

LEASE

BETWEEN

VK 905 LAKESIDE, LLC, LANDLORD

AND

THE COUNTY OF LAKE, TENANT

905 LAKESIDE DRIVE, UNIT 7

GURNEE, ILLINOIS 60031

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Exhibit A -- Plan of the Premises

Exhibit B -- Work Letter

Exhibit C -- Form of Tenant Estoppel Letter

Exhibit D -- Move-Out Standards

LEASE

THIS LEASE ("Lease") is entered into as of the _____ day of _____, 2021 (the "Effective Date"), by and between **VK 905 LAKESIDE, LLC**, an Illinois limited liability company (together with its successors and assigns, "Landlord"), and the **COUNTY OF LAKE**, a body politic, and corporation of the State of Illinois (together with its permitted successors and assigns, "Tenant").

1. FUNDAMENTAL LEASE TERMS. Certain fundamental lease terms are set forth below in this Section 1:

- | | | |
|-----|---------------------------------|--|
| 1.1 | <u>Building and Address:</u> | 905 Lakeside Drive, Gurnee, Illinois 60031 |
| 1.2 | <u>Tenant:</u> | County of Lake, a body politic, and corporation of the State of Illinois |
| 1.3 | <u>Tenant's Notice Address:</u> | 905 Lakeside Drive, Unit 7, Gurnee, Illinois 60031 |
| 1.4 | <u>Landlord:</u> | VK 905 LAKESIDE, LLC, an Illinois limited liability company |
| 1.5 | <u>Landlord's Address:</u> | c/o Venture One Real Estate, LLC
9500 Bryn Mawr, Suite 340
Rosemont, IL 60018
Attn: Property Management for 905 Lakeside Dr., Gurnee, IL |
| | <u>Rent Payable to:</u> | VK Industrial V Holdings, LLC |
| | <u>Rent Payment Address:</u> | VK 905 Lakeside, LLC
c/o Venture One Real Estate, LLC
9500 Bryn Mawr, Suite 340
Rosemont, IL 60018 |
| | | At Landlord's request, Tenant shall pay Rent to Landlord by wire transfer or other electronic funds transfer pursuant to instructions set forth in a notice given to Tenant by Landlord. |
| 1.6 | <u>Premises:</u> | approximately 7,601 square feet of space located in the Building as identified in the plan attached hereto as <u>Exhibit A</u> and made a part hereof, and referred to as 905 Lakeside Drive, Unit 7, Gurnee, Illinois 60031. |
| 1.7 | <u>Term:</u> | Twenty-Four (24) calendar months commencing on the Commencement Date (defined below), provided that if the Commencement Date is not the first (1st) day of a calendar month, the Term shall end on the last day of the twenty-fourth (24 th) full calendar month after the Commencement Date. |
| 1.8 | <u>Commencement Date:</u> | The date that the Premises is delivered to Tenant with the Tenant Improvements (defined below) to be made in the Premises Substantially Completed, as described in the Work Letter attached hereto and made a part hereof as <u>Exhibit B</u> (the "Work Letter"). Upon the determination of the actual Commencement Date, Landlord and Tenant shall each execute and deliver a letter agreement confirming such date. |

1.9 Base Rent:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Months 1-12	\$ 70,800.00	\$ 5,900.00
Months 13-24	\$ 72,924.00	\$ 6,077.00

"Month 1" shall mean the period commencing on the Commencement Date and ending on the last day of the first full calendar month following the Commencement Date, and Month 12 shall end on the last day of the twelfth full calendar month following the Commencement Date. Tenant shall pay Landlord Monthly Base Rent and estimated Additional Rent for the first full calendar month of the Term contemporaneously with Tenant's execution hereof.

- 1.10 Security Deposit: \$5,900.00. The Security Deposit shall be paid by Tenant to Landlord contemporaneously with Tenant's execution hereof.
- 1.11 Tenant's Proportionate Share: Twelve and 08/100 percent (12.08%) (the percentage calculated by dividing the area of the Premises by the area of the Building (62,940 square feet).
- 1.12 Permitted Use: Warehouse, distribution and light assembly facility, and related offices, and for no other use or purpose.
- 1.13 Brokers: Tri-State Realty, Inc., representing Tenant.
- 1.14 Guarantor: None.
- 1.15 Parking: Not to exceed Tenant's Proportionate Share of the parking spaces in the parking lot serving the Building.

2. DEFINED TERMS. As used in this Lease, the following terms shall have the respective meanings set forth below in this Section 2.

2.1 Affiliate: means any person or entity controlling, controlled by or under common control with Tenant. For purposes hereof, "control" shall mean the ownership of not less than sixty-six and two-thirds percent (66-2/3%) of the economic ownership interests in an entity, along with the power to control the management and policy-making decisions of such entity.

2.2 Alteration: means any alteration, decoration, improvement or addition to the Premises, or installation of any utility, mechanical, communication or alarm system in the Premises, other than interior painting and other minor decorative changes within the Premises (e.g. wallpapering and picture hanging).

2.3 Base Year: means calendar year 2021 (accordingly, the Base Year for Taxes are the Taxes that are incurred and assessed for the 2020 calendar year that are due and payable in 2021). The Taxes that were incurred and assessed for the 2020 calendar year that are payable in 2021 are \$1.29 per rentable square foot.

2.4 Calendar Year: means the twelve (12) month period January through December of any year (or portion thereof) falling within the Term.

2.5 City: means the Village of Gurnee, Illinois.

2.6 Events of Bankruptcy: means the occurrence of any one or more of the following events or circumstances:

- (a) If Tenant or any Guarantor or surety of Tenant's obligations under this Lease shall file in any court a petition in bankruptcy or insolvency or for reorganization within the meaning of the Federal Bankruptcy Code, or for arrangement within the meaning of such Code (or for reorganization or arrangement under any future bankruptcy or reform act for the same

or similar relief), or for the appointment of a receiver or trustee for all or a portion of the property of Tenant or any Guarantor, or

- (b) If an involuntary petition shall be filed against Tenant or any Guarantor, and such petition shall not be vacated or withdrawn within thirty (30) days after the date of filing thereof, or
- (c) If Tenant or any Guarantor shall make an assignment for the benefit of creditors, or
- (d) If Tenant or any Guarantor shall be adjudicated a bankrupt or shall admit in writing an inability to pay its debts as they become due, or
- (e) If a receiver shall be appointed for the property of Tenant or any Guarantor by order of a court of competent jurisdiction (except where such receiver shall be appointed in an involuntary proceeding, and be withdrawn within thirty (30) days from the date of his appointment).

2.7 Events of Force Majeure: means any strikes, lockouts or labor disputes, acts of God (including without limitation floods, earthquakes and hurricanes), inability to obtain labor or materials or reasonable substitutes therefor that could not reasonably have been anticipated, governmental restrictions, regulations, or controls, delay in issuance of permits beyond time periods typical for the area (provided that Landlord shall use reasonable efforts to work with Tenant to minimize such delays), pandemics, epidemics, utility company delays beyond typical time periods for such utility company, enemy or hostile governmental action, civil commotion, war, fuel shortages, accidents, fire or other casualty, acts caused directly or indirectly by Tenant (or Tenant's agents, employees, contractors, licensees or invitees) or any other cause beyond the reasonable control of Landlord.

2.8 Hazardous Materials: means (i) substances defined as "hazardous substances", "toxic substances" or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., Sec. 9061, et. seq.), the Hazardous Materials Transportation Act (49 U.S.C., Sec. 1802), the Resource Conservation and Recovery Act (42 U.S.C., Sec. 6901 et. seq.), the Toxic Substances Control Act of 1976, as amended (15 U.S.C., Sec. 2601, et. seq.) or in any other federal, state or local laws and ordinances now or hereafter in effect governing similar matters, or in any regulations adopted or publications promulgated pursuant thereto (collectively, "Environmental Laws"); (ii) asbestos and asbestos containing materials; (iii) petroleum and petroleum based products; and (iv) mold.

2.9 Insurance Premiums: means the amount of premiums for any insurance policy affecting the Property procured by Landlord.

2.10 Land: means the land on which the Building is located.

2.11 Laws: means all laws (including, without limitation, Environmental Laws); statutes (including, without limitation, the Americans with Disabilities Act); codes; ordinances; governmental rules, regulations or requirements; judicial decrees or orders; administrative rulings or orders; covenants, conditions or restrictions of record; and governmental permits, licenses, approvals or certificates (including, without limitation, any certificate of occupancy for the Premises or the Building) now or hereafter in effect and applicable to the Premises, the Property or the use, occupancy or operation of the Premises or the Property.

2.12 Lease Year: means each consecutive twelve (12) month period beginning with the Commencement Date, except that if the Commencement Date is other than the first day of a calendar month, then the first Lease Year shall be the period from the Commencement Date through the date that is twelve (12) months after the last day of the calendar month in which the Commencement Date occurs, and each subsequent Lease Year shall be the period of twelve (12) months following the last day of the prior Lease Year.

2.13 Material Alteration: means any Alteration (except the Tenant Improvements) which: (i) affects the roof, floor or structural components of the Building, (ii) affects any HVAC Systems (defined below), utility or mechanical systems or equipment in the Building, (iii) is visible from outside of the Premises, (iv) costs more than

\$10,000 to complete (including all labor and material costs), (v) is an upgrade in the electrical capacity to the Building, or (vi) requires a building permit to perform.

2.14 Mortgagee: means the mortgagee, from time to time, under any mortgage granted by Landlord and now or hereafter encumbering the Property or any portion thereof.

2.15 Operating Expenses: means for any Calendar Year those costs or expenses paid or incurred by or on behalf of Landlord for owning, managing, operating, maintaining and repairing the Property and Landlord's personal property used in connection with the Property, including, without limitation: (a) dues, charges, assessments and other amounts payable to any owner's or industrial park association ("Association"), reciprocal easement, covenants or comparable document affecting the Building or the Property; (b) the costs relating to fire alarm monitoring systems for the Building, if any; (c) snow and ice removal; (d) exterior cleaning, sweeping, planting and landscaping; (e) removal of rubbish, dirt, debris in the Common Areas (defined below) and exterior of the Building; (f) the cost of maintaining and repairing: (i) sewer, plumbing, water, mechanical, electrical, sprinkler and other utility systems and equipment, (ii) parking lots, detention and retention ponds, (iii) heating, ventilating and air conditioning systems and equipment, other than those exclusively serving the Premises, (iv) exterior lighting systems and equipment, and (v) the roof and structural components of the Building (except replacements); (g) utilities, fuel and water if not separately metered; (h) exterior painting and tuckpointing; (i) management fees; (j) supplies; (k) legal and accounting expenses; (l) Insurance Premiums; and (m) any other expense or charge which would be considered as an expense of owning, managing, operating, maintaining or repairing the Property. The term "Common Areas" means the parking areas, driveways, landscaped areas, lobby areas, Building sprinkler and electrical rooms, and other areas of the Property outside of the Premises that Landlord may designate from time to time as common areas.

Notwithstanding anything herein to the contrary, Operating Expenses shall not include: Taxes, costs of repairs and alterations to space of other tenants; marketing costs; costs of capital improvements to the Property, except as provided below; the cost of resurfacing and replacing the parking areas, driveways and sidewalks on the Property, except as provided below; the cost of replacing the roof and structural components of the Building; depreciation charges; interest and principal payments on mortgages; real estate brokerage and leasing commissions; and any other expenditures for which Landlord has been reimbursed (other than pursuant to rent escalation or tax and operating expense reimbursement provisions in leases). Notwithstanding the foregoing, the cost of any capital improvements to the Property made after the date of this Lease which (i) are intended to reduce Operating Expenses, or (ii) are required under any Laws which were not applicable to the Property at the time it was constructed, or (iii) are in connection with resurfacing or replacing the parking areas, driveways and sidewalks on the Property, shall be amortized over such reasonable periods as Landlord shall determine, together with interest on the unamortized cost of any such improvements (at the prevailing construction loan rate available to Landlord on the date the cost of such improvements was incurred) and such amortized amounts shall be included in Operating Expenses.

Tenant acknowledges that Landlord has not made and does not hereby make any representation or warranty whatsoever to Tenant as to the amount of Tenant's Proportionate Share of Operating Expenses or Taxes or any component thereof which may become payable during the Lease Term, except that during calendar year 2021 Tenant's Proportionate Share of Operating Expenses is currently estimated to be \$0.30 per rentable square foot, Tenant's Proportionate Share of Insurance Premiums is currently estimated to be \$0.10 per rentable square foot, and Tenant's Proportionate Share of management fees is currently estimated to be \$0.28 per rentable square foot.

2.16 Property: means collectively, the Land, the Building and all other improvements located on the Land.

2.17 Rent: means collectively, Base Rent, Additional Rent and all other amounts to be paid by Tenant to Landlord under this Lease.

2.18 Taxes: means all real estate taxes and assessments and similar governmental charges, special or otherwise, direct or indirect, ordinary or extraordinary (including, without limitation, those levied or assessed by special taxing districts now or hereafter created) levied or assessed upon or with respect to the Property and/or Landlord's leasehold interest in the Property, and ad valorem taxes for Landlord's personal property used in connection therewith. Should any political subdivision or governmental authority having jurisdiction over the

Property, impose a tax, assessment, charge or fee which Landlord shall be required to pay, either by way of substitution for such real estate taxes and ad valorem personal property taxes, or in addition to such real estate taxes and ad valorem personal property taxes, or impose an income or franchise tax or a tax on rents which may be in addition to or in substitution for a tax levied against the Property and/or Landlord's personal property used in connection with the Property, such taxes, assessments, fees or charges shall be deemed to constitute Taxes hereunder. "Taxes" shall also include all reasonable fees and costs (including reasonable attorney's fees) incurred by Landlord in connection with reducing or limiting the increase in any Taxes, regardless of whether any reduction or limitation is obtained. "Taxes" shall not include inheritance, income, transfer or franchise taxes paid by Landlord, other than as described above. In determining the amount of Taxes for any Calendar Year, the amount of special assessments to be included shall be limited to the amount of the installment (plus any interest payable thereon) of such special assessment which would have been required to have been paid during such year if Landlord had elected to have such special assessment paid over the maximum period of time permitted by law. All references to Taxes "for" a particular year shall be deemed to refer to Taxes paid or payable during such Calendar Year, as opposed to the real estate taxes and assessments levied, assessed or accrued with respect to such Calendar Year. For clarification purposes, the Taxes for Calendar Year 2021 shall be the Taxes paid by Landlord in Calendar Year 2021, which are actually the 2020 real estate taxes payable in 2021.

2.19 Tenant Property: means all furniture, trade fixtures, equipment, merchandise and all other items of personal property of Tenant in the Premises.

3. AGREEMENT TO LEASE. Landlord hereby leases to Tenant, and Tenant hereby accepts and leases from Landlord, the Premises for the Term, subject to the terms and conditions set forth in this Lease. Landlord and Tenant stipulate and agree for all purposes under this Lease to the rentable area of the Premises as described in Section 1.6 hereof, notwithstanding any different measurement thereof that may be made hereafter by or on behalf of either party.

4. RENT.

4.1 Place and Manner of Payment. Tenant shall pay Rent to Landlord at the address set forth in Section 1.5 hereof or to such other person or at such other address as Landlord may designate from time to time, without offsets or deductions of any kind whatsoever, at the times and in the manner set forth in this Lease. Tenant's covenant to pay Rent shall be independent of every other covenant in this Lease.

4.2 Base Rent. During the Term, Tenant shall pay Base Rent in the amounts set forth in Section 1.9 hereof. The Base Rent shall be paid monthly in advance not later than the first (1st) day of each month. If the Commencement Date is other than the first (1st) day of a month, or if the expiration of the Term is other than the last day of a month, then the installment of Base Rent for such month shall be prorated on a per diem basis for such fractional period.

4.3 Additional Rent. In addition to paying the Base Rent, Tenant shall pay to Landlord as "Additional Rent", an amount (the "Operating Expense and Tax Amount") equal to Tenant's Proportionate Share of (i) the amount by which Operating Expenses for the applicable Calendar Year exceeds Operating Expenses for the Base Year, and (ii) the amount by which Taxes for the applicable Calendar Year exceeds Taxes for the Base Year. Tenant shall pay to Landlord the Operating Expense and Tax Amount for each Calendar Year in monthly installments, at the same time and place as Base Rent is to be paid, in an amount estimated from time to time by Landlord in a written notice to Tenant (the "Estimated Payments"). Landlord will maintain books and records showing Operating Expenses and Taxes in accordance with a system of accounts and accounting practices consistently maintained on a year-to-year basis. Landlord shall deliver to Tenant as soon as practical after the close of each Calendar Year (including the Calendar Year in which this Lease terminates) a statement (the "Reconciliation Statement") showing the amount of the Operating Expenses and Taxes for such Calendar Year and the Operating Expense and Tax Amount. If the Estimated Payments paid by Tenant during any Calendar Year are less than the Operating Expense and Tax Amount for such Calendar Year, Tenant shall pay any deficiency to Landlord as shown by such Reconciliation Statement within fifteen (15) days after receipt of such Reconciliation Statement. If the Estimated Payments paid by Tenant during any Calendar Year exceed the Operating Expense and Tax Amount due from Tenant for such Calendar Year, such excess shall be credited against payments next due hereunder. If no such payments are next due, such excess shall be refunded by Landlord. Landlord's failure to deliver an annual

Reconciliation Statement of the Operating Expenses and Taxes for any Calendar Year shall not constitute a waiver or release of, or relieve Tenant from, its obligations under this Section. Without limiting any other obligations of Tenant which survive the expiration of the Term, Tenant's obligation to pay the Additional Rent shall survive the expiration of the Term.

5. LANDLORD'S SERVICES. As long as Tenant is not in Default (defined below) under this Lease, Landlord shall furnish the following services the costs for which shall be included in Operating Expenses to the extent permitted under this Lease (except as otherwise provided herein):

(a) Repairs and maintenance (and if necessary, replacements) of the Common Areas, roof, exterior walls of the Building, structural system and foundation of the Building, water supply system, plumbing and electrical systems servicing the Building from the exterior of the Building to the point of connection to the Premises, floors, parking lots and sidewalks, locks, main doorways to Common Areas and stairwells that are not used exclusively by Tenant. In addition, Landlord shall replace any HVAC Systems (defined below) exclusively serving the Premises if and when the replacement thereof is necessary in Landlord's reasonable discretion, so long as (i) Tenant maintains the preventative maintenance/service contract for the HVAC Systems, and (ii) the replacement is not necessitated by the negligence or willful misconduct of Tenant or its agents, contractors, or employees, in which case Tenant shall be responsible for all costs.

Notwithstanding anything contained herein to the contrary: (i) if any repairs, maintenance or replacements required to be performed by Landlord hereunder are necessitated by the act or neglect of Tenant, its agents, servants or employees, then the cost thereof shall be billed directly to Tenant, and Tenant shall pay Landlord therefor within fifteen (15) days after receiving such bill; (ii) if Tenant requests that Landlord perform any of such repairs, maintenance or replacement on weekends or other times that will result in additional charge, then the additional charge thereof shall be billed directly to Tenant, and Tenant shall pay Landlord therefor within fifteen (15) days after receiving such bill; and (iii) if as a result of Tenant's particular use of the Premises Landlord incurs additional costs in connection with any repairs, maintenance or replacement required to be performed by Landlord, then the additional charge thereof shall be billed directly to Tenant, and Tenant shall pay Landlord therefor within fifteen (15) days after receiving such bill;

(b) Domestic water service in common with other tenants. In the event that water is not separately metered for the Premises and Tenant uses a materially greater amount of water than the usual amount used in similar buildings, then Landlord may bill Tenant for the additional cost of such increased use and for the cost of determining such increased use, and Tenant shall pay Landlord therefor within fifteen (15) days after receiving such bill. If as of the Commencement Date, water service is not separately metered for the Premises, Landlord reserves the right to install separate meters for the Premises at Tenant's sole cost and expense during the Term of this Lease;

(c) Monitoring and inspections of the fire and life safety systems in the Building;

(d) Snow and ice removal of the parking lot, driveways and sidewalks; and

(e) Sanitary sewer service in common with other tenants. If Landlord determines that additional sanitary sewer capacity is required or that a separate sanitary sewer line servicing the Premises is or may be prudent based on the nature of the Permitted Use (e.g., excessive amounts or unique nature of discharge from the Premises), Landlord may increase such capacity and/or install a separate sanitary sewer line servicing the Premises, all at Tenant's sole cost (which cost shall include a reasonable administrative fee payable to Landlord in connection therewith). Any such costs shall be paid by Tenant to Landlord within fifteen (15) days after being billed therefor. If a separate sanitary sewer line is installed serving the Premises and such service is not separately metered to the Premises, then Landlord may bill Tenant for the cost of sanitary sewer service furnished to the Premises through such separate line, and Tenant shall pay Landlord therefor within fifteen (15) days after receiving such bill.

Landlord shall arrange with the utility companies providing the Building with electricity and natural gas service for the supply of such services to the Premises. Such electricity and gas services shall be separately metered to the Premises, and Tenant shall pay for the cost of any meter required in connection therewith. Tenant shall pay the public utility companies and/or municipality directly for any services provided and separately metered to the Premises. Tenant shall bear the cost of maintaining light fixtures and replacing bulbs, tubes, ballasts, etc. Landlord shall receive the benefit of any credits or rebates that are available from the utility company in connection with any improvements performed by Landlord in the Premises, including but not limited to the installation of any lighting in the Premises, and upon Landlord's request, Tenant shall complete and deliver the documentation necessary for Landlord to obtain such credits or rebates.

Tenant shall store all trash and garbage in a trash dumpster or similar container reasonably approved by Landlord, and Tenant shall arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant acknowledges that Landlord shall not be providing any security service to the Premises, and that the monitoring, maintenance and operation of any security systems or devices located in or furnished to the Premises shall be the sole responsibility of Tenant.

Landlord shall not be obligated to provide any services other than those expressly set forth above in this Section. Landlord does not warrant that any of the services mentioned above will be free from interruption or an Event of Force Majeure. Any such interruption of service shall never be deemed an eviction (actual or constructive) or a disturbance of Tenant's use and possession of the Premises or any part thereof and shall never render Landlord liable to Tenant for damages or relieve Tenant from performance of Tenant's obligations under this Lease.

6. SECURITY DEPOSIT.

6.1 Security Deposit. Concurrently with the execution of this Lease, Tenant shall deposit with Landlord the Security Deposit (as described in Section 1.10 above) as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If there shall occur a Default by Tenant with respect to any provision of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may use, apply or retain all or any part of the Security Deposit for the payment of any Rent and any other sum in Default or for the payment of any other amount which Landlord may spend or become obligated to spend by reason of Tenant's Default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's Default. If any portion of the Security Deposit is to be used or applied, Tenant shall deposit cash with Landlord within five (5) days after written demand therefor in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on any Security Deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days after the expiration of the Term and Tenant's vacation of the Premises.

6.2 Transfer of Security Deposit. Tenant hereby agrees not to look to any Mortgagee as mortgagee, mortgagee-in-possession or successor in title to the Premises for accountability for any security deposit required by Landlord hereunder, unless said sums have actually been received by said Mortgagee as security for Tenant's performance of this Lease. Landlord may deliver the funds deposited hereunder by Tenant to the purchaser of Landlord's interest in the Premises in the event that such interest is sold, and, thereupon, Landlord shall be discharged from any further liability with respect to the Security Deposit.

7. **USE.** Tenant shall use and occupy the Premises for the Permitted Use only and for no other purpose, unless otherwise expressly agreed in writing by Landlord. Tenant shall not use or occupy the Premises, or permit the Premises to be used or occupied contrary to or in violation of any Laws, or in any manner which would: (i) cause structural injury to the Premises or the Building; (ii) invalidate any insurance policy affecting the Premises or the Building; (iii) increase the amount of premiums for any insurance policy affecting the Premises or the Building; (iv) may be dangerous to persons or property; (v) create a nuisance, or disturb any other occupant of the Building; or (vi) injure the reputation of the Building. Tenant shall be responsible for verifying with the applicable governmental authorities that Tenant's intended use of the Premises is permitted under applicable Laws. Tenant shall disclose to Landlord the type of products that are stored and distributed from the Premises. Except as otherwise provided in

this Lease, Tenant shall have access to the Premises on a 24-hour per day, 7-day per week basis, subject to Building rules and regulations.

8. CONDITION OF PREMISES. Landlord, at its sole cost and expense, shall cause to be performed the "Improvements" in the Premises as described in the Work Letter attached hereto as Exhibit B (the "Work Letter"). Subject to the completion of the Improvements, Tenant's taking possession of the Premises shall be conclusive evidence as against Tenant that the Premises were in satisfactory condition, including the condition of all flooring, window coverings, blinds, ceiling tiles and light bulbs. Except for the foregoing, it is acknowledged and agreed that Tenant shall occupy the Premises in its "As Is" condition, and no promise of Landlord to alter, remodel or improve the Premises or the Building and no representation respecting the condition of the Premises or the Building has been made by Landlord to Tenant other than as may be contained in this Lease or in the Work Letter. Notwithstanding the foregoing, Landlord hereby covenants that all mechanical systems (including all currently existing loading doors, dock levelers and seals) and the HVAC Systems shall be in good working order upon delivery of the Premises to Tenant. Furthermore, within five (5) days following taking possession of the Premises, Tenant may furnish Landlord with a list of any existing conditions or damages within the Premises, in which case Tenant shall not be responsible for any repair of such items upon the expiration or earlier termination of the Lease.

Tenant shall perform all work (other than the Improvements) required to put the Premises in a condition to permit the conduct of Tenant's business therein and in accordance with the requirements of this Lease. Tenant shall be solely responsible to determine at the site all dimensions of the Premises and the Building which affect any work to be performed by Tenant hereunder. The installation of Tenant's furniture, fixtures, equipment and personal property into the Premises shall be the sole responsibility of Tenant, and any costs associated therewith shall be borne by Tenant. Neither review nor approval by Landlord of any plans or specifications for Tenant's work or any other work to be performed by Tenant shall constitute a representation or warranty by Landlord that any of such plans or specifications either (i) are complete or suitable for their intended purpose, or (ii) comply with applicable Laws.

9. EARLY POSSESSION. If Tenant takes possession of all or any part of the Premises prior to the Commencement Date (which Tenant may not do without Landlord's prior consent), all of the covenants and conditions of this Lease shall be binding upon the parties hereto the same as if the Commencement Date had been fixed as of the date when Tenant took such possession, except that Tenant shall not be required to pay Rent with respect to the period of time prior to the Commencement Date, provided however, Tenant shall be liable for the reasonable cost of any utilities and services (e.g., electricity, HVAC Systems, snow removal) that are provided to Tenant or the Premises during the period of Tenant's possession prior to the Commencement Date.

10. ASSIGNMENT AND SUBLETTING.

10.1 Prohibitions. Tenant shall not, without the prior written consent of Landlord: (a) assign, convey or mortgage this Lease or any interest hereunder, other than to an Affiliate; (b) permit any assignment of, or lien upon this Lease or Tenant's interest herein by operation of law or otherwise; (c) sublet the Premises or any part thereof, other than to an Affiliate; or (d) permit the use of the Premises by any parties other than Tenant, its agents and employees. Landlord shall not unreasonably withhold its consent to any such assignment or subletting. Tenant acknowledges and agrees that Landlord has a vital interest in the nature, variety and location of tenants in the Building as a whole and that Landlord's right to withhold its consent to any proposed assignment or subletting for reasonable business concerns and purposes is a material consideration for the rental rate and terms contained in this Lease. Neither an assignment or subletting to an Affiliate, nor Landlord's consent to any other assignment, subletting or transfer, nor Landlord's election to accept any assignee, sublessee or transferee as Tenant hereunder, shall release Tenant (or any preceding tenant) from any covenant or obligation under this Lease. Landlord's consent to any assignment or subletting shall not constitute a waiver of Landlord's right to consent to any future assignment or subletting. Tenant shall pay to Landlord as additional rent hereunder, all costs and expenses (including, without limitation, reasonable attorneys' fees) paid or incurred by Landlord in connection with any proposed assignment or subletting under this Section 10, regardless of whether Landlord withholds or grants its consent to such assignment or subletting.

10.2 Notice to Landlord. Tenant shall give Landlord written notice of any proposed sublease or assignment (including, without limitation, a proposed sublease or assignment to an Affiliate) at least thirty (30) days

prior to the effective date of such proposed sublease or assignment. Such notice shall contain the name of the proposed sublessee or assignee, a copy of the proposed sublease or assignment document, a description of the intended use of the Premises by the proposed sublessee or assignee, and such other information as Landlord may reasonably request to evaluate the character, reputation and creditworthiness of the proposed assignee or sublessee and the proposed use of the Premises by such proposed assignee or sublessee. In connection with a sublease or assignment to an Affiliate, such notice shall be accompanied by reasonable evidence that the proposed sublessee or assignee is an Affiliate.

10.3 Sharing of Profits. Without limitation of any other provision hereof, should Tenant propose to assign this Lease or sublet the Premises to any person or entity other than an Affiliate, Landlord may grant its consent to the assignment or sublease on the condition that fifty percent (50%) of the profits derived by Tenant from the assignment or sublease be paid by Tenant to Landlord as additional rent. For purposes of this Section, "profits" shall mean the amount of any and all consideration received by Tenant in connection with such sublease or assignment, minus the amount of Rent to be paid by Tenant under this Lease for the portion of the Term and the portion of the Premises covered by such sublease or assignment, minus all reasonable, out-of-pocket costs incurred by Tenant in connection with such assignment or sublease (including leasing commissions, advertising expenses, costs of alterations or improvements to the Premises and attorney's fees).

10.4 Transfers of Ownership Interests in Tenant. If Tenant is an entity whose ownership interests or stock are not publicly traded, any event or transaction or series of events or transactions resulting in a transfer of control of Tenant shall be deemed to be a voluntary assignment of this Lease by Tenant and shall be subject to the provisions of this Section 10. For purposes of this Section 10.4, the term "control" shall have the meaning set forth in Section 2.1 hereof.

11. REPAIRS AND ALTERATIONS.

11.1 Tenant's Repair Obligations. Tenant will, at its own expense, keep the Premises in compliance with all Laws and in good condition and repair during the Term, and Tenant shall promptly and adequately repair all damage to the Premises (including, without limitation, all doors and windows, window coverings, blinds, docks, dock doors, seals, bumpers and levelers) and replace or repair all damaged or broken glass, fixtures, improvements and appurtenances, under the supervision and with the approval of Landlord, and within any reasonable period of time specified by Landlord. In particular, Tenant shall be responsible for all necessary and appropriate maintenance and repair of the HVAC systems and equipment exclusively serving the Premises (the "HVAC Systems"), and of triple catch basins, if any. Tenant shall, at its own cost and expense, enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor reasonably acceptable to Landlord for servicing all HVAC Systems serving the Premises (and a copy thereof shall be furnished to Landlord). The service contract must include all services suggested by the equipment manufacturer in the operation/maintenance manual (but not fewer than two servicings annually) and must become effective within thirty (30) days of the date Tenant takes possession of the Premises. If Tenant does not fulfill its obligations under this Section 11.1, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, plus an additional five percent (5%) to cover Landlord's overhead and related expenses, forthwith upon being billed for same. Landlord may enter the Premises at all reasonable times to make such repairs and replacements and any other repairs, alterations, improvements and additions to the Premises or to the Building or to any equipment located in the Building. Tenant shall not be obligated to repair or replace the roof or any structural defects in the Premises. Notwithstanding anything contained herein to the contrary, if any damage to the Property or to the Premises or to any equipment thereon or appurtenance thereto results from any act, omission or neglect of Tenant or of Tenant's contractors, agents or employees, Landlord may, at Landlord's option, repair such damage and Tenant shall, upon demand by Landlord, reimburse Landlord for the total cost of such repairs, plus an additional five percent (5%) to cover Landlord's overhead and related expenses.

Notwithstanding anything to the contrary contained in this Section 11.1, provided that Tenant maintains the preventative maintenance/service contract for the HVAC Systems described in the preceding paragraph, Landlord will be responsible for the replacement of the HVAC Systems when and if such HVAC Systems become inoperable, as reasonably determined by Landlord (except to the extent repair or replacement is necessitated by the negligence or willful misconduct of Tenant or its agents, contractors, or employees, in which case Tenant shall be responsible for all costs).

11.2 Prohibition on Alterations. Tenant shall not, without the prior written consent of Landlord, make any Alterations. Landlord may withhold its consent to any Material Alterations in its sole discretion. With respect to all other Alterations, Landlord shall not unreasonably withhold its consent. Tenant may, without obtaining Landlord's consent, paint and make minor decorative changes within the Premises (e.g., wallpaper and picture hanging).

11.3 Performance of Alterations. The work necessary to make any Alterations shall be done by employees of or contractors employed by Landlord or, with Landlord's prior written consent, by contractors employed by Tenant. If Alterations are, with Landlord's consent, performed by contractors employed by Tenant, Tenant shall deliver to Landlord, for its review and approval prior to commencing any such Alterations, copies of all contracts and subcontracts related to such Alterations, and plans, working drawings and specifications necessary to perform such work. Landlord's review of Tenant's plans, specifications or working drawings shall impose no responsibility or liability on Landlord, and shall not constitute a representation, warranty or guarantee by Landlord, with respect to the completeness, design, sufficiency or compliance thereof with any Laws. Alterations shall be performed subject to any conditions Landlord may impose, including, without limitation, furnishing Landlord with security for the payment of all costs to be incurred in connection with such Alterations and evidence of contractor's and subcontractor's insurance against liabilities which may arise out of such Alterations, as determined by Landlord, which insurance policies shall be endorsed to include Landlord and its employees and agents and any Mortgagee as additional insured parties. Tenant shall be responsible for insuring that all such persons procure and maintain insurance coverage against such risks, in such amounts and with such companies as Landlord may reasonably require. All Alterations performed by Tenant or its contractors shall be done in a first-class, workmanlike manner using only new and good grades of materials and shall comply with all insurance requirements and all Laws. Tenant shall reimburse Landlord upon demand for all reasonable sums, if any, expended by Landlord for third party examination of the architectural, mechanical, electrical and plumbing plans for any Alterations. In addition, if Landlord so requests, Landlord shall be entitled to oversee the construction of any Alterations that may affect the structure of the Building or any of the mechanical, electrical, plumbing or life safety systems of the Building. If Landlord elects to oversee such work, Landlord shall be entitled to receive a fee for such oversight in an amount equal to five percent (5%) of the cost of such Alterations. Tenant shall promptly pay when due the cost of all work in connection with any Alterations, and all supervising fees, and upon completion of the Alterations, Tenant shall deliver to Landlord evidence of payment and full and final waivers of all liens for labor, services or materials. Except to the extent caused by Landlord's gross negligence or wilful misconduct, Tenant shall indemnify, defend and hold Landlord and its partners and their respective officers, shareholders, directors, agents and employees harmless from all claims, causes of action, liabilities, losses, costs, damages, liens and expenses related to any Alterations, whether performed by or under the direction of Landlord, and whether performed in compliance with this Section 11 or any other conditions imposed by Landlord.

12. CERTAIN RIGHTS RESERVED BY LANDLORD. Landlord shall have the following rights, exercisable without notice (except as expressly provided below) and without liability to Tenant for damage or injury to property, person or business, and without effecting an eviction, constructive or actual, or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for set-off or abatement of Rent:

- (a) Intentionally deleted;
- (b) To install, affix and maintain any and all signs within and on the exterior of the Building and on the Land;
- (c) To show the Premises to prospective tenants at reasonable hours during the last four (4) months of the Term and, if vacated, to prepare the Premises for re-occupancy, and to show the Premises to prospective purchasers and lenders of the Building at reasonable hours upon reasonable prior verbal notice at any time during the Term;
- (d) To retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises. No locks shall be changed without the prior written consent of Landlord;
- (e) To decorate or to make repairs, alterations, additions, or improvements, whether structural or otherwise, in and about the Building or the Property, or any part thereof, and for such purposes

to enter upon the Premises upon reasonable prior verbal notice (except in an emergency, in which case no notice shall be necessary), and during the continuance of any such work, to temporarily close roads, drives, doors, entryways, public space and corridors in the Building or on the Property, and to interrupt or suspend temporarily Building services and facilities, all without abatement of Rent or affecting any of Tenant's obligations hereunder, so long as the Premises are reasonably accessible;

(f) To have and retain a paramount title to the Premises free and clear of any act of Tenant purporting to burden or encumber it;

(g) To grant to anyone the exclusive right to conduct any business or render any service in or to the Property, provided such exclusive right shall not operate to exclude Tenant from the Permitted Use; and

(h) To approve the location of equipment and articles in and about the Premises and the Building so as not to exceed the legal live load.

13. COVENANT AGAINST LIENS. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen to be placed against the Property or the Premises, and in the case of any such lien attaching, to pay off and remove or bond over any such lien to Landlord's satisfaction within fifteen (15) days after the filing thereof. If any such lien attaches, and Tenant fails to remove or bond over such lien to Landlord's satisfaction within said 15-day period, Landlord may, but shall not be obligated to, pay the amount necessary to remove such lien without being responsible for making an investigation as to the validity or accuracy thereof, and the amount so paid, together with all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Landlord in connection therewith, shall be deemed additional rent hereunder, payable upon demand.

14. WAIVERS AND INDEMNITIES.

14.1 Waiver. To the extent not expressly prohibited by law, Tenant waives all claims it may have against Landlord and its partners, and their respective officers, shareholders, directors, agents and employees for any damage to person or property or loss of business due to the Property, the Premises or any part of either thereof or any appurtenances thereto or improvements thereon not being in good condition or becoming out of repair, or due to the happening of any accident in or about the Property or the Premises or due to any act or neglect of any tenant or occupant of the Property or of any other person, including Landlord and its partners, and their respective officers, shareholders, directors, agents and employees. This provision shall apply particularly (but not exclusively) to damage caused by water, snow, frost, steam, sewage, gas, faucets and plumbing fixtures, and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause of an entirely different kind. Tenant further agrees that all Tenant Property upon the Premises shall be there at the risk of Tenant only, and that Landlord shall not be liable for any damage thereto or theft thereof.

14.2 Indemnification.

(a) To the fullest extent not expressly prohibited by law, Tenant agrees to hold Landlord, the Additional Insureds (defined below), and each of their respective members, managers, partners, officers, shareholders, directors, agents and employees, harmless and to indemnify each of them against loss, cost, damage, claims and liabilities, including, but without limitation, reasonable attorneys' fees and costs of litigation, for injuries to all persons and damage to or theft or misappropriation or loss of property occurring in or about the Premises or the Property arising from Tenant's occupancy of the Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Tenant in or about the Premises or the Property or from the condition of the Premises (including any vice or defect), or from any breach or Default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or due to any other act or omission of Tenant, its agents, contractors, invitees, licensees or employees, but only to the extent of Landlord's liability, if any, in excess of amounts, if any, paid to Landlord under insurance covering such claims or liabilities. Tenant's obligation to indemnify Landlord hereunder shall include the duty to defend against any claims asserted by reason of any such claims or liabilities and to pay any judgments, settlements, costs,

fees and expenses, including attorneys' fees, incurred in connection therewith. The provisions of this paragraph shall survive the expiration or termination of this Lease.

(b) To the fullest extent not expressly prohibited by law, Landlord agrees to hold Tenant and its members, managers, partners, officers, shareholders, directors, agents and employees, harmless and to indemnify each of them against loss, cost, damage, claims and liabilities, including, but without limitation, reasonable attorneys' fees and costs of litigation, for injuries to all persons and damage to or theft or misappropriation or loss of property of third persons occurring in or about the Property arising from any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of Landlord to be performed pursuant to the terms of this Lease, or from the negligence or willful misconduct of Landlord or any employee or agent of Landlord, but only to the extent of Tenant's liability, if any, in excess of amounts, if any, paid to Tenant under insurance covering such claims or liabilities. Landlord's obligation to indemnify Tenant hereunder shall include the duty to defend against any claims asserted by reason of any such claims or liabilities and to pay any judgments, settlements, costs, fees and expenses, including attorneys' fees, incurred in connection therewith. The provisions of this paragraph shall survive the expiration or termination of this Lease.

14.3 No Implicit Waivers. No waiver of any condition expressed in this Lease shall be implied by any neglect of Landlord to enforce any remedy on account of the violation of such condition if such violation be continued or repeated subsequently, and no express waiver shall affect any condition other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of moneys by Landlord from Tenant after the termination in any way of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given to Tenant prior to the receipt of such moneys, it being agreed that after the service of notice of the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

15. DEFAULTS AND LANDLORD'S REMEDIES.

15.1 Defaults. It shall be a default (any of the following being a "Default") of Tenant under this Lease if: (i) default shall be made in the payment of Rent or any installment thereof or in the payment of any other sum required to be paid by Tenant under this Lease or by any Guarantor under any guaranty of Tenant's obligations hereunder, or under the terms of any other agreement between Landlord and Tenant or any Guarantor, and such default shall continue for five (5) days following the date when due; or (ii) default shall be made in the performance of any of the other covenants or conditions which Tenant or any Guarantor is required to observe and perform under this Lease or under any guaranty, and such default shall continue for fourteen (14) days after notice to Tenant (unless such default shall give rise to a hazardous condition requiring an immediate cure, in which case, no notice is necessary and Tenant must cure such default immediately); provided, however, that Landlord shall not be entitled to exercise its remedies on account of any default described in this clause (ii) if (a) such default cannot reasonably be cured within fourteen (14) days, (b) Tenant commences to cure such default within said 14-day period and thereafter diligently and continuously proceeds with such cure, and (c) Tenant cures such default within a reasonable period of time not to exceed sixty (60) days after Landlord's notice of such default; or (iii) the interest of Tenant in this Lease is levied on under execution or other legal process; or (iv) an Event of Bankruptcy occurs; or (v) Tenant or any Guarantor dissolves or ceases to exist; or (vi) Tenant shall abandon or vacate the Premises during the Term; or (vii) Tenant is in default, beyond any applicable notice and cure period, under any other agreement between Tenant and Landlord.

15.2 Landlord's Remedies. Upon a Default under this Lease, Landlord at its option may, without notice or demand of any kind to Tenant or any other person (except as provided herein), exercise any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity:

(a) Upon five (5) days' prior written notice, Landlord may terminate this Lease and the Term created hereby, in which event Landlord may forthwith repossess the Premises and be entitled to recover forthwith as damages a sum of money equal to all Rent accrued and unpaid for the period up to and including the date of termination, plus as final and liquidated damages (and not as a penalty), Landlord's reasonable estimate of the amount of Rent that would be payable from the date of such termination through the balance of the scheduled Term, less the fair rental value of the Premises for said period (taking into

consideration the time to relet the Premises, and taking into consideration and reducing said fair rental value by, the cost of reletting and retrofitting the Premises to the condition as of the Commencement Date), plus any other sum of money and damages owed by Tenant to Landlord.

(b) Landlord may terminate Tenant's right of possession and may repossess the Premises by forcible entry or detainer suit or otherwise, without terminating this Lease, in which event Landlord may, but shall be under no obligation to, relet the Premises for the account of Tenant, for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate and make any repairs, changes, alterations, or additions in or to the Premises that may be necessary or appropriate, and Tenant shall, upon written demand, pay the cost thereof. If Landlord shall fail or refuse to relet the Premises, or if the Premises are relet and a sufficient sum shall not be realized from such reletting to pay all of the costs and expenses (i) of such decoration, repairs, changes, alterations and additions, (ii) of such reletting (including, without limitation, all brokerage, advertising, and legal expenses), and (iii) of the collection of the rent accruing therefrom, and to satisfy the Rent provided for in this Lease, then Tenant shall pay to Landlord as damages a sum equal to the amount of the Rent reserved in this Lease for such period or periods, or, if the Premises have been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time. Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this paragraph (b) from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

(c) Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, including recovery of all moneys due or to become due from Tenant under any of the provisions of this Lease.

(d) Landlord may perform the obligation which is the subject of such Default for the account and at the expense of Tenant. All costs incurred by Landlord in performing such obligation, plus an administrative fee equal to five percent (5%) of such costs shall be due from Tenant upon demand.

(e) Tenant shall pay on demand all of Landlord's costs, charges and expenses, including court costs and attorneys' fees, incurred in enforcing Tenant's obligations under this Lease, incurred by Landlord in any action brought by Tenant in which Landlord is the prevailing party, or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

16. SURRENDER OF POSSESSION.

16.1 Condition of Premises. Except for the items set forth in the list provided by Tenant to Landlord pursuant to Section 8 hereof, upon the expiration or earlier termination of this Lease, or upon the termination of Tenant's right to possess the Premises (collectively, "Lease Termination"), Tenant shall remove all of the Tenant Property, surrender possession of the Premises to Landlord in accordance with the Move-Out Standards set forth in Exhibit D to this Lease, deliver all keys to the Premises to Landlord, and return to Landlord the Premises and all equipment and fixtures of Landlord in as good condition as when Tenant originally took possession, ordinary wear and tear, loss or damage by fire or other insured casualty, and damage resulting from the acts of Landlord or any of its employees and agents excepted, failing which Landlord may restore the Premises and such equipment and fixtures to such condition and Tenant shall pay the cost thereof to Landlord on demand. All Alterations, whether temporary or permanent in character, made by Landlord or Tenant in or upon the Premises shall become Landlord's property, and unless Landlord requests their removal, shall remain upon the Premises at Lease Termination without compensation to Tenant, excepting, however, any Tenant Property that may be removed without permanent structural damage to the Building. If any Tenant Property is removed from the Premises, Tenant shall repair any damage caused by such removal, and shall restore the Premises to the condition existing prior to the installation thereof. If Tenant does not remove any Alteration or the Tenant Property upon Lease Termination as required herein, then at Landlord's election: (i) Tenant shall be conclusively presumed to have conveyed the same to Landlord under this Lease as a bill of sale without payment or credit by Landlord, or (ii) Tenant shall be

conclusively presumed to have forever abandoned such property, and without accepting title thereto, Landlord may, at Tenant's expense, remove, store, destroy, discard or otherwise dispose of all or any part thereof without incurring liability to Tenant or to any other person, and Tenant shall pay Landlord upon demand the costs and expenses incurred in taking such actions. Tenant's obligations under this Section 16.1 shall survive the expiration or earlier termination of the Term of this Lease.

16.2 Holding Over. If Tenant retains possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise, or after a termination of Tenant's right to possess the Premises, then such occupancy shall be that of a tenancy at sufferance. Tenant shall, throughout the entire holdover period, be subject to all the terms and provisions of this Lease and shall pay for its use and occupancy an amount (on a per month basis without reduction for any partial months during any such holdover) equal to one hundred fifty percent (150%) of the Base Rent and Additional Rent due under this Lease for the last full month of the Term hereof during such holdover. No holding over by Tenant or payments of money by Tenant to Landlord after the expiration of the Term shall be construed to extend the Term or prevent Landlord from recovery of immediate possession of the Premises by summary proceedings or otherwise. Tenant shall also be liable to Landlord for all direct and consequential damages which Landlord may suffer by reason of any holding over by Tenant.

17. INSURANCE.

17.1 Waiver of Subrogation. Landlord and Tenant each hereby waive all claims against the other for loss of or damage to the Property or Premises or to the contents thereof, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Inasmuch as this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant each agree to give each insurance company which has issued, or in the future may issue, to it policies of fire and extended coverage insurance, written notice of the terms of this mutual waiver, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver.

17.2 Tenant's Insurance. Tenant shall carry insurance during the entire Term insuring Tenant and Landlord and their respective agents and employees, and any other parties designated by Landlord from time to time (including, without limitation, any Mortgagee) as their interests may appear, with terms, coverages and in companies satisfactory to Landlord, and with such increases in limits as Landlord may from time to time request, but initially Tenant shall maintain the following coverages in the following amounts:

(a) Comprehensive or Commercial General Liability insurance, with limits for bodily injury or personal injury to or death of any person, or more than one (1) person, or for damage to property in an amount of not less than \$3,000,000.00 per occurrence/\$5,000,000.00 general aggregate. The coverage amounts may be provided through an umbrella or excess liability policy. The Comprehensive or Commercial General Liability policy shall include Landlord, Landlord's management agent and any Mortgagee designated by Landlord from time to time (collectively, the "Additional Insureds") as additional insureds on a primary and non-contributory basis to any insurance carried by Landlord, Landlord's management agent and any Mortgagee.

(b) Insurance against "all risks" of physical loss for the full insurable replacement value of the initial condition of the Premises (including, without limitation, the Improvements) and all Alterations, and of all furniture, trade fixtures, equipment, merchandise and all other items of Tenant Property on the Premises, including any property of Landlord.

(c) Worker's Compensation insurance in amounts required by the State of Illinois, including Voluntary Compensation, including Employer's Liability insurance in an amount not less than \$1,000,000.00 each accident / each employee / policy limit, with the insurance policies required under this clause (c) to be endorsed to waive the insurance carriers' right of subrogation.

(d) Automobile Liability insurance with limits for bodily injury or personal injury to or death of any person, or more than one (1) person, or for damage to property in an amount of not less than \$1,000,000.00 combined single limit, including Employer's Owned, Non-Owned and Hired Car coverage.

(e) Business Income insurance (which will insure payment of Tenant's Rent obligations hereunder for at least twelve (12) months).

(f) Liquor Liability in an amount not less than \$1,000,000.00 per occurrence and \$1,000,000.00 in the annual aggregate if Lessee is in the business of serving and/or distributing alcohol for sale. The Additional Insureds will be added as additional insureds under the policy on a primary and non-contributory basis.

(g) Umbrella/Excess liability in an amount not less than \$3,000,000 per occurrence and \$3,000,000.00 in the aggregate. Coverage will follow form to underlying Commercial General Liability, Employer's Liability, Automobile Liability and (if applicable) Liquor Liability. In addition, such policy must be endorsed to provide that this insurance is primary to, and non-contributory with, any other insurance in which the Additional Insureds are an insured, whether such other insurance is primary, excess, self-insurance, or insurance on any other basis. The policy must cause the umbrella/excess coverage to be vertically exhausted, whereby such coverage is not subject to any "Other Insurance" provision under Tenant's umbrella/excess liability policy. The limits of liability may be satisfied by a combination of primary and excess liability insurance.

17.3 Evidence of Insurance. Prior to the Commencement Date, Tenant shall furnish to Landlord certificates of insurance evidencing such coverage, which certificates shall state that such insurance coverage may not be reduced, cancelled or not renewed without at least thirty (30) days' prior written notice to Landlord and Tenant (unless such cancellation is due to non-payment of premium, and, in that case, only ten (10) days' prior written notice shall be sufficient). Each insurance policy required to be carried by Tenant shall name Tenant as named insured and the Additional Insureds as additional insureds as their respective interests may appear on a primary and non-contributory basis. Tenant's insurance shall be primary and non-contributory. All certificates of insurance hereunder shall include the following information, in addition to any other Additional Insureds:

- <u>Property:</u>	905 Lakeside Drive, Gurnee, Illinois 60031
- <u>Certificate Holder/Owner:</u>	VK 905 LAKESIDE, LLC
- <u>Manager of Owner:</u>	VK Industrial V, GP
- <u>Management Agent:</u>	Venture One Real Estate, LLC
- <u>Member:</u>	VK Industrial V Holdings, LLC
- <u>Other Insured:</u>	VK Industrial V, LP

In the event Tenant fails to timely deliver any certificates of insurance or renewals of insurance coverage as provided above, and Landlord notifies Tenant of such noncompliance, Tenant shall pay Landlord an administrative fee in the amount of \$50.00 per day for each day Tenant fails to comply with Landlord's request commencing on the seventh (7th) business day following Landlord's notice of noncompliance.

17.4 Landlord's Insurance. Landlord shall procure and maintain: (a) policies of insurance covering loss or damage to the Property in an amount equal to the full replacement cost of the Building, including the Improvements in the Premises, which shall provide protection against loss by fire and other all-risk casualties, and (b) commercial general liability insurance applicable to the Building and the Common Areas, providing a minimum limit of \$3,000,000.00 per occurrence, and (c) such other policies of insurance as Landlord shall reasonably determine. The coverage amounts may be provided through an umbrella or excess liability policy. Any insurance provided for in this Section 17.4 may be maintained by means of a policy or policies of blanket insurance covering additional items or locations. If Tenant causes any increase in the cost of insurance on the Premises or the Property, then Tenant shall pay to Landlord the amount of such increase as additional rent.

18. FIRE OR CASUALTY. If the Premises or the Building (including machinery or equipment used in the operation of the Building) shall be destroyed or damaged by fire or other cause and if the Premises or Building may be repaired and restored within two hundred seventy (270) days after such damage, then Landlord shall, to the extent

insurance proceeds are actually made available to Landlord for purposes of repair and restoration, repair and restore same with reasonable promptness; provided, however, that Landlord shall only be obligated to repair or restore any improvements made to the Premises (including, without limitation, the Tenant Improvements or any Alterations) to the extent that (i) Landlord paid for the initial construction of such improvements (either directly or through an allowance granted to Tenant), and (ii) Landlord receives the insurance proceeds related to such improvements under the insurance described in clause (b) of Section 17.2 hereof. Tenant agrees to execute all documents and take all actions necessary to make the insurance proceeds described in clause (ii) of the immediately preceding sentence available to Landlord for the repair and restoration of the Premises. Notwithstanding anything contained herein to the contrary, if the Premises or the Building are substantially damaged or destroyed during the last twelve (12) months of the Term, either Landlord or Tenant shall have the right to terminate this Lease as of the date of the fire or other casualty by giving notice to the other within thirty (30) days after the date of the fire or casualty, in which event, Rent shall be apportioned on a per diem basis and paid to the date of such fire or casualty. Notwithstanding anything contained herein to the contrary, if such damage renders the Premises untenantable in whole or in part and cannot reasonably be repaired and restored within two hundred seventy (270) days, or if sufficient insurance proceeds are not made available to Landlord for repair or restoration and Landlord elects to not obtain or provide alternative financing, or if Landlord elects to demolish the Building or cease its operation, then either party shall have the right to cancel and terminate this Lease as of the date of such damage upon giving notice to the other party at any time within ninety (90) days after such damage shall have occurred. In the event any fire or casualty renders the Premises untenantable, in whole or in part, and if this Lease shall not be terminated by reason of such damage, then Rent shall abate during the period beginning with the date of such fire or other casualty and ending with the date when the Premises are again rendered tenantable, by an amount bearing the same ratio to the total amount of Rent for such period as the untenantable portion of the Premises bears to the entire Premises. Notwithstanding anything contained herein to the contrary, if any fire or other casualty is caused by the act or neglect of Tenant or its agents or employees, Tenant shall not be entitled to terminate this Lease on account of such fire or other casualty, and Rent shall only abate to the extent Landlord actually recovers rent loss insurance proceeds specifically allocated to the Rent due under this Lease.

19. CONDEMNATION. If the whole or any part of the Premises or the Building or any substantial portion of the parking area on the Land shall be taken or condemned by any competent authority for any public use or purpose or if any adjacent property or street shall be condemned or improved in such a manner as to require the use of any part of the Premises or of the Building or such parking area, the Term, at the option of Landlord, shall end upon the date when the possession of the part so taken shall be required for such use or purpose, and current Rent shall be apportioned as of the date of such termination. Tenant shall have no right to any apportionment of or share in any condemnation award or judgment for damages made for the taking of any part of the Premises or the Property but may seek its own award for loss of or damage to Tenant's business or its property resulting from such taking, provided that such an award to Tenant does not in any way diminish the award payable to Landlord on account of such taking.

20. NOTICES. All notices to be given by one party to the other under this Lease shall be in writing (except as expressly provided herein to the contrary), mailed, sent by overnight courier, hand delivered, sent by facsimile transmission, or sent electronically by e-mail transmission as follows:

(a) To Landlord: at the address set forth in Section 1.5 above, or to such other person or at such other address or to such other facsimile telephone number designated by notice sent to Tenant, and during the Term with a copy to the address to which Rent is then being paid under this Lease.

(b) To Tenant: at the address or to the facsimile telephone number set forth in Section 1.3 above, and during the Term at the Premises or to such other address or facsimile telephone number designated by notice to Landlord.

Mailed notices shall be sent by United States certified or registered mail, postage prepaid. Mailed notices shall be deemed to have been given two (2) business days after posting in the United States mails. Notices sent by overnight courier shall be deemed to have been given one (1) business day after delivery to the overnight courier, notices which are hand delivered shall be deemed to have been given on the day tendered for delivery, and notices sent by facsimile transmission or electronically by e-mail transmission shall be deemed to have been given on the day and at the time transmitted.

21. ADDITIONAL COVENANTS OF TENANT. Tenant hereby covenants and agrees to comply with, and to cause its employees, agents, clients, customers, invitees and guests to comply with, the following provisions:

(a) Any sign, lettering, picture, notice, or advertisement installed within the Premises shall be installed at Tenant's cost and in compliance with all Laws. Without obtaining Landlord's prior, written consent (which consent may not be unreasonably withheld by Landlord) no sign, lettering, picture, notice or advertisement may be placed on any portion of the Premises which is visible from outside the Premises.

(b) Tenant shall not advertise the business, profession or activities of Tenant in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto, or use the name of the Building for any purpose other than for identifying Tenant's business address, or use the name of the business park, as it may from time to time be known, in which the Building is located, or use any picture or likeness of the Building in any letterheads, envelopes, circulars, notices, advertisements, containers or wrapping material, without Landlord's prior consent in writing.

(c) Tenant shall not place any satellite dish or antenna on the roof of the Building or on any other part of the Property other than inside the Premises, or operate or permit to be operated any musical or sound producing instrument or device inside or outside the Premises which may be heard outside the Premises. Tenant shall not make noises, cause disturbances or vibrations or use or operate any electrical or electronic devices or other devices that emit sound or other waves or disturbances, or create odors, any of which may be offensive to other tenants and occupants of the Building or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the Building or elsewhere.

(d) Tenant shall not obstruct sidewalks or entrances in and about the Property. Tenant shall not place objects against doors or windows which would be unsightly from the exterior of the Building, and will promptly remove same upon notice from Landlord. Tenant shall store and dispose of refuse as directed by Landlord, including, without limitation, storing and disposing of all refuse in a neat and clean condition so as not to be visible to members of the public and so as not to create any health or fire hazard. In no event shall Tenant burn any refuse at any time in the Premises or on or about the Property. Tenant shall not: (i) leave or store any pallets on or around the loading docks, parking areas or anywhere on the Property outside of the Premises or park any truck trailers in the parking areas on the Land for any purpose (including, without limitation, storage purposes, temporary or permanent); or (ii) store any boxes, materials, goods or equipment anywhere on the Property outside of the Premises. Tenant acknowledges that any loading docks serving the Premises are shared with other tenants in the Building. As such, Tenant agrees that any loading dock serving the Premises shall be used only for loading and unloading purposes, and trucks or other vehicles may only be parked at the loading dock during periods of loading and unloading activity.

(e) Tenant shall not make any room-to-room canvass to solicit business from other tenants in the Building, and shall not exhibit, sell or offer to sell, use, rent or exchange any item or service in or from the Premises unless expressly included within the Permitted Use.

(f) Tenant shall not waste electricity or water and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning systems, and shall not adjust any controls other than room thermostats installed for Tenant's use or take any action which could jeopardize the warranties covering the heating, ventilating and air conditioning systems.

(g) Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises (including, without limitation, truck docks) closed and secured.

(h) Peddlers, solicitors and beggars shall be reported promptly to Landlord.

(i) Tenant shall not install or operate machinery or any mechanical devices of a nature not directly related to the Permitted Use without the written permission of Landlord.

(j) Tenant shall comply with all covenants, conditions and restrictions of record encumbering or relating to the Property or any portion thereof (including, without limitation, any declaration of covenants, conditions, restrictions and easements encumbering the business park in which the Property is located), and with all rules and regulations issued from time to time by the Association or by Landlord.

(k) Tenant will not in any manner deface or injure the Property or any part thereof or overload the floors of the Premises.

(l) Tenant will not use the Premises for lodging or sleeping purposes or for any immoral or illegal purposes.

(m) Tenant shall not at any time manufacture, sell, use or give away, and shall not at any time permit the manufacture, sale, use or gift of any spirituous, fermented, intoxicating or alcoholic liquor on the Premises or Property. Tenant shall not at any time sell, purchase or give away, or permit the sale, purchase or gift of, food in any form by or to any of Tenant's agents or employees or any other parties on the Premises or Property.

(n) In no event shall Tenant permit on the Property flammables or explosives or any other article of an intrinsically dangerous nature. If by reason of Tenant's failure to comply with the provisions of this Section, any insurance coverage is jeopardized or insurance premiums are increased, in addition to all other rights and remedies available to Landlord upon a Default by Tenant under this Lease, Landlord shall have the right to require Tenant to make immediate payment of the increased insurance premium, if any.

(o) Door keys for doors in the Premises will be furnished at the commencement of the Term by Landlord. Tenant shall not affix additional locks on doors and shall purchase duplicate keys only from Landlord. At the end of the Term or upon a termination of Tenant's right of possession, Tenant shall return all keys to Landlord and will disclose to Landlord the combination of any safes, cabinets or vaults left in the Premises.

(p) Tenant shall retain, at Tenant's sole cost and expense, pest extermination services to control pests in the Premises when necessary, such service providers shall be subject to the reasonable approval of Landlord.

22. ESTOPPEL CERTIFICATES; MORTGAGE ISSUES.

22.1 Estoppel Certificates. Tenant agrees that from time to time upon not less than ten (10) days prior request by Landlord or any Mortgagee, Tenant will deliver to Landlord or such Mortgagee an estoppel certificate substantially in the form of Exhibit C attached hereto and made a part hereof or in such other form as Landlord or such Mortgagee may request. In the event Tenant fails or refuses to deliver any such certificate within said 10-day period, in addition to all other rights and remedies available under this Lease, at law or in equity upon a Default by Tenant under this Lease: (i) Tenant hereby appoints Landlord as attorney-in-fact for Tenant with full power and authority to execute and deliver in the name of Tenant any such certificate, and (ii) Tenant shall be deemed to have accepted, agreed with and certified to, each of the statements set forth in any such certificate.

22.2 Subordination and Attornment. Landlord may sell the Land and become the tenant under a ground or underlying lease of the Land and this Lease and all rights of Tenant hereunder will then be subject and subordinate to such underlying lease and any extensions or modifications thereof. This Lease and all of Tenant's rights hereunder shall also be subject and subordinate to any mortgage or mortgages (and the liens thereof) now or at any time hereafter in force against the Building, the Land and/or the underlying leasehold estate, and to all advances made or hereafter to be made upon the security thereof. Tenant shall execute such further instruments subordinating this Lease to any such mortgage or mortgages as Landlord from time to time may request on such Mortgagee's then

current standard form of agreement. If Tenant fails or refuses to deliver any such instruments within ten (10) days after request by Landlord, in addition to all other rights and remedies available under this Lease, Tenant hereby appoints Landlord as attorney-in-fact for Tenant with full power and authority to execute and deliver in the name of Tenant any such instrument. Tenant covenants and agrees that, if by reason of any default on the part of Landlord as tenant under said underlying lease, or as the mortgagor under any mortgage to which this Lease is subject and subordinate, said underlying lease is terminated or such mortgage is foreclosed by summary proceedings, voluntary agreement or otherwise, Tenant, at the election of the landlord under said underlying lease or the owner of such mortgage, as the case may be, will attorn to and recognize such landlord or mortgage owner as the "Landlord" under this Lease. Tenant further agrees to execute and deliver at any time upon request of Landlord, any Mortgagee or any party which shall succeed to the interest of Landlord as tenant under said underlying lease, any instrument to evidence such attornment. Tenant waives the provision of any law now or hereafter in effect which may give to Tenant any right of election to terminate this Lease or to surrender possession of the Premises in the event any proceeding is brought by the landlord under said underlying lease or the owner of such mortgage to terminate said underlying lease or foreclose such mortgage. At the election of the owner of any such mortgage (expressed in a document signed by such owner), such owner may make all or some of Tenant's rights and interests in this Lease superior to any such mortgage and the lien thereof. If Tenant fails to deliver any agreement or certificate required by this Section 22 within three (3) business days after receipt of a second request from Landlord, then Tenant shall pay Landlord, as additional rent, a \$100 per day penalty from the end of the three business-day period until the date such certificate or agreement is signed and received by Landlord.

22.3 Notices to Mortgagees. Tenant agrees to give any Mortgagee, by certified mail, a copy of any notice of default served upon Landlord. Tenant further agrees that if Landlord shall have failed to cure such default, then such Mortgagee shall have an additional thirty (30) days within which to cure such default, or if such default cannot reasonably be cured by such Mortgagee within thirty (30) days, such Mortgagee shall have such additional time as may be necessary to cure such default (including, without limitation, time necessary to obtain possession of the Property if possession is necessary to cure such default), and Tenant shall not pursue any remedies it may have for such default and this Lease shall not be terminated, while such cure is being diligently pursued.

22.4 Quiet Possession. Upon payment by Tenant of the Rent due hereunder, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, always subject, however, to the terms and conditions of this Lease.

23. MISCELLANEOUS.

23.1 Definition of Landlord. Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder and in the Building and Property, and in such event this Lease shall not be affected by any such transfer, assignment, conveyance or sale, and Tenant hereby attorns to the transferee, purchaser, grantee or assignee. For purposes of this Lease, Landlord shall mean Landlord hereinabove named, except that in the event of any sale or other transfer of the Property or the Building, the seller or transferor (and the beneficiaries of any selling or transferring land trust) shall be and hereby is and are entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder accruing from and after the effective date of such transfer, and without further agreement between the parties and the purchaser or transferee on any sale or transfer, such purchaser or transferee shall be deemed and held to have assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder accruing from and after the effective date of such sale or transfer.

23.2 Real Estate Brokers. Tenant represents that Tenant has dealt with no broker in connection with this Lease other than the Brokers, and that insofar as Tenant knows, no other broker or finder negotiated this Lease or is entitled to any fee or commission in connection herewith. Tenant agrees to indemnify, defend and hold Landlord and its partners and their respective officers, shareholders, directors, agents and employees free and harmless from and against all claims for broker's commissions or finder's fees by any person or entity claiming to have represented or procured by, or to have been engaged by, Tenant in connection with this transaction other than the Brokers. Landlord represents that Landlord has dealt with no broker in connection with this Lease other than the Brokers and that insofar as Landlord knows, no other broker or finder negotiated this Lease or is entitled to any fee

or commission in connection herewith. Landlord agrees to indemnify, defend and hold Tenant free and harmless from and against all claims for broker's commissions or finder's fees by any person claiming to have represented or to have been engaged by Landlord in connection with this transaction. The parties hereby acknowledge that members of Landlord entity are licensed real estate brokers or salespeople in the State of Illinois. Landlord shall pay any commission due to the Brokers identified in Section 1.13 per separate agreement.

23.3 Cumulative Remedies. All rights and remedies of Landlord under this Lease shall be cumulative, and none shall exclude any other rights and remedies allowed by law.

23.4 Default Interest. All payments becoming due under this Lease shall be considered as Rent, and if any such payments remain unpaid for more than five (5) days after the date when due, such payments shall bear interest from the date when due until the date paid at a rate of interest per annum equal to six percent (6%) in excess of the rate announced or published from time to time by BMO Harris Bank at its office in Chicago, Illinois as its prime or equivalent base rate of interest adopted as a general benchmark from which BMO Harris Bank determines the floating interest rates chargeable on various loans to borrowers from time to time. Landlord's right to receive such interest shall not, in any way, limit any of Landlord's other remedies under this Lease or at law or equity.

23.5 Grammatical Interpretation. The word "Tenant" wherever used herein shall be construed to mean Tenants in all cases where there is more than one Tenant, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed. If more than one person or entity is named as Tenant, the obligations imposed upon each shall be joint and several and the act of or notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, termination or modification of this Lease.

23.6 Successors and Assigns. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit, not only of Landlord and of Tenant, but also of their respective heirs, legal representatives, successors and assigns, provided this clause shall not permit any assignment contrary to the provisions of Section 10 hereof.

23.7 No Oral Modifications. All of the representations and obligations of Landlord are contained herein, and no modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon Landlord unless contained in a writing signed by Landlord or by a duly authorized agent of Landlord empowered by a written authorization signed by Landlord. Except as provided in this Lease, in entering into this Lease, Tenant has not relied on any representation, warranty, promise or statement, express or implied, of Landlord, or anyone acting for or on behalf of Landlord.

23.8 Irrevocable Offer; No Option. This Lease shall become effective only upon execution thereof by both parties and delivery thereof to Tenant. This Lease may be executed and delivered in one or more counterparts, each of which when fully executed and delivered shall constitute an original, fully enforceable agreement. In addition, a signed counterpart of this Lease transmitted by facsimile or electronically by e-mail transmission shall have the same force and effect as an original counterpart thereof signed and delivered by, or on behalf of, such party.

23.9 No Air Rights. No rights to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.

23.10 Intentionally Deleted.

23.11 Landlord's Title. Landlord's title to the Property is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord to the Property.

23.12 Recording Prohibited. Neither this Lease, nor any memorandum, affidavit or other writing with respect hereto, shall be recorded in any public record by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.

23.13 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party, to create the relationship of principal and agent, partnership, joint venture or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of lessor and lessee.

23.14 Limitation of Liability. Any claim against, or liability or obligation of, Landlord under this Lease or relating to the Property or the Premises shall be limited solely to and satisfied solely from the interest of Landlord in the Property, and no manager, member, partner or shareholder in Landlord, or manager, member, partner or shareholder in a manager, member, partner or shareholder, shall be individually or personally liable for any claim arising out of this Lease or relating to the Property or the Premises. A deficit capital account of any such manager, member, partner or shareholder shall not be deemed an asset or property of Landlord. In no event shall Landlord be liable for consequential, reliance, speculative or punitive damages as a result of a breach or default under or otherwise in connection with this Lease.

23.15 Excuse for Non-Performance. Except as expressly provided to the contrary in this Lease, this Lease and Tenant's obligation to pay Rent hereunder and to perform all of Tenant's covenants and agreements hereunder shall not be impaired or affected, and Landlord shall not be in default hereunder, if Landlord is unable to fulfill any of its obligations under this Lease because of any Events of Force Majeure.

23.16 Late Charge. If any payment or installment of Rent owed by Tenant under this Lease is not paid when due, in addition to the amounts due under Section 23.4 hereof, Tenant shall pay, as a late charge, an amount equal to the greater of \$100.00 or five percent (5%) of the amount overdue for each and every thirty (30) day period or portion thereof that said amount remains unpaid.

23.17 Waiver of Trial by Jury. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Premises or any claim of injury or damage and any emergency statutory or any other statutory remedy. If Landlord commences any summary proceeding for nonpayment of Rent, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding.

23.18 Financial Statements. Within ten (10) days after the written request of Landlord, Tenant shall furnish Landlord with Tenant's and Guarantor's, if any, current annual financial statements, provided however, that (a) Tenant shall not be required to furnish such financial statements if and to the extent the required information is publicly available, and (b) Tenant shall not be required to furnish such financial statements more than twice in any calendar year.

23.19 Riders and Exhibits. All exhibits and riders attached to this Lease are made a part hereof and are incorporated herein by reference.

23.20 Authority. Tenant (a) represents and warrants to Landlord that this Lease has been duly authorized, executed and delivered by and on behalf of Tenant and constitutes the valid and binding agreement of Tenant in accordance with the terms hereof, and (b) if Landlord so requests, shall deliver to Landlord or its agent, concurrently with the delivery of this Lease executed by Tenant, certified resolutions of the board of directors (and shareholders, if required) authorizing Tenant's execution and delivery of this Lease and the performance of Tenant's obligations hereunder.

23.21 OFAC Representation. Tenant certifies that (i) it is not, and is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specifically Designated National and Blocked Person," or other banned or blocked person, entity, nation pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (ii) it is not engaged in this transaction, directly or indirectly, on behalf of or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages,

losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

23.22. Tax Incentive Cooperation. In the event that the Property is subject to, or if Landlord is applying for the Property to be subject to, a real estate tax incentive program offered by the applicable governmental authorities, then upon Landlord's request, Tenant shall timely prepare and submit affidavits, reports, information and any other documentation that the applicable governmental authority requires or desires in order to implement and/or preserve the incentives and benefits to be provided under the tax incentive program. In addition, Tenant shall at all times comply with the incentive requirements to the extent applicable to a tenant's business operations in the Property. Each party shall, if so requested by the other, reasonably cooperate to preserve the confidentiality of any privileged or confidential information contemplated under this paragraph.

23.23 Guaranty. As further security for the prompt, full and faithful performance of each and every obligation of Tenant hereunder, said obligations have been guaranteed by the Guarantor described in Section 1.14 of this Lease, if any, pursuant to a separate Guaranty executed as of even date herewith.

24. PARKING AND SIGNAGE.

24.1 Parking. Tenant, and its employees, guests and invitees, shall have the non-exclusive right to use in common with the other tenants of the Building the parking spaces on the Property free of charge during the Term of the Lease, but not in not to exceed Tenant's Proportionate Share of the parking spaces in the parking lot serving the Building. Landlord reserves the right to restrict Tenant's use of any parking spaces if Landlord reasonably determines that Tenant is using an excessive number of spaces in proportion to the rentable area of the Building leased to Tenant. Tenant's parking rights are in common with the parking rights of any other tenant of the Building, and Tenant is not entitled to any reserved parking spaces. Tenant's parking rights are the personal rights of Tenant, and Tenant shall not transfer, assign or otherwise convey its parking rights separate and apart from this Lease. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties. Landlord shall not be liable for any claims, losses, damages, expenses or demands with respect to any vehicles of Tenant or its employees that are parked in the parking area, or with respect to the contents thereof, or with respect to any injury to persons or property; Tenant agrees to indemnify, defend, protect and hold Landlord harmless from and against any such claim, loss, damage, demand, cost or expense (including, without limitation, reasonable attorneys' fees and expenses). Tenant agrees to comply with the Building Rules which Landlord may promulgate from time to time with respect to use of the parking areas on the Property.

24.2 Signage. Tenant shall have the right to install signage reflecting Tenant's business name on the Building near the main entry to the Premises. Such signs shall be installed and maintained in accordance with applicable Laws, and governmental and Association requirements and approvals, and the approval of Landlord with respect to size, location, design and content, which approval shall not be unreasonably withheld or delayed. The cost of designing, producing, permitting, installing, maintaining and removing such signs from the Building shall be borne by Tenant. Tenant's right to have such Building signage shall automatically terminate and become null and void upon termination of Tenant's right to possession of the Premises, termination of this Lease, or Tenant's vacation of the Premises. Upon the expiration or earlier termination of the Term or Tenant's vacation of the Premises, Tenant shall, at its sole cost and expense remove the sign and repair any damage or injury to the Building caused thereby. Tenant, on occasion, will be allowed to place a temporary sign for a few hours for the purpose of employees or vendors picking up or dropping off supplies or equipment. Tenant will immediately take down signs after said pick up or drop offs occur.

Except as provided in this Section 24, Tenant shall not install any signage on the Building or anywhere else on the Property without Landlord's prior written consent.

25. HAZARDOUS MATERIALS.

25.1 Defined Terms.

(a) "Claim" shall mean and include any demand, cause of action, proceeding, or suit for any one or more of the following: (i) actual or punitive damages, losses, injuries to person or property, damages

to natural resources, fines, penalties, interest, contribution or settlement, (ii) the costs and expenses of site investigations, feasibility studies, information requests, health or risk assessments, or Response (as hereinafter defined) actions, and (iii) the costs and expenses of enforcing insurance, contribution or indemnification agreements.

(b) "Manage" or "Management" means to generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of or abandon Hazardous Materials.

(c) "Release" or "Released" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of Hazardous Materials into the environment, as "environment" is defined in CERCLA.

(d) "Response" or Respond" shall mean action taken to correct, remove, remediate, clean up, prevent, mitigate, monitor, evaluate, investigate, assess or abate the Release of a Hazardous Material.

25.2 Tenant's Obligations with Respect to Environmental Matters. During the Term, (i) Tenant shall comply at its sole cost and expense with all Environmental Laws; (ii) Tenant shall not Manage, or authorize the Management of, any Hazardous Materials on the Premises, including installation of any underground storage tanks, without prior written disclosure to and prior written approval by Landlord; (iii) Tenant shall not take any action that would subject the Premises to the permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials; (iv) Tenant shall not dispose of Hazardous Materials in dumpsters on the Premises; (v) Tenant shall not discharge Hazardous Materials into drains or sewers serving the Premises; (vi) Tenant shall not cause or allow the Release of any Hazardous Materials on, to or from the Premises or surrounding land and (vii) Tenant shall arrange at its sole cost and expense for the lawful transportation and off-site disposal at permitted landfills or other permitted disposal facilities and otherwise in accordance with all applicable Environmental Laws, of all Hazardous Materials that it generates.

25.3 Copies of Notices. During the Term of this Lease, Tenant shall provide Landlord promptly with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, Claims, complaints, investigations, judgments, letters, notices of environmental liens or Response actions in progress, and other communications, written or oral, actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, or other federal, state, or local agency or authority, or any other entity or individual, concerning (i) any actual or alleged Release of a Hazardous Material on, to or from the Premises; (ii) the imposition of any lien on the Premises; (iii) any actual or alleged violation of, or responsibility under, any Environmental Laws; or (iv) any actual or alleged liability under any theory of common law tort or toxic tort, including without limitation, negligence, trespass, nuisance, strict liability, or ultrahazardous activity.

25.4 Landlord's Right to Inspect. Landlord and Landlord's employees shall have the right to enter the Premises and conduct appropriate inspections or tests for the purpose of determining Tenant's compliance with Environmental Laws, and determining the type, kind and quantity of all products, materials and substances brought onto the Premises, or made or produced thereon. Landlord and its agents and representatives shall have the right to take samples in quantities sufficient for analysis of all products, materials and substances present on the Premises including, but not limited to, samples, products, materials or substances brought onto or made or produced on the Premises by Tenant or its agents, employees, contractors or invitees. Tenant agrees to cooperate with such investigations by providing any relevant information requested by Landlord. Tenant may not perform any sampling, testing, or drilling to locate Hazardous Materials in the Building components on the Premises without Landlord's prior written consent.

25.5 Tests and Reports. Within ten (10) days of Tenant's receipt of a written request by Landlord, Tenant shall provide Landlord with (i) copies of all environmental reports and tests obtained by Tenant; (ii) copies of transportation and disposal contracts (and related manifests, schedules, reports, and other information) entered into or obtained by Tenant with respect to any Hazardous Materials; (iii) copies of any permits issued to Tenant under Environmental Laws with respect to the Premises; (iv) copies of any and all reports, notifications, and other filings made by Tenant to any federal, state, or local environmental authorities or agencies; and (v) any other

applicable documents and information with respect to environmental matters relating to the Premises. Tenant shall provide Landlord with the results of appropriate reports and tests, with transportation and disposal contracts for Hazardous Materials, with any permits issued under Environmental Laws, and with any other documents necessary to demonstrate that Tenant complies with all Environmental Laws relating to the Premises.

25.6 Tenant's Obligation to Respond. If Tenant's Management of Hazardous Materials at the Premises (i) gives rise to liability or to a Claim under any Environmental Law, or any common law theory of tort or otherwise; (ii) causes a threat to, or endangers, the public health; or (iii) creates a nuisance or trespass, Tenant shall, at its sole cost and expense, promptly take all applicable action in response so as to comply with all applicable Environmental Laws and eliminate or avoid any liability claim with respect thereto.

25.7 Landlord's Right to Act. In the event that Tenant shall fail to comply with any of its obligations under this Section 25 as and when required hereunder, Landlord shall have the right (but not the obligation) to take such action as is required to be taken by Tenant hereunder and in such event, Tenant shall be liable and responsible to Landlord for all costs, expenses, liabilities, claims and other obligations paid, suffered, or incurred by Landlord in connection with such matters. Tenant shall reimburse Landlord immediately upon demand for all such amounts for which Tenant is liable hereunder.

25.8 Indemnification. Notwithstanding anything contained in this Lease to the contrary, Tenant shall reimburse, defend, indemnify and hold Landlord, and its officers, directors, shareholders, partners, members, employees, and agents, free and harmless from and against any and all Claims, Response costs, losses, liabilities, damages, costs, and expenses, including, without limitation, loss of rental income, loss due to business interruption, and reasonable attorneys' fees and costs, arising out of or in any way connected with any or all of the following:

(i) any Hazardous Materials which, at any time during the Term, are or were actually or allegedly Managed, released, disposed of or otherwise located on or at the Premises (regardless of the location at which such Hazardous Material are now or may in the future be located or disposed of), including but not limited to, any and all (1) liabilities under any common law theory of tort, nuisance, strict liability, ultrahazardous activity, negligence or otherwise based upon, resulting from or in connection with any Hazardous Material; (2) obligations to take Response, cleanup or corrective action pursuant to any investigation or remediation in connection with the decontamination, removal, transportation, incineration, or disposal of any of the foregoing; and

(ii) any actual or alleged illness, disability, injury, or death of any person; in any manner arising out of or allegedly arisen out of exposure to Hazardous Materials present at the Premises, regardless of when any such illness, disability, injury, or death shall have occurred or been incurred or manifested itself; and

(iii) any actual or alleged failure of Tenant or the Premises at any time and from time to time to comply with all applicable Environmental Laws, whether before or after the effective date of this Lease; and

(iv) any failure by Tenant to comply with its obligations under this Section 25.

In the event any Claims or other assertion of liability shall be made against Landlord for which Landlord is entitled to indemnity hereunder, Landlord shall notify Tenant of such Claim or assertion of liability and thereupon Tenant shall, at its sole cost and expense, assume the defense of such Claim or assertion of liability and continue such defense at all times thereafter until completion. The obligations of Tenant under this Section 25 shall survive any termination or expiration of this Lease.

[Signatures on following page.]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the date and year first set forth above.

LANDLORD:

VK 905 LAKESIDE, LLC, an Illinois limited liability company

By: VK Industrial V GP, LLC, its manager

By: Venture One VK V, LLC, its manager

By:_____

Name:_____

Title:_____

TENANT:

COUNTY OF LAKE, a body politic, and corporation of the State of Illinois

By:_____

Name:_____

Title:_____

EXHIBIT A

PLAN OF THE PREMISES



Exhibit A



9500 Bryn Mawr, Suite 340, Rosemont, Illinois 60018
tel: 847.243.4300 fax: 847.243.4307 www.VentureOneRE.com

EXHIBIT B

WORK LETTER

1. Landlord shall perform the following work in the Premises (the "Improvements") at its sole cost and expense using Landlord standard materials:
 - a. Remove office to deliver the office floorplan as shown on Exhibit A attached to the Lease.
 - b. Install new LED lighting throughout the office area and in the warehouse.
 - c. Professionally clean entire office area and broom clean the warehouse area.
2. Landlord and Tenant understand and agree that the Improvements may be performed while Tenant is in occupancy of the Premises, and that some interference with Tenant's operations is therefore inevitable, and in no event shall any circumstances related to the Improvements allow Tenant to claim that Landlord has committed any breach, interference with Tenant's use and enjoyment of the Premises, constructive eviction, or similar wrong, or give Tenant any right of termination, self-help, off-set, set-off, deduction, or similar remedy. Tenant hereby grants Landlord and its employees, agents and contractors access to the Premises to perform the Improvements. Tenant shall arrange and pay for the cost of boxing and/or moving Tenant's furniture, fixtures, equipment and personal property in accordance with Landlord's construction schedule in order to accommodate the performance of the Improvements. Tenant shall be responsible for the cost of any delay caused by Tenant in preparing the Premises for the Improvements (i.e., failure to timely move necessary furniture and equipment).
3. Landlord shall notify Tenant upon Substantial Completion of the Improvements. Subject to the provisions of Paragraph 4 below, the phrase "**Substantial Completion**" shall mean that the Improvements have been completed except for such incomplete items as would not materially interfere with Tenant's occupancy and use of the Premises for the Permitted Use (the "**Punchlist Items**"), which Punchlist Items Landlord shall promptly remedy.
4. If Landlord shall be delayed in Substantially Completing the Improvements as a result of any delay caused by Tenant, its agents, employees or independent contractors (each, a "**Tenant Delay**"), then, for purposes of determining the Commencement Date, the date of Substantial Completion shall be deemed to be the day that Improvements would have been Substantially Completed absent any such Delay. If the Premises are delayed from being Substantially Completed due to Tenant Delay, then Tenant shall be responsible for all costs and any expenses occasioned by such delay, including any costs and expenses attributable to increases in labor or materials. The adjustment of the Commencement Date and, accordingly, the postponement of Tenant's obligation to pay Base Rent and other sums due under the Lease shall be Tenant's sole remedy that Tenant might otherwise have against Landlord by reason of the Premises not being ready for occupancy by Tenant.
5. Tenant shall perform all work (other than the Improvements) in accordance with the terms of the Lease as required to put the Premises in a condition to permit the conduct of Tenant's business therein and in accordance with the requirements of this Lease. Tenant shall be solely responsible to determine at the site all dimensions of the Premises and the Building which affect any work to be performed by Tenant hereunder. The installation of Tenant's furniture, fixtures, equipment and personal property into the Premises shall be the sole responsibility of Tenant, and any costs associated therewith shall be borne by Tenant. Neither review nor approval by Landlord of any plans or specifications for Tenant's work or any other work to be performed by Tenant shall constitute a representation or warranty by Landlord that any of such plans or specifications either (i) are complete or suitable for their intended purpose, or (ii) comply with applicable Laws.
6. Landlord will use its best commercially reasonable efforts to complete the Improvements by July 1, 2021. If Substantial Completion has not occurred by July 7, 2021, and Landlord has an alternate suite that is available, Landlord will allow Tenant to utilize such suite's warehouse area for temporary storage until Substantial Completion has occurred. Notwithstanding the foregoing, Landlord shall have no obligation to offer alternate space if Tenant has not executed this Lease by June 25, 2021.

EXHIBIT C

FORM OF TENANT ESTOPPEL LETTER

Lease Date: _____, 20____

Landlord: _____

Tenant: _____

Premises: Suite____, _____

Rentable Area: _____ square feet.

The undersigned, being the Tenant under the above-described Lease hereby certifies to _____
("Lender" or "Purchaser") as follows:

1. The Lease is in full force and effect and is legal, valid and binding upon Tenant in every respect. Except as stated above, there are no amendments, letter agreements, supplements, side letters or other understandings or modifications of or to the Lease.

2. Tenant has accepted possession of the Premises and currently occupies the entire Premises.

3. Landlord has fulfilled all of its obligations under the Lease to date. All improvements required by the terms of the Lease to be made by Landlord have been completed to the satisfaction of Tenant. Except as set forth in the Lease, Tenant is not entitled to any improvement allowances, late delivery payments, credits, rent abatement, or other concessions.

4. No rent under the Lease has been paid more than one month in advance of its due date nor have any other charges or monetary obligations of Tenant under the Lease been prepaid.

5. To Tenant's knowledge, Tenant, as of this date, has no defense, credit, charge, lien, claim, or offset under the Lease or otherwise against rents or other charges due or to become due thereunder.

6. The amount of the security deposit held by Landlord under the Lease is \$_____.

7. To Tenant's knowledge, no breach, default or event of default has occurred under the Lease by Tenant or Landlord, nor has notice thereof been given and no facts or circumstances exist which with the passage of time or giving of notice or both would constitute a default under the Lease by either Tenant or Landlord.

8. All Rent has been paid through _____, 20____. The current monthly Base Rent under the Lease is \$_____. In addition to the Base Rent, Tenant is required to pay a pro-rata share of all Taxes and Operating Expenses under the Lease in excess of _____ [describe base year or stop].

9. Tenant has not assigned, sublet, transferred or hypothecated the Lease or any rights thereunder to any person, partnership, firm, corporation, or other entity, except for _____.

10. The commencement date of the Lease was _____ and the expiration date is _____.

11. Tenant has no right to renew or extend the term of the Lease except as follows: _____. Tenant has no option, right of first refusal or rights to purchase all of any part of the Premises. Tenant has no option, right of refusal or other rights to expand the premises or to lease additional or adjacent space.

12. Tenant is solvent and not the subject of any bankruptcy or reorganization proceedings or assignments

for benefit of creditors.

This Certificate has been delivered to and for the benefit of Purchaser, and any mortgagee of the Property, and their respective successors and assigns, with the understanding they will rely hereon and they shall have the right to rely hereon in connection with the acquisition and any financing of a direct or indirect interest in the Property. By execution of this Certificate, the signatory certifies that he/she is duly authorized to execute and deliver this Certificate.

Date: _____, 20__

TENANT:

EXHIBIT D

MOVE-OUT STANDARDS

Notwithstanding anything to the contrary in the Lease, upon Lease Termination Tenant shall surrender the Premises in a condition that shall include, but is not limited to, the following:

- All lighting is to be placed into good working order. This includes replacement of bulbs, ballasts, and lenses as needed, subject to any warranties in place for the new LED fixtures in the office and warehouse.
- HVAC Systems shall be in good working order, including the necessary replacement of any parts to return the unit to a well-maintained condition. This includes, but is not limited to, filters, thermostats, warehouse heaters and exhaust fans. Tenant must supply Landlord with maintenance records.
- All walls must be clean and free of holes.
- The carpets and vinyl tiles shall be in a clean condition and shall not have any holes or chips in them. All floors (warehouse and office) shall be free of excessive dust, dirt, grease, oil and stains.
- Facilities shall be returned in a clean condition, including, but not limited to, the cleaning of the break room, restroom areas, windows, and other portions of the Premises.
- There shall be no protrusion of anchors from the warehouse floor and all holes shall be appropriately patched. If machinery/equipment is removed, the electrical lines shall be properly terminated at the nearest junction box.
- All exterior windows with cracks or breakage shall be replaced. All windows shall be clean.
- Tenant shall provide keys for all locks on the Premises, including front doors, rear doors, and interior doors.
- All mechanical and electrical systems shall be left in good working order and a safe condition. Bare wires and dangerous installations shall be corrected to Landlord's reasonable satisfaction.
- All plumbing fixtures, equipment and drains shall be in good working order. Hot water heater must work.
- All dock bumpers shall be left in place and well-secured.
- Drop grid ceilings shall be free of excessive dust from lack of changing filters. No ceiling tiles may be missing or damaged.
- All trash shall be removed from both inside and outside of the Building.
- All signs in front of Building and on glass entry door and rear door shall be removed.
- All window coverings and blinds shall be clean, free of visible dust, unbent, free of damage, and in good working condition.