

SA3

Time Certain  
10:00 A.M.

**AGENDA ITEM  
CONTAINS MORE THAN 50 PAGES  
IT MAY BE VIEWED IN  
COUNTY ADMINISTRATION**

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: July 21, 2009

☐ Consent ☒ Regular  
☐ Workshop ☐ Public Hearing

Department: Administration

Submitted By: Administration

Submitted For: Administration

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve:

A) a sublease between Palm Beach County and Huttig Building Products, Inc., for approximately 76,000 square feet of warehouse space for the Supervisor of Elections (SOE) for support operations and election day vote tabulation, for a term of five (5) years, with a renewal option ending June 21, 2016; and

B) a Consent to Sublease between RREEF America Reit II Corp. S, the Prime Landlord, Huttig Building Products, Inc., the Sublessor and Palm Beach County.

**Summary:** Due to the need to handle massive amounts of paper from the change in the voting system for 2008, the Airport Department's partially used warehouse (commonly known as Sky Chef) on the north side of PBIA, was leased to the County on behalf of the SOE. The SOE does not find Sky Chef to be acceptable for future use. Among reasons stated are: insufficient space, poor layout of space and second floor access issues. The SOE further stated that time is of the essence due to the upcoming election cycle. The SOE has identified space at 7835 Central Industrial Drive, Riviera Beach, Florida to accommodate this function, and pursuant to Board direction from the June 2, 2009, has negotiated a sublease with Huttig. Based on the SOE's budget of \$299,086 for HVAC improvements, the SOE has determined that the lease costs and site improvement costs are similar to that which would have been incurred by remaining at the Sky Chef facility, and as such, the SOE has stated that these costs are included in its current and future budgets. The sublease indicates that the County (as opposed to the landlord) will be responsible for construction of the improvements, maintenance of the facility, and payment of all utilities. These responsibilities and costs will be internally assigned to the SOE. In effect, the SOE will act as the lease administrator on behalf of the County in lieu of FDO/PREM.

The Sublease imposes a chargeback against the County in the amount of \$450,000 in the event the County does not exercise its option to renew. The SOE and staff anticipate the County will exercise such option and thereby avoid such chargeback because staff does not expect to have completed construction of new facilities for this function by the expiration of the term of the Sublease. The Sublease requires Huttig to construct a demising wall and separately meter certain utilities, requires the SOE to install suitable HVAC, and associated electrical, and to accept the Premises As-Is and maintain the subleased premises with the exception of the roof foundation and structural components, which are Huttig's responsibility. Rent is fully abated until January 1, 2010 and discounted until January 1, 2011. The SOE will pay a prorata share of taxes and expenses for the subleased premises. The use of the subleased premises is limited to SOE purposes. The Consent to Sublease contains the Prime Landlord's consent to the Sublease, as required by the Prime Lease. Countywide

**Background and Policy Issues:** As a result of legislation that changed the voting machines and now requires paper ballots and their storage by the Supervisors of Elections, the SOE has stated an immediate need for warehouse space of between 70,000 and 80,000 square feet in order to conduct the essential public business of elections in Palm Beach County.

Continued on page 2.

**Attachments:**

1. Sub Lease
2. Disclosure of Beneficial Interest from Huttig
3. HVAC Improvement Estimate

Approved By:

  
County Administrator

7/20/09  
Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Capital Expenditures	<u>300,000</u>				
Operating Costs	<u>50,000</u>	<u>273,475</u>	<u>495,115</u>	<u>546,649</u>	<u>566,847</u>
External Revenues					
Program Income (County)					
In-Kind Match (County)					
 NET FISCAL IMPACT	 <u>350,000</u>	 <u>273,475</u>	 <u>495,115</u>	 <u>546,649</u>	 <u>566,847</u>
 # ADDITIONAL FTE POSITIONS (Cumulative)	 _____	 _____	 _____	 _____	 _____

Is Item Included In Current Budget? Yes X No \_\_\_\_\_  
 Budget Account No.: Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_  
 Program \_\_\_\_\_

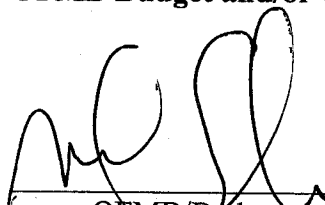
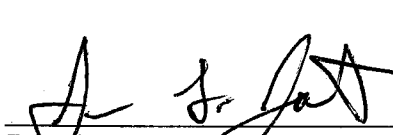
### B. Recommended Sources of Funds/Summary of Fiscal Impact:

The SOE will absorb the FY 2009 costs within their current budget and future costs will be absorbed within future budgets.


### C. Departmental Fiscal Review: \_\_\_\_\_

## III. REVIEW COMMENTS

### A. OFMB Budget and/or Contract Development and Control Comments:

 7/20/09  7/20/09  
 OFMB/Budget Contract Development and Control  
*At the time of our review the S/S lease was not executed, or insurance available.*

### B. Legal Sufficiency:

 7/20/09  
 Assistant County Attorney  
*Agreement not signed by Sublessor at time of CAO review.*

### C. Other Department Review:

\_\_\_\_\_  
 Department Director

REVISED 9/03

ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

## **Background and Policy Issues: (continued)**

Facilities, Development & Operations Dept. (FDO) conducted a search of both County and private facilities that would appropriately accommodate the operational requirements of the SOE. No County owned property was identified that met the specifications as defined by the SOE. Several private properties were considered, along with property the SOE identified that was available for sublease at 7835 Central Industrial Drive, Riviera Beach, Florida, within the unincorporated area of Palm Beach County.

On June 2, 2009, the SOE came before the Board to ask direction for authority to begin negotiating a sublease of approximately 76,000 square feet of private warehouse/office space for the purpose of support operations and Election Day vote tabulation, canvassing and storage. The Board voted to allow the SOE to begin negotiations and bring a proposed lease agreement back to the Board for their review and approval. The Board further directed that any and all payments for rent, improvements and other associated expenses related to the sub-lease must be no greater than that which would have been incurred at Sky Chef and must be absorbed within the current and future budgets of the SOE.

The major improvements estimated to be required to accommodate the SOE at the warehouse/office building would be the installation of suitable HVAC and associated electrical work. FDO has not reviewed the scope of work or cost estimates and therefore has no opinion as to whether the scope is adequate to meet the needs of the SOE or whether the costs are appropriate. The SOE will be responsible for contracting with and administering the contracts for design professional(s) and contractor(s) to perform the improvements. The SOE, with the assistance of the County Attorney's Office, has negotiated the attached proposed sublease agreement. The proposed agreement provides for abated rent subsidies of approximately \$300,000 for the installation of the HVAC system, which has been estimated at approximately \$299,086.

The proposed sublease would run from 08/01/09 to 06/30/14 (5 years), as allowed by F.S. 125.031, that restricts leasing of property for public purposes to 60 months unless the rental is paid from funds arising from sources other than ad valorem taxation. The proposed sublease contemplates an option to renew the sublease for 2 additional years. The sublease contains a substantial penalty in the event the County does not exercise the option to renew, due to the expenses that will be incurred by the lessee to accommodate the SOE sublease. The staff and SOE anticipate the County will exercise that option since the construction of a county owned facility will not have been completed. The Prime Landlord, RREEF America Reit II Corp. S, has refused to sign a Disclosure of Beneficial Interest identifying the individual owners of RREEF, saying that doing so would violate certain confidentiality agreements it has with its investors. Florida Statutes Section 286.23 require such disclosures before the County enters into a contract whereby real property held in a representative capacity is leased to the County in order to identify the actual parties benefitting from the transaction. The County is not leasing the property from RREEF and RREEF is not benefitting financially from the transaction because Huttig pays more in rent to RREEF than the County will be paying to Huttig. Accordingly, the County has not obtained a Disclosure of Beneficial Interest from RREEF.

The County's long-term facilities plan for the SOE is to locate and construct a Voting Equipment Center at the county's Cherry Road Complex. Construction funding for the project was to be included in the 2012 CIP which would have placed occupancy sometime in 2014. At this point, SOE and staff do not expect to have completed construction of new facilities for this function by the expiration of the term of the sub-lease.

Attachment 1

## SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (the "Sublease") dated as of \_\_\_\_\_, 2009, by and between HUTTIG BUILDING PRODUCTS, INC., as Delaware corporation (hereinafter the "Sublessor") and PALM BEACH COUNTY, a political subdivision of the State of Florida (hereinafter the "Sublessee");

### WITNESSETH:

WHEREAS, Sublessor, as tenant, entered into a lease with RREEF America REIT II Corp. S ("Prime Landlord") dated as of September 14, 2004, as amended by that certain First Amendment to Lease dated as of December 20, 2004, that certain Second Amendment to Lease dated as of August 29, 2005 and that certain Third Amendment to Lease dated as of April 1, 2006 (as so amended and as further amended or modified from time to time, the "Prime Lease"), leasing premises therein described situated within the development commonly known as the Britannia Business Center, known as and numbered as Suite 3, 7835 Central Industrial Drive, Riviera Beach, Florida and comprising approximately 104,693 square feet (the "Premises"), which Prime Lease is attached hereto and incorporated by reference herein as **Exhibit A**; and

WHEREAS, Sublessee has offered to sublease a portion of the Premises;

NOW, THEREFORE, the parties hereto in consideration of the mutual covenants herein contained hereby agree as follows:

**1. Sublet Premises and Term.**

A. In consideration of the obligation of Sublessee to pay rent herein provided, and in consideration of the other terms, provisions and covenants hereof, Sublessor hereby demises and leases to Sublessee, and Sublessee hereby takes from Sublessor a portion of the Premises, such portion comprising approximately 76,000 square feet and more particularly described as the cross-hatched area on **Exhibit B** attached hereto and incorporated herein by reference, together with all rights, privileges, easements, appurtenances, and immunities belonging to or in any way pertaining to the Premises (hereinafter, the "Sublet Premises").

B. The term of this Sublease shall commence on the later of (1) August 1, 2009, or (2) on the date when the Prime Landlord (a) shall have consented to this Sublease, including specifically the provisions hereof relating to the improvements being performed by Sublessor and Sublessee and shall have approved Sublessee's contractor as required by Section 6 of the Prime Lease, (b) shall have provided Sublessee with a commercially reasonable estoppel letter stating that there are no defaults and the rents are current under the Prime Lease and the same is in full force and effect, (c) shall have agreed to non-disturbance absent any default of Sublessee, and to not enforce against the Sublessee the provisions of the Prime Lease which would impose indemnification obligations on Sublessee, or require Sublessee to pay attorneys' fees, to the extent such obligations would in the aggregate exceed the thresholds set forth in Section 768.28, Florida Statutes, or require Sublessee to obtain and keep in force insurance other

than as set forth herein, and (d) shall have agreed to allocate 62 parking spaces for Sublessee on the east side and the west side of the building containing the Sublet Premises (the "Commencement Date"). The term of this Sublease shall end on July 31, 2014. In the event Sublessor has not obtained the foregoing from the Prime Landlord within thirty (30) days of execution of this Sublease by the last of the parties to sign, Sublessee may terminate this Sublease. County hereby delegates to the County Administrator or his designee, the authority to exercise the rights granted to County by this Section 1B, including, without limitation, the conditional right to terminate the Sublease.

C. Sublessee acknowledges that it has inspected and accepts the Sublet Premises, and specifically the buildings and improvements comprising the same, in their present condition as suitable for the purpose for which the Sublet Premises are leased, subject to the requirements of this Sublease. Taking of possession by Sublessee shall be deemed conclusively to establish that the Sublet Premises were in good and satisfactory condition when possession was taken. After the Commencement Date Sublessee shall, upon request, execute and deliver to Sublessor a letter of acceptance of delivery of the Sublet Premises and the parties shall confirm in writing the Commencement Date.

D. Sublessor agrees that it shall, at Sublessor's sole cost and expense, construct a fire rated demising wall between the Sublet Premises and the remainder of the Premises and provide separately-metered utilities, including the fire alarm system, for the Sublet Premises. Such work shall be completed no later than the Commencement Date; provided, that if such work has not been substantially completed by the Commencement Date and, if such a certificate is required by law, regulation or ordinance, a certificate of completion or occupancy has not been issued therefor, then, at Sublessee's option, the Commencement Date shall be postponed until such work is substantially completed and a certificate of completion or occupancy is issued therefor and rent abatement and initial term shall be extended accordingly. Sublessor further agrees that the existing racking in the Sublet Premises shall not be removed by Sublessor but shall remain in the Sublet Premises during the term of this Sublease. Sublessee acknowledges that no representations as to the repair of the Sublet Premises, nor promises to alter, remodel or improve the Sublet Premises have been made by Sublessor, unless such are expressly set forth in this sublease.

E. Upon Sublessor's completion of construction of the demising wall pursuant to Section 1D. above, the parties will reasonably verify the final dimensions and total square footage of the Subleased Premises pursuant to BOMA standards, with Prime Landlord's reasonable approval, and calculate and complete the rent schedule set forth below and recalculate Sublessee's proportionate share pursuant to Section 4A, if necessary.

## **2. Base Rent**

A. Sublessee agrees to pay directly to Prime Landlord at the address set forth below base rent for the Sublet Premises in advance without deduction or set off, for the entire term hereof at the rates set forth below:

<u>Period</u>	<u>Rate PSF</u>	<u>Monthly Rent</u>
[8/1/09] to 12/31/09	Abated	Abated
1/1/10 to 6/30/10	\$1.50	
7/1/10 to 12/31/10	\$3.00	
1/1/11 to 6/30/11	\$4.70	
7/1/11 to 6/30/12	\$4.84	
7/1/12 to 6/30/13	\$4.99	
7/1/13 to 6/30/14	\$5.14	
7/1/14 to 7/31/14	\$5.29	

A monthly base rent installment shall be due and payable January 1, 2010 (unless rent is further abated pursuant to Section 1D in which event rental payments shall commence at the end of such abatement) and a monthly base rent installment shall be due and payable in advance, without demand, on or before the first day of each calendar month thereafter during the hereby demised term. If the Commencement Date is delayed pursuant to Section 1D, then the initial term shall be extended accordingly and the base rent for the portion of the initial term subsequent to July 31, 2014 shall be as set forth in Section 5. Any rents payable to Prime Landlord under this Sublease will be sent to Florida Industrial Portfolio, 75 Remittance Drive, Suite #1079, Chicago, IL 60675-1079, or such other address as Prime Landlord may notify Sublessee of in writing.

3. *Use.* The Sublet Premises shall be used only for the exercise of the powers granted to the Supervisor of Elections of Palm Beach County pursuant to the Florida Statutes, including, without limitation, for the purpose of storing and operation of voting equipment, and for such other lawful purposes as may be incidental thereto, including general office use (the "Permitted Use"). Outside storage is prohibited without Sublessor's prior written consent. Sublessee shall, at its own cost and expense, obtain any and all licenses and permits necessary for the Permitted Use. Sublessee shall comply with all governmental laws, ordinances and regulations applicable to the Permitted Use of the Sublet Premises, including, without limitation, all applicable federal, state and local laws, regulations or ordinances pertaining to air and water quality, any Hazardous Materials (as hereinafter defined), waste disposal, air emissions and other environmental matters, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of conditions or nuisances in or upon, or connected with, the Sublet Premises, all at Sublessee's sole expense; provided, however, Sublessee shall not be obligated to make any alterations to the Sublet Premises or otherwise incur an expense related to compliance with laws unless the same are necessary solely because of Sublessee's specific use of the Sublet Premises for the Permitted Use. Sublessee shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Sublet Premises, nor take any other action which would constitute a nuisance or would disturb or endanger any other tenants of the building in which the Sublet Premises are situated or unreasonably interfere with their use of their respective premises. Without Sublessor's prior written consent, Sublessee shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly flammable.

**4. Taxes and Expenses.**

A. Sublessee agrees to pay directly to Prime Landlord, as additional rental hereunder, for Sublessee's proportionate share of Taxes and Expenses, as those terms are defined in the Prime Lease, for which Sublessor is responsible under the Prime Lease. "Sublessee's proportionate share", as used in this Sublease, shall mean a fraction, the numerator of which is the space contained in the Sublet Premises and the denominator of which is the entire space contained in the Premises, or 72.59%.

B. Sublessee is a tax exempt entity as is evidenced by tax exemption number 60-2211419753C. No sales or use tax shall be due on the rent due hereunder. Sublessee agrees to provide Sublessor with a tax exemption certificate or other documentation reasonably requested by Sublessor to evidence Sublessee's tax exempt status.

**5. Renewal Option.** Sublessee shall have the option to renew this Sublease for a renewal term beginning on August 1, 2014 and ending on June 21, 2016 by notifying Sublessor in writing no later than 180 days prior to the expiration of the initial term. The base rent for the renewal term shall be (i) \$5.29 per square foot for the period from August 1, 2014 through June 30, 2015, and (ii) \$5.45 per square foot for the period from July 1, 2015 through June 21, 2016. In the event that Sublessee does not exercise its renewal option, Sublessee agrees to pay to Sublessor as additional rent the sum of \$450,000 by no later than the last day of the initial term of this Sublease, which sum Sublessor agrees to include in calculation of any "Increased Rent" as defined in Section 9.4 of the Prime Lease.

**6. Repairs and Maintenance.**

A. During the term of this Sublease, Sublessor shall make or cause to be made all structural repairs to the Sublet Premises, except those occasioned by the acts of Sublessee, its agents, employees or invitees, which repairs shall be made at Sublessee's sole cost and expense. Structural repairs are defined herein to mean repairs to the roof system, foundation and structural components. Sublessee shall, at its own cost and expense, keep and maintain the Sublet Premises in good condition, repair and maintenance and shall make all nonstructural repairs and replacements in the Sublet Premises including, but not limited to (i) maintenance, repair and replacement of the electrical, plumbing, sprinkler, HVAC, sewer/sanitary, life safety and other mechanical systems serving the Sublet Premises, (ii) maintenance, repair and replacement of windows, glass and plate glass, doors and any special office entry, walls and finish work, floors and floor covering, docks, dock boards, truck doors, dock bumpers, exterior stairs, skylights and sprinkler systems, and regular removal of trash and debris, (iii) regularly scheduled cleaning and maintenance of the interior of the Sublet Premises, and (iv) keeping the exterior of the Sublet Premises clean and free of debris and keeping the parking areas, driveways, and the whole of the Sublet Premises in a clean and sanitary condition.

B. The cost of maintenance and repair of any common party wall (any wall, divider, partition or any other structure separating the Sublet Premises from the remainder of the Premises) shall be shared equally by Sublessee and Sublessor, provided that each party shall, at

its sole cost and expense, promptly repair any damage or injury to any party wall caused by that party or its employees, agents or invitees.

C. Sublessor shall maintain or cause to be maintained the exterior portion of the Sublet Premises, including landscaped areas, parking areas, driveways and other exterior areas and Sublessee agrees to pay, upon Sublessor's demand therefore, as additional rent, an amount equal to Sublessee's proportionate share, as reasonably determined by Sublessor, of Sublessor's cost of maintenance and repair of the exterior portion of the Sublet Premises (except to the extent such costs are to be borne by Sublessor per Section 6(A) above) and of the landscaped areas, parking areas, driveways and other exterior areas including, without limitation, gardening, landscaping, planting, replanting and replacement of flowers, shrubbery and grass, striping, repair of paving, curbs and walkways, repair and cleaning of drainage facilities, snow and ice removal, exterior lighting, sprinkler fireline systems and sprinkler supervisory service and maintenance, repair and replacement of the sanitary system.

D. Sublessee shall, at its own cost and expense, enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor for servicing all heating and air conditioning systems and equipment within the Sublet Premises. The maintenance contractor and the contract must be approved by Sublessor. The service contract must include all services suggested by the equipment manufacturer within the operation/maintenance manual and must become effective (and a copy thereof delivered to Sublessor) within thirty (30) days of the date Sublessee takes possession of the Sublet Premises.

## **7. *Alterations.***

A. Sublessee agrees that it will perform the following work to the Sublet Premises at Sublessee's sole cost and expense: (i) install the necessary amount of air conditioning and perform the associated electrical and engineering work to meet Sublessee's needs, and (ii) if Sublessee so elects, install a generator and two public bathrooms in the warehouse portion of the Sublet Premises. In the event Prime Landlord exercises its right under the Prime Lease to impose any fees relating to Sublessee's work described above, Sublessee shall pay up to \$5,000.00 of such fees.

B. Except as set forth in Section 7A above, Sublessee shall not make any alterations, additions or improvements to the Sublet Premises without the prior written consent of Sublessor; provided, however, Sublessee may, without the consent of Sublessor, but at its own cost and expense and in a good workmanlike manner, make such minor alterations, additions or improvements or erect, remove or alter such partitions, or erect such racks, shelves, bins, machinery and trade fixtures as it may deem advisable, without altering the basic character of the building or improvements and without overloading or damaging such building or improvements, and in each case complying with all applicable governmental laws, ordinances, regulations and other requirements. Sublessee shall make any such alterations, additions and improvements in compliance with applicable law and shall be responsible for obtaining necessary permits and any necessary consent of the Prime Landlord. All alterations, additions, improvements and partitions erected by Sublessee shall be and remain the property of Sublessee during the term of this Sublease and Sublessee shall, unless Sublessor otherwise elects as hereinafter provided, remove



all alterations, additions, improvements and partitions erected by Sublessee and restore the Sublet Premises to their original condition by the date of termination of this Sublease; provided, however, that if Sublessor so elects prior to termination of this Sublease, such alterations, additions, improvements and partitions shall become the property of Sublessor as of the date of termination of this Sublease and shall be delivered up to the Sublessor with the Sublet Premises. All racks, shelves, bins, machinery and trade fixtures installed by Sublessee may be removed by Sublessee prior to the termination of this Sublease if Sublessee so elects, and shall be removed if required by Sublessor; upon any such removal Sublessee shall restore the Sublet Premises to their original condition. All such removals and restoration shall be accomplished in a good workmanlike manner so as not to damage the primary structure or structural qualities of the buildings and other improvements situated on the Sublet Premises.

8. **Signs.** Sublessee shall have the right to install signs upon the Sublet Premises only when first approved in writing by Sublessor, which approval shall not be unreasonably withheld, and subject to prior written approval by Prime Landlord, and further subject to the terms and requirements of the Prime Lease and any applicable governmental laws, ordinances, regulations and other requirements. Sublessee shall remove all such signs by the termination of this Sublease. Such installations and removals shall be made in such manner as to avoid injury to or defacement of the building and other improvements, and Sublessee shall repair any injury or defacement, including without limitation discoloration, caused by such installation or removal.

9. **Inspection.** Except as otherwise prohibited or regulated by law, Prime Landlord, Sublessor and their agents and representatives shall have the right to enter and inspect the Sublet Premises at any reasonable time and upon reasonable advance notice during business hours, for the purpose of ascertaining the condition of the Sublet Premises or in order to make such repairs as may be required or permitted to be made by Sublessor under the terms of this Sublease. Except as otherwise prohibited or regulated by law, during the period that is six (6) months prior to the end of the term hereof, Prime Landlord, Sublessor and their agents and representatives shall have the right to enter the Sublet Premises at any reasonable time during business hours for the purpose of showing the Sublet Premises, and shall have the right to erect on the Sublet Premises a suitable sign indicating that the Sublet Premises are available. Any such inspections and access to the Sublet Premises to show the Sublet Premises shall be coordinated with Sublessee and a representative of Sublessee shall be entitled to accompany Prime Landlord or Sublessor during such inspections or showing. Sublessee shall give written notice to Sublessor at least thirty (30) days prior to vacating the Sublet Premises and shall arrange to meet with Sublessor for a joint inspection of the Sublet Premises at the time of vacation.

10. **Utilities.** Sublessor agrees to provide, at its cost, water, electricity and telephone service connections to the Sublet Premises; but Sublessee shall pay for all water, gas, heat, light, power, telephone, sewer, sprinkler charges and other utilities and services used on or for the Sublet Premises, together with any taxes, penalