by Tenant from time to time (other than those which are replacements for fixtures originally paid for by Landlord) will remain the property of Tenant and upon removal, Tenant shall be responsible to repair any severance and removal damages.

SECTION 17

NOTICE OR DEMANDS

- 17.01 Unless specifically stated to the contrary in this Lease, any notice, demand, request or other instrument which may be or is required to be given by Tenant or Landlord under this Lease or by law shall be sent by United States mail, postage prepaid, such notice, demand, request, or other instrument may be sent by United States certified mail, return receipt requested, postage prepaid, by personal delivery, facsimile transmittal or by other comparably reliable means unless Tenant's address is a post office box, in which case notice may be sent by regular mail, and shall be deemed to have been given upon the date of other submission to Tenant or Landlord, or two (2) days after the date of mailing, whichever such dates shall be the first to occur. Notices to Landlord and Tenant shall be given at the addresses set forth at the beginning of this Lease or to such other addresses as may have been last furnished in writing to the other parties for such purpose. Landlord and Tenant shall have the option to use a nationally recognized courier express company to send overnight notices or demands, in which event the date of delivery of such notice or demand shall be deemed to be the day after the date of delivery of such notice or demand to the express company as indicated on the receipt of such company, provided that if the notice or demand is given to such company on the last business day of the week, then the date of delivery shall be deemed to be the first business day of the next ensuing week.

SECTION 18

BREACH AND REMEDIES

- 18.01 (a) If any Basic Rental or Additional Rent payable by Tenant to Landlord remains unpaid for more than five (5) days after the date due, or if Tenant violates or defaults in the performance of any other of its obligations in this Lease and the violation or default continues for a period of thirty (30) days after receipt of written notice or such longer period of time if Tenant commences to cure such violation or default and diligently pursues its cure and same is capable of being cured, or if Tenant is in default under the Adjacent Property Lease, after notice if required, beyond the expiration of any applicable cure period, or if Tenant abandons the Premises, or if Tenant voluntarily or involuntarily becomes the subject of bankruptcy proceedings or make an assignment of this Lease for the benefit of Creditors and fails to pay Rent and Additional Rent in accordance with this Lease, all of same shall be defaults by Tenant hereunder and Landlord may (but will not be required to) declare (i) this Lease terminated and the Term ended; or (ii) re-enter the Premises; or (iii) exercise all other remedies available under Michigan law. Landlord shall not be liable for damages to person or property by reason of any legitimate re-entry unless damages are caused by the negligence or intentional misconduct of Landlord, and Landlord will be aided and assisted by Tenant, its agents, representatives and employees. In the event of re-entry by Landlord without termination, the liability of Tenant for the rent provided herein will not be relinquished or extinguished for the balance of the Term, and any rentals prepaid may be retained by Landlord and applied (i) against the costs of re-entry; or (ii) as liquidated damages; or (iii) both.
- (b) In the event of re-entry by Landlord, Landlord may remove all persons and property from the Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, without notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby. In the event Tenant shall not remove its property from the Premises within ten (10) days after Tenant has vacated the Premises, then such property shall be deemed abandoned by Tenant and Landlord may dispose of the same without liability to Tenant.
- (c) Tenant shall pay in addition to the rentals and other sums agreed to be paid hereunder, all actual reasonable legal fees, costs and expenses incurred by Landlord for the preparation and filing of seven (7) day notices for non-payment of rent, thirty (30) day notices to terminate tenancy, eviction proceedings and collection proceedings, such payments to be made to Landlord within ten (10) days after written demand. Landlord shall not be required to accept any past due amounts owing under this Lease unless such payments include such legal fees, costs and expenses.

- 18.02 In the event of termination at or after the time of re-entry, Landlord may re-lease the Premises for a term or terms. The rent relating to such re-letting may be less than or exceed the balance of the Term of and the rent reserved under this Lease. In such event Tenant will pay to Landlord any deficiency between the total rent reserved and the net amount, if any, of the rents collected on account of the Lease or Leases of the Premises which otherwise would have constituted the balance of the term of this Lease. There will be added to the deficiency and expenses which Landlord may incur in connection with re-leasing, such as legal expenses, actual attorney's fees, brokerage fees and expenses for advertising and keeping the Premises in good order or for preparing the Premises for re-leasing. Any such deficiency will be paid in monthly installments by Tenant on the Rent Day and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. .
- 18.03 Whether or not forfeiture has been declared, Landlord will not be obligated or responsible, in any way, for failure to re-lease the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's liability for rent or damages, provided Landlord uses reasonable efforts to mitigate its damages.
- 18.04 The parties hereto shall and hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties connected with this Lease relating only to monetary defaults. In the event Landlord commences any proceedings for nonpayment of rent, minimum rent, or additional rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of the Tenant's right to assert such claims in any separate action or actions brought by the Tenant.

SECTION 19

SURRENDER OF PREMISES ON TERMINATION

- 19.01 At the expiration (or earlier termination) of the Term, Tenant will surrender the Premises broom clean and in as good condition and repair as they were at the time Tenant took possession, reasonable wear and tear excepted and damage by fire or other casualty, and promptly upon surrender will deliver all keys for the Premises to Landlord at the place fixed for payment of rent. All reasonable and actual costs and expenses incurred by Landlord, if any, in connection with repairing or restoring the Premises to the condition called for herein, together with the costs, if any, of removing from the Premises any property of Tenant left therein, together with liquidated damages in an amount equal to the amount of the Basic Net Rent plus all other charges which would have been payable by Tenant under this Lease if the Term had been extended for the period of time reasonably required for Landlord to repair or restore the Premises to the condition called for herein, shall be invoiced to Tenant and shall be payable as Additional Rent within ten (10) days after receipt of invoice.

SECTION 20

PERFORMANCE BY LANDLORD OF THE COVENANTS OF TENANT

- 20.01 If Tenant fails to pay any sum of money, other than rental, required to be paid hereunder or fails to perform any act on its part to be performed hereunder, including without limitation the performance of all covenants pertaining to the condition and repair of the premises pursuant to Section 10, above, and such failure shall continue for a period of fifteen (15) days (or a reasonable period of less than fifteen (15) days when life, person or property is in jeopardy) after receipt of written notice thereof by Landlord, Landlord may (but shall not be required to), and without waiving or releasing Tenant from any of Tenant's obligations, make any such payment or perform any such other act. All reasonable and actual sums so paid by Landlord and all costs, including without limitation the cost of repair, maintenance or restoration of the Premises if so performed by Landlord hereunder, shall be deemed Additional Rent and, together with interest thereon at the rate set forth in Section 5.02, from the date of payment by Landlord until the date of repayment by Tenant to Landlord, shall be payable to Landlord within ten (10) days after receipt of invoice by Tenant. On default in such payment, Landlord shall have the same remedies as on default in payment of rent. The rights and remedies granted to Landlord under this Section shall be in addition to, and not in lieu of all other remedies, if any, available to Landlord under this Lease or otherwise, and nothing herein contained shall be construed to limit such other remedies of Landlord with respect to any matters covered herein.

SECTION 21

SUBORDINATION; ESTOPPEL CERTIFICATES

- 21.01 Tenant agrees that Landlord may choose to make this Lease subordinate or paramount to any construction loans, mortgages, trust deeds and ground or underlying leases now or hereafter affecting the Premises, to any and all advances to be made thereunder, and to the interest and charges thereon, and all renewals, replacements, and extensions thereon, provided the mortgagee, lessor or trustee named in any such mortgages, trust deeds or leases agrees to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant will execute promptly an instrument or certificate that Landlord may request to confirm such subordination. Tenant shall supply to Landlord, within five (5) days after request by landlord, such financial statements as may be required by any financial institution which is then considering financing the Premises. Tenant agrees not to look to the mortgagee, as a mortgagee, mortgagee in possession, or successor in title to the Premises for accountability for any security deposit required by the Landlord hereunder, unless said sums have actually been received by said mortgagee as security for the Tenant's performance of this Lease.
- 21.02 Tenant, within ten (10) days after request (at anytime(s)) by Landlord, will execute and deliver to Landlord, an estoppel certificate identifying the Commencement Date and expiration date of the Term stating that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications, and

stating that Tenant does not claim that Landlord is in default in any way, or listing any such claimed defaults and include such other information reasonably requested. The certificate also will confirm the amount of monthly Base Rent and Additional Rent as of the date of the certificate, the date to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. If Tenant fails to deliver to executed certificate to Landlord within the ten (10) day period, the accuracy of the proposed certificate will be deemed conclusively confirmed. The forms of estoppel certificate and subordination agreement that Tenant agrees to execute and deliver to Landlord are set forth on Exhibit "D" attached hereto and made a part hereof. Should Landlord or Landlord's mortgage lender request other forms generally containing the information set forth on Exhibit D, Tenant agrees to execute and deliver such form pursuant to the terms of this paragraph.

SECTION 22

QUIET ENJOYMENT

- 22.01 Landlord agrees that at all times when Tenant is not in default under the provisions and during the Term, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any person claiming by, through, or under Landlord.

SECTION 23

HOLDING OVER

- 23.01 If Tenant remains in possession of the Premises after the expiration of this Lease without executing a new Lease, it will be deemed to be occupying the Premises as a tenant from month-to-month, subject to all the provisions of this Lease to the extent that they can be applicable to a month-to-month tenancy, except that the minimum net rental for each month will be one hundred and fifty (150%) percent of the regular monthly installments of Basic Rent as well as Additional Rent owing by Tenant for the last month of the Term.

SECTION 24

REMEDIES NOT EXCLUSIVE; WAIVER

- 24.01 Each and every of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other rights, remedies and benefits or of any other rights, remedies and benefits allowed by law.
- 24.02 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant.

SECTION 25

RIGHT TO SHOW PREMISES

- 25.01 For a period commencing two hundred seventy (270) days prior to the termination of this Lease or any extension thereof, Landlord may show the Premises and may display about the Premises rental/for sale signs advertising the availability of the Premises.

SECTION 26

SECURITY DEPOSIT

26.01 Tenant herewith deposits with Landlord the security deposit of \$7,925.00 (hereinafter referred to as the "Security Deposit"), as security for the full and faithful performance by Tenant of every provision of this Lease and all obligations of Tenant under this Lease. In the event that Tenant is in default hereunder, Landlord may use, apply or retain the whole or any part of the Security Deposit for the payment of (i) any Basic Rent, Additional Rent or any other sum of money which Tenant may not have paid or which may become due after the occurrence of a default, (ii) any sum expended by Landlord on Tenant's behalf in accordance with the provisions of this Lease, (iii) any sum which Landlord may expend or be required to expend by reason of Tenant's default, including any costs, damages or deficiency in the reletting of the Premises as hereinafter provided. The use, application or retention of the Security Deposit or any portion thereof by Landlord shall not prevent Landlord from exercising any other right or remedy provided for hereunder or at law and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Should the Security Deposit, or any part thereof, be appropriated and applied by Landlord pursuant to the terms hereof, Tenant shall, within seven (7) days of the sending by Landlord of a written demand, remit to Landlord as Additional Rent an amount sufficient to restore the Security Deposit to its original balance, and Tenant's failure so to remit shall be an immediate monetary default without additional notice required.

In the event that Tenant shall fully and faithfully comply with all of the provisions of this Lease, the Security Deposit, or any balance thereof, shall be returned to Tenant after the later of (i) the expiration date hereof or (ii) the date upon which Tenant has vacated the Premises.

In the event of a transfer of Landlord's interest in the Premises, Landlord shall have the right to transfer the Security Deposit to the transferee thereof. In such event, Landlord shall be deemed released by Tenant from all liability for the return of such Security Deposit, and Tenant agrees to look solely to such transferee for the return of said Security Deposit. In the event that a mortgagee, trustee or the like succeeds to the interest of Landlord either by foreclosure or deed-in-lieu of foreclosure, Tenant agrees to look to Landlord for its Security Deposit and not to the mortgagee or trustee succeeding to Landlord's interest herein.

SECTION 27

INDEMNIFICATION

- 27.01 Tenant, at its own expense will defend, indemnify and hold Landlord, its officers, directors, stockholders, beneficiaries, partners, representatives, licensees, servants, agents, employees and contractors, harmless from any loss, damage, claim of damage, liability or expense to or for any person or property, arising out of or in connection with Tenant's occupancy of the Premises, the use or misuse thereof by Tenant or any other person to whom Tenant has contractual control over, the acts or omissions of Tenant, its licensees, servants, agents, employees or contractors, the failure of Tenant to comply with any provision of this Lease, or any event on the Premises, whatever the cause; provided, however, that nothing herein shall be construed to require Tenant to indemnify Landlord or its agent's and employees against Landlord's own acts, omissions or neglect.

SECTION 28

PREVENTING REMOTE VESTING

- 28.01 Notwithstanding any other provisions of this Lease, if the Term does not commence within two (2) years from the date hereof, this Lease will be deemed terminated two (2) years from the date hereof without necessity of any notice or act by Landlord or Tenant. It is the intention of this Section to prevent this Lease from becoming unenforceable by reason of any claim that it might violate the rule against perpetuities.

SECTION 29

DEFINITION OF LANDLORD; LANDLORD'S LIABILITY

- 29.01 The term "Landlord" as used in this Lease so far as covenants, agreements, stipulations or obligations on the part of the Landlord are concerned is limited to mean and include only the owner or owners of fee title (or of a ground leasehold interest) to the Premises at the time in question, and in the event of any transfer or transfers of the title to such fee the Landlord herein named (and in case of any subsequent transfers or conveyances the then grantor) will automatically be freed and relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed.

Neither Landlord nor any of its owners, members, partners, officers or employees shall be personally liable for the performance of any covenants or obligations on the part of the Landlord under this Lease. If Landlord fails to perform any provision of this Lease upon Landlord's part to be performed, any judgement which may be obtained by Tenant as a consequence thereof must be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Premises and the rents or other income from such

property receivable by Landlord and neither Landlord nor any of its owners, members, partners, officers or employees shall be personally liable for any deficiency.

SECTION 30

ENTIRE AGREEMENT

- 30.01 This Lease and the Exhibits attached hereto and forming a part hereof, set forth all of the covenants, agreements, stipulations, promises, conditions and understandings between landlord and Tenant concerning the Premises and there are no covenants, agreements, stipulations, promises, conditions or understanding, either oral or written, between the parties other than those set forth herein.

SECTION 31

TAXES ON LEASEHOLD

- 31.01 Tenant shall be responsible for and shall pay, before delinquency, all municipal, county or state taxes assessed during the Term against any leasehold interest or personal property of any kind, owned or placed in, upon or about the Premises by the Tenant.

SECTION 32

NOTICE BY TENANT

- 32.01 Tenant shall give immediate notice to Landlord (i) in case of fire or accidents in the Premises or in the building of which the Premises are a part, (ii) of defects of the Premises or in the building and (iii) defects in any fixtures or equipment.

SECTION 33

EASEMENTS AND UTILITIES

- 33.01 So long as same do not affect Tenant's quiet enjoyment or its use of the Premises, the Landlord shall have the right, without the consent of Tenant, to grant to adjacent land owners, purchasers, tenants or occupants or any governmental agency or public or private utility company, including Landlord, at any time and from time to time during the Term, as extended, easements, rights of ingress, egress, and common use and enjoyment with respect to the roads, walks, driveways, unimproved portions of the land, water, sewage, telephone, gas and electricity lines, and Landlord may at any time and from time to time grant easements, public and private, for such purposes to itself and to others, and relocate any easements now or hereafter affecting the land.

SECTION 34

BROKER'S COMMISSION

- 34.01 Tenant represents and warrants to Landlord that there are no other claims for brokerage commissions or finder's fees in connection with this Lease, and Tenant agrees to indemnify Landlord and hold it harmless from all liabilities arising from any such claim, including, without limitation, the cost of attorney fees in connection therewith. Such agreement shall survive the termination or expiration of this Lease.

SECTION 35

RECORDING

- 35.01 Tenant shall not record this Lease or any memorandum hereof without the prior written consent of Landlord.

SECTION 36

ACCORD AND SATISFACTION

- 36.01 Payment by Tenant or receipt by Landlord of a lesser amount than the Basic Rent or Additional Rent herein stipulated may be, at Landlord's sole option, deemed to be on account of the earliest due stipulated rent or other charges, or deemed to be on account of rent owing for the current period only, notwithstanding any instructions by or on behalf of Tenant to the contrary, which instructions shall be null and void, and no endorsement or statement on any check or any letter or accompanying any check payment as rent or other charges shall be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or other charges or pursue any other remedy in this Lease or in law or in equity against Tenant.

SECTION 37

EXECUTION OF LEASE; NO OPTION

- 37.01 The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to Lease, or otherwise create any interest of Tenant in the Premises. The return to Landlord of Tenant-executed copies of this Lease shall not be binding upon Landlord, notwithstanding any preparation nor anticipatory reliance or expenditures by Tenant until Landlord has in fact executed and actually delivered a fully executed copy of this Lease to Tenant.

SECTION 38

SECURITY

- 38.01 This Lease constitutes a lien as security for the rent and other amounts payable hereunder and for the performance by Tenant of every other obligation herein contained, upon all the personal property and fixtures, of any nature, which are or may be placed on the Premises by Tenant. The lien may be enforced upon the nonpayment of any rent or other amount due under this Lease or the non-performance of any obligations herein contained, by the taking and selling of such property or any of the property at private sale for such price as Landlord may obtain and the application of the proceeds of such sale against any amounts due under this Lease from Tenant to Landlord and against the expenses incident to the removal and sale of the property. Notice of such sale will be served on Tenant by posting on the Premises or by leaving the notice at or mailing it to Tenant's address given herein at least seven (7) days in advance of such sale. Landlord may retain in its possession any property of Tenant after any sum payable under this Lease has become due and Landlord will not be liable in any action of replevin, conversation or similar remedy because of such retention. Tenant will indemnify and hold harmless Landlord from damages or remedy because of such retention. Tenant will indemnify and hold harmless Landlord from damages or claims by any third parties claiming rights in property sold or disposed of by Landlord pursuant to this Section.

SECTION 39

BANKRUPTCY OR INSOLVENCY

- 39.01 In the event that Tenant shall become a Debtor under Chapter 7, 11, or 13 of the Bankruptcy Code, and the Trustee or Tenant shall elect to assume this Lease for the purpose of assigning the same or otherwise, such election and assignment may only be made if all of the terms and conditions of Section 39.02 and 39.04 hereof are satisfied. The Tenant acknowledges that Landlord has executed this Lease based on Tenant's inducements as to its financial integrity, business experience and ability to continuously occupy and use the premises. Under these circumstances, Tenant agrees that should Tenant, as Debtor-In-Possession, or any Trustee appointed for Tenant, fail to elect to assume this Lease within sixty (60) days after the filing of the Petition, this Lease shall be deemed to have been rejected. Tenant further knowingly and voluntarily waives any right to seek additional time to affirm or reject the Lease and acknowledges that there is no cause to seek such extension. If Tenant, as Debtor-In-Possession, or the Trustee abandons the Premises, the same shall be deemed a rejection of the Lease. Landlord shall be entitled to at least thirty (30) days prior written notice from Tenant, as Debtor-In-Possession, or its Trustee of any intention to abandon the Premises. Landlord shall thereupon be immediately entitled to possession of the Premises without further obligation to Tenant or the Trustee, and this Lease shall be canceled, but Landlord's right to be compensated for damages in such liquidation proceeding shall survive.

- 39.02 No election by the Trustee or Debtor-In-Possession to assume this Lease, whether under Chapter 7, 11 or 13, shall be effective unless each of the following conditions, which Landlord and Tenant acknowledge are commercially reasonable in the context of a bankruptcy proceeding of Tenant, have been satisfied, and landlord has so acknowledged in writing:
- (1) The Trustee or the Debtor-In-Possession has cured, or has provided Landlord adequate assurance (as defined below) that:
 - (a) Within ten (10) days from the date of such assumption the Trustee will cure all monetary defaults under this Lease; and
 - (b) Within thirty (30) days from the date of such assumption the Trustee will cure all nonmonetary defaults under this Lease.
 - (2) The Trustee or the Debtor-In-Possession has compensated, or has provided to Landlord adequate assurance that within ten (10) days from the date of assumption Landlord will be compensated for any pecuniary loss incurred by Landlord arising from the default of Tenant, the Trustee, or the Debtor-In-Possession as recited in Landlord's written statement of pecuniary loss sent to the Trustee or Debtor-In-Possession.
 - (3) The Trustee or the Debtor-In-Possession has provided Landlord with adequate assurance of the future performance (as defined below) of each of Tenant's, the Trustee's or Debtor-In-Possession's obligations under this Lease, provided, however, that:
 - (a) The Trustee or Debtor-In-Possession shall also deposit with Landlord, as security for the timely payment of rent, an amount equal to three (3) months rent and other Additional Rent accruing under this Lease; and
 - (b) If not otherwise required by the terms of this Lease, the Trustee or Debtor-In-Possession shall also pay in advance on the date Basic Rent is payable one-twelfth (1/12) of Tenant's annual obligations under this Lease for real estate taxes and similar charges.
 - (c) The obligations imposed upon the Trustee or Debtor-In-Possession shall continue with respect to Tenant or any assignee of this Lease after the completion of bankruptcy proceedings.
 - (4) The assumption of the Lease will not breach any provision in any other Lease, mortgage, financing agreement or other agreement by which Landlord is bound relating to the Premises; or
 - (5) The Tenant as Debtor-In-Possession or its Trustee shall provide the Landlord at least 45 days prior written notice of any proceeding concerning the assumption of this Lease.

(a) For purposes of this Section 39, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance" shall mean:

- (1) The Trustee or the Debtor-In-Possession has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Debtor-In-Possession will have sufficient funds to fulfill the obligations of Tenant under this Lease.
- (2) The Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or Debtor-In-Possession shall have granted a valid and perfected first lien and security interest and/or mortgage in property of Tenant, the Trustee or Debtor-In-Possession, acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Debtor-In-Possession to cure the monetary and/or nonmonetary defaults under this Lease within the time periods set forth above.

39.03 In the event that this Lease is assumed by a Trustee appointed for Tenant or by Tenant as Debtor-In-Possession, under the provisions of Section 39.02 hereof, and thereafter Tenant is liquidated or files a subsequent Petition for reorganization or adjustment of debts under Chapter 11 or 13 of the Bankruptcy Code, then, and in either of such events, Landlord may at its option, terminate this Lease and all rights of Tenant hereunder, by giving Tenant written notice of its election to so terminate, within thirty (30) days after the occurrence of either of such events.

39.04 If the Trustee or Debtor-In-Possession has assumed this Lease pursuant to the terms and provisions of Section 39.01 and 39.02 hereof, for the purpose of assigning (or elects to assign) Tenant's interest under this Lease or the estate created thereby, to any other person, such interest or estate may be so assigned only if Landlord shall acknowledge in writing that the intended assignee has provided adequate assurance as defined in this Section 39.04 of future performance of all of the terms, covenants and conditions of this Lease to be performed by Tenant.

For purposes of this Section 39.04, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding of Tenant, at a minimum "adequate assurance of future performance" shall mean that each of the following conditions have been satisfied, and Landlord has so acknowledged in writing:

- (a) The assignee has submitted a current financial statement audited by a Certified Public Accountant which shows a net worth and working capital in amounts determined to be sufficient by Landlord to assure the future performance by such assignee of Tenant's obligations under this Lease.

- (b) The assignee, if requested by Landlord, shall have obtained guarantees in form and substance satisfactory to Landlord from one or more persons who satisfy Landlord's standards of creditworthiness.
 - (c) The Landlord has obtained all consents or waivers from any third party required under any lease, mortgage, financing arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such assignment.
- 39.05 When, pursuant to the Bankruptcy Code, the Trustee or Debtor-In-Possession shall be obligated to pay reasonable use and occupancy charges for the use of the Premises or any portion thereof, such charges shall not be less than the Basic Rent as defined in this Lease and all other monetary obligations of Tenant as set forth in the Lease.
- 39.06 Neither Tenant's interest in this Lease, nor any lesser interest of Tenant herein, nor any estate of Tenant hereby created, shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any state having jurisdiction of the person or person or property of Tenant (hereinafter referred to as the "state law") unless Landlord shall consent to such transfer in writing. No acceptance by Landlord of rent or any other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to have waived, nor shall it waive the need to obtain Landlord's consent, or Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent.
- 39.07 In the event the estate of Tenant created hereby shall be taken in execution or by the process of law, or if Tenant or Tenant's Guarantor (if applicable) shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency law under state law, or if any proceedings are filed by or against the Guarantor under the Bankruptcy Code, or any similar provisions of any future federal bankruptcy law, or if a Custodian, Receiver or Trustee of the property of Tenant or the Guarantor shall be appointed under state law by reason of Tenant's or the Guarantor's insolvency or inability to pay its debts as they become due or otherwise, or if any assignment shall be made of Tenant's or the Guarantors' property for the benefit of creditors under state law; then and in such event landlord may, at its option, terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of the election to so terminate within thirty (30) days after the occurrence of such event.
- 39.08 Tenant shall not cause or give cause for the appointment of a Trustee or receiver of the assets of Tenant or its guarantor, if any, and shall not make an assignment for the benefit of creditors, or become or be adjudicated insolvent or bankrupt under state or federal law, or permit Tenant's interest in this Lease to be taken in execution or by other process of law. Subject to Tenant's rights under the Bankruptcy Code, any act described in this paragraph shall be deemed a material breach of Tenant's obligations under this Lease and entitle Landlord to all of its rights and remedies under this Lease and at law.

SECTION 40

GENERAL

- 40.01 Many references in this Lease to persons, entities and items have been generalized for ease of reading, therefore, references to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as tenants-in-common). Similarly, pronouns of any gender should be considered interchangeable with pronouns of other genders.
- 40.02 All Agreements and obligations of Tenant under this Lease are joint and several in nature. Any waiver or waivers by Landlord of the provisions of this Lease will not constitute a waiver of any later breach of that provision, and any consent or approval given by Landlord with respect to any act, neglect or default by Tenant will not waive or make unnecessary Landlord's consent or approval with respect to any later similar act, neglect or default by Tenant.
- 40.03 Topical headings appearing in this Lease are for convenience only and do not define, limit or construe the contents of any paragraphs, sections or clauses.
- 40.04 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.
- 40.05 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of Landlord and Tenant.
- 40.06 The laws of the State of Michigan will control in the construction and enforcement of this Lease.
- 40.07 The exhibits attached to this Lease and made a part hereof are:
- | | |
|--------------|--|
| Exhibit "A": | Legal Description |
| Exhibit "B": | Plans |
| Exhibit "C": | Premises Acceptance Agreement |
| Exhibit "D": | Tenant Estoppel Certificate and Subordination,
Non-Disturbance and Attornment Agreement |

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease as of the date set forth above.


WITNESSES:



WITNESS

LANDLORD:

SIJL DEVELOPMENT COMPANY, L.L.C.
a Michigan limited liability company

By: 
Sam Shamie, Managing Member

TENANT:

CREATIVE ENGINEERED POLYMER
PRODUCTS LLC, an Ohio limited liability
company doing business as CEP Products

By: _____
Robert Pointer, Vice President
of Operations

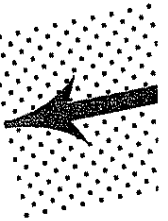


EXHIBIT "A"

(Legal Description)

Part of Lot 2, Livonia Executive Park No. 1, Part of the NE $\frac{1}{4}$ of Sec. 27, Town 1 South, Range 9 East, as recorded in Liber 102, Pages 68-70, Wayne County Records.

□

"LESSOR"

By: _____

Its: _____

"LESSEE"

By: _____

Its: _____

[Insert notary language for all parties]

EXHIBIT "B-1"

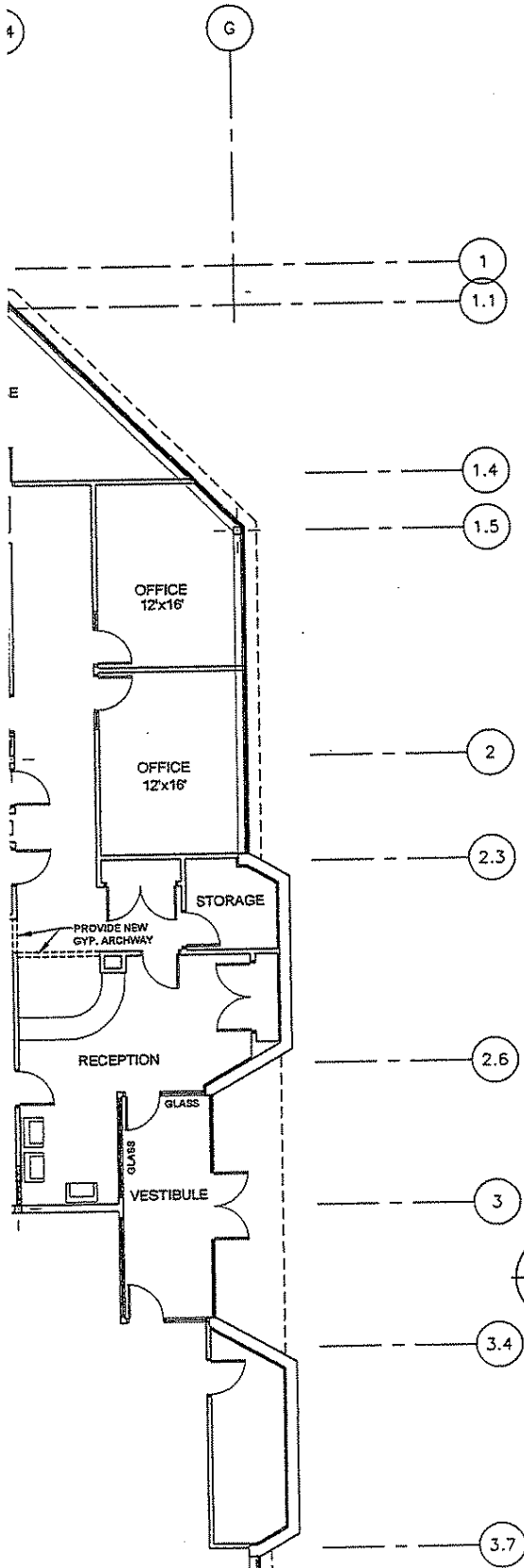
FLOOR PLANS

(To be attached and initialed by Landlord and Tenant)

biddison |
architecture + design

27750 Stansbury Blvd Suite 100
Farmington Hills, MI 48334
t:248.426.7700 f:248.426.7710

Consultants



WALL LEGEND

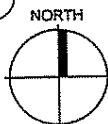
- EXISTING GYP. BD. WALLS TO REMAIN - PATCH AND REPAIR AS REQ'D.
- NEW 5" GYP. BD. WALLS W/ MTL. STUD FRAMING @ 16" O.C. W/ FIBERGLASS BATT INSUL. BETWEEN.

Project title

proposed tenant space for:

CEP
PRODUCTS

31557 Schoolcraft Road
Livonia, Michigan



FLOOR PLAN

SCALE: 1/16"=1'-0"

Issued dr/ch

TENANT REVIEW
LEASE EXHIBIT B-1

11.18.05
12.05.05

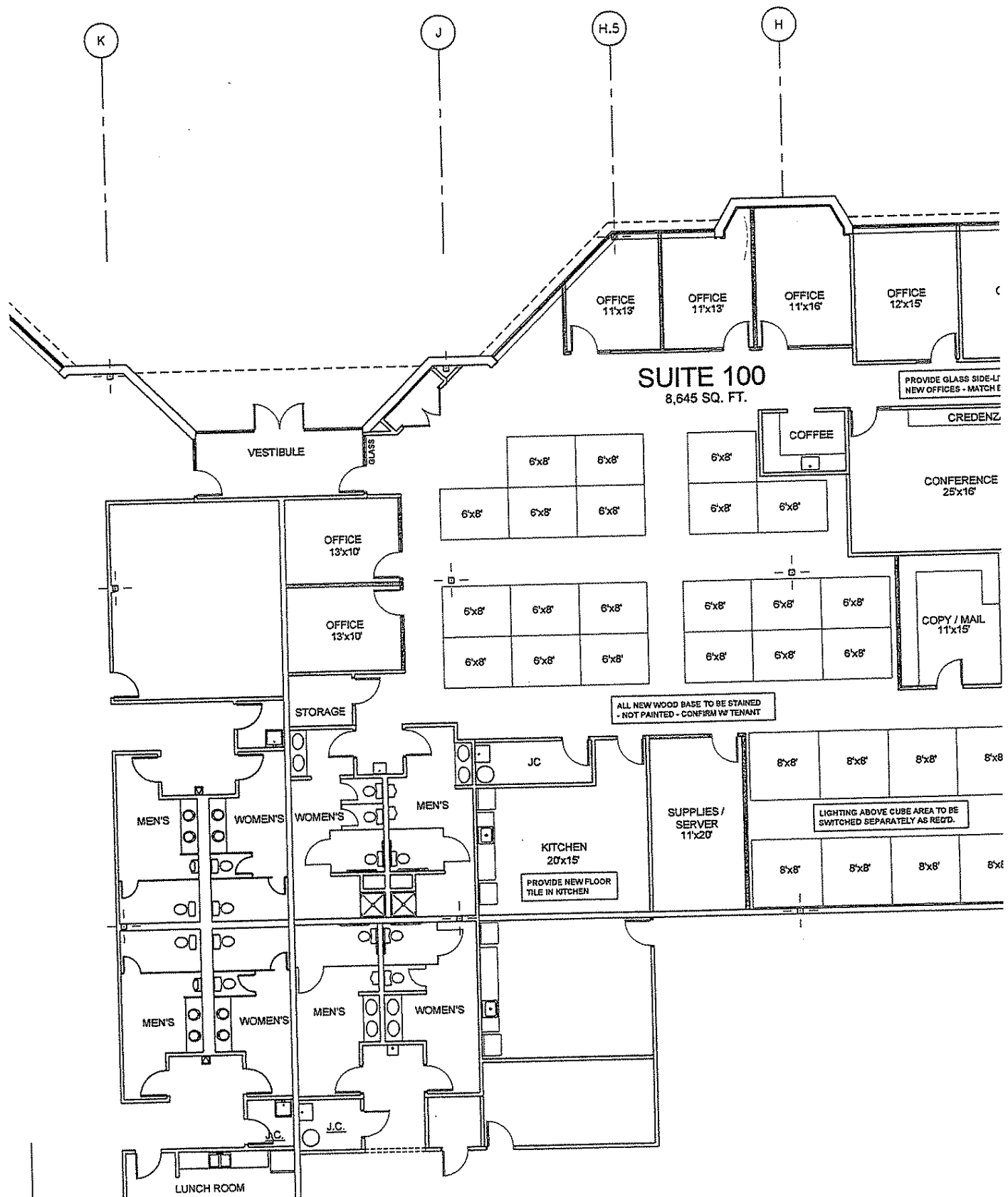


EXHIBIT "C"

PREMISES ACCEPTANCE AGREEMENT

Building Address:

Tenant Name:

Lease Date:

Gentlemen:

As a representative of the above referenced Tenant, I have physically inspected the Premises noted above and its improvements with _____, a representative of _____, the Landlord. The Tenant hereby accepts the Premises as being in compliance with all of the requirements indicated in our Lease and confirms the following verified information below:

Lease Commencement Date: _____ Occupancy Date: _____

Lease Expiration Date: _____

Date Keys Delivered: _____

Punch List Items Requiring Attention (based on an inspection made prior to Tenant move-in):

Very truly yours,

(Tenant Name)

BY: _____

ITS: _____

Date:

EXHIBIT "D"

TENANT ESTOPPEL CERTIFICATE

[Date]

To:

Re: Lease dated _____, _____

Ladies and Gentlemen:

The undersigned ("Tenant") has executed and entered into that certain lease agreement (the "Lease") dated _____, _____ with _____, as landlord ("Landlord"), which Lease is attached hereto as "Exhibit "A" and made a part hereof for all purposes, with respect to certain space (the "Premises") in _____ building known as "_____" (the "Building") located in _____, _____ County, Michigan. Tenant understands that _____ ("Lender") shall be lending funds (the "Loan") to Landlord, which Loan will be secured by a mortgage on the above-referenced property.

1. With respect to the Lease and the above-referenced sale and loan transactions, Tenant represents and warrants to Lender as follows:

(a) A true and correct copy of the Lease is attached hereto as "Exhibit "A." The Lease is in full force and effect and has not changed except as indicated on "Exhibit "A."

(b) Tenant occupied and accepted the Premises, which covers _____ square feet of rentable area, on _____, _____. The commencement date of the term of the Lease is _____, _____, and the Lease will expire on _____, _____, unless it is sooner terminated as provided for in the Lease. Tenant continues to occupy the Premises as of the date hereof.

(c) The Lease represents the entire agreement between Landlord and Tenant relating to the Premises, and specifically, Tenant is not permitted any rent holiday, rental concession, rebate of rent, or other offset or credit against rents except as provided for in the Lease.

(d) Landlord has complied with all of its construction and other obligations under the Lease to this date, and Tenant is fully obligated to pay, and is paying, the rent and other charges due thereunder, and is fully obligated to perform, and is performing, all

of the other obligations of Tenant under the Lease without right of counterclaim, offset, or defense.

(e) Tenant's current annual base rent is \$_____ per year, payable in equal monthly installments of \$_____. Tenant has made all rent payments and other charges due under the Lease through _____. To Tenant's knowledge (i) neither Landlord nor Tenant is in default in any respect under the Lease, and (ii) no condition exists, which with the passage of time or the giving of notice, or both, would constitute a default under the Lease.

(f) Tenant has paid in full for all labor and materials and other services in connection with Tenant's construction work and Tenant's other work in the Premises, so that no lien by reason thereof may attach against the Premises or the Building.

(g) There are no actions, whether voluntary or involuntary, pending under the United States Bankruptcy Code in which Tenant is a "debtor" or in which, if Tenant is a partnership, limited liability company, any general partner or manager, respectively, of Tenant is a "debtor."

(h) Tenant has not made any prepayment of rent or other charges in advance except for the monthly payments for the current month or payment of rent for the next ensuing month. Tenant will not pay rent for more than one month in advance without Lender's prior written consent.

(i) No security or other deposit has been paid by Tenant with respect to the Lease except:_____

(j) To the best of Tenant's knowledge, Tenant does not know of any assignment, hypothecation, or pledge of the Lease or of the rentals thereof, other than the Assignment (hereinafter defined).

2. Tenant acknowledges that Landlord has executed or will execute an assignment (the "Assignment") of Landlord's interest in the Lease to Lender in connection with the Loan by Lender to Landlord, and that Lender will rely upon this instrument in connection with the Loan. Tenant agrees to attorn to Lender and to perform all of Tenant's obligations as lessee under the Lease, including, without limitation, the payment of rent, directly to Lender as lessor under the Lease from and after the date, if any, that Lender requests Tenant to do so.

3. If and when Tenant notifies Landlord of a default or claimed default by Landlord under the Lease, Tenant shall send a copy of the written notice or a written explanation of any oral notice (the "Notice") concurrently therewith to Lender at the address stated below, by certified or registered mail, postage prepaid, return receipt requested. Lender shall be permitted to remedy any such default or claimed default specified in the Notice within an equal period of time, commencing on the date Lender receives or is deemed to have received such notice, that Landlord would be permitted to remedy same pursuant to the Lease. Notwithstanding the foregoing provisions of this paragraph 3, Lender shall have a minimum of 30 days after its

receipt of the Notice to remedy the default or claimed default; provided, however, where such a default cannot be remedied with reasonable diligence by Lender within 30 days, Lender shall have such additional time as is reasonably necessary to remedy the default with reasonable diligence and continuity. Furthermore, if a default can be reasonably remedied only by Lender's first obtaining possession of the Building, Lender shall have any additional time as is reasonably necessary under the circumstances to obtain possession of the Building and such time thereafter to remedy the default with reasonable diligence and continuity. The provisions of this paragraph 3 shall continue in full force and effect until Tenant has received notice to the contrary from Lender.

The name and address of Lender shall unless changed, be as follows:

Lender shall have the right to change its address for notices to it by giving Tenant written notice of the change.

4. So long as the Tenant is not in default of the Lease beyond any applicable cure period permitted by the Lease, the possession by Tenant of the Premises and the Tenant's rights thereto shall not be disturbed, affected or impaired by, nor will the Lease for the term thereof be terminated or otherwise affected by any suit, action or proceeding upon the mortgage or the note or other obligations secured thereby, or for the foreclosure of the mortgage, or the enforcement of any rights under the mortgage or any other documents held by the Lender, or by the judicial sale or execution or other sale of the Premises, or by any deed given in lieu of foreclosure, or by the exercise of any other rights given to the Lender by any other documents or as a matter of law, or any default under the mortgage or the note or other obligation secured thereby.

5. This instrument shall be binding upon Tenant and Landlord and their respective successors, and assigns and shall inure to the benefit of the successors, and assigns of Lender.

6. The person executing this instrument on behalf of Tenant is authorized to do so.

7. Tenant acknowledges and agrees that Lender may rely and is relying on this letter for all purposes, including making the Loan.

EXECUTED on _____, 2004.

TENANT:

By: _____

Title: _____

EXHIBITS:

A - Lease

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT made this ____ day of _____, 2004, among _____ ("Lender"), _____ ("Lessor") and _____ ("Lessee").

WITNESSETH:

WHEREAS, Lender has agreed to make a loan to Lessor (the "Loan");

WHEREAS, the Loan is to be secured by, among other things, a Mortgage, Security Agreement and Assignment of Rents (the "Mortgage") executed by Lessor for the benefit of Lender, creating a first lien upon that certain tract of real property described on Exhibit "A" attached hereto, together with the improvements constructed or to be constructed thereon (the "Property"), and such other security agreements, financing statements and assignments as Lender may require (the Mortgage and all such other security instruments to be referred to collectively as the "Collateral Documents");

WHEREAS, Lessee is (or will be) in possession of all or part of the Property (the "Demised Premises"), under and by virtue of a written lease (the "Lease"), dated the ____ day of _____, _____, entered into, by and between Lessor and Lessee;

WHEREAS, Lender will not make the Loan to Lessor unless and until Lessee expressly subordinates the Lease and all of Lessee's rights thereunder to the Collateral Documents and the liens and security interests created thereby;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, Lender and Lessee hereby agree as follows:

1. Subordination. The Lease and all of Lessee's rights thereunder (including, without limitation, any option or right of first refusal) are, shall be and remain and are expressly made, subordinate and inferior to the Collateral Documents and the liens and security interests created thereby, regardless of how often or in what manner the Loan, together with the liens

securing the same, and any of the Collateral Documents, may be increased, renewed, extended or modified.

2. Non-Disturbance. So long as Lessee is not in default in the performance of any of the terms, covenants or conditions of the Lease on Lessee's part to be performed, Lessee's possession and occupancy of the Demised Premises and Lessee's rights and privileges under the Lease shall not be diminished or interfered with by Lender, nor shall the Lease for the Term thereof be terminated, in the exercise of any of Lender's rights under the Mortgage.

3. Attornment. In the event of the foreclosure of the lien of the Mortgage or if the Demised Premises are conveyed to Lender by deed in lieu of foreclosure, Lessee shall attorn to Lender or the purchaser upon any such conveyance or foreclosure sale and shall recognize Lender or such purchaser as Lessor under the Lease and Lender or such purchaser shall have the same rights and remedies under the Lease as Lessor. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of any of the parties hereto. In such case, Lessor hereby authorizes Lessee to accept such direction from Lender and waives all claims against Lessee for any sums so paid at Lender's direction. Lessee agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender or any such purchaser and within ten (10) days of receipt of written request (1) any instrument or certificate which recognizes the Lease and is reasonably acceptable to Lessee and in the reasonable judgment of Lender or such purchaser, may be necessary or appropriate to evidence such attornment, and (2) an estoppel certificate regarding the status of the Lease, consisting of statements, if true, (i) that the Lease is in full force and effect, (ii) the date through which rentals have been paid, (iii) the date of the commencement of the term of the Lease, (iv) the nature of any amendments or modifications to the Lease, (v) that no default, or state of facts, which with the passage of time or notice would constitute a default, exists on the part of either party to the Lease, and (vi) the date on which payment of percentage rentals, if any, are due under the terms of the Lease. Further, from and after any such attornment, Lender or such purchaser shall be bound to Lessee under all of the terms, covenants and conditions of the Lease; provided however, that Lender or such purchaser shall not be:

- (a) liable for any action or omission of any prior lessor (including Lessor);
- (b) bound by any rent which Lessee might have paid for more than the current month to any prior lessor (including Lessor);
- (c) liable for the return or application of any security deposits unless Lessor delivers such deposits to Lender or such purchaser;
- (d) subject to any offsets or deficiencies which Lessee might be entitled to assert against any prior Lessor (including Lessor).

4. No Diminution of Lessor's Rights. Nothing contained herein is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of Lessor under the Lease

in the event of default by Lessee in the performance of any of the terms, covenants or conditions of the Lease on Lessee's part to be performed.

5. Notices. Any notice or communication required or permitted hereunder shall be given in writing, sent by United States mail, postage prepaid, registered or certified mail, or by hand delivery, addressed as follows:

To Lender:

To Lessor:

To Lessee:

or to such other address or in care of such other person as hereafter shall be designated in writing by the applicable party, and shall be deemed to have been given as of the date such item is mailed or delivered as aforesaid.

6. Choice of Law. The validity and construction of this Agreement shall be governed by the laws of the State of Michigan.

7. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns, and any purchaser or purchasers at foreclosure of the Demised Premises, and their respective heirs, personal representatives, successors and assigns.

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

"LENDER"

By: _____

Its: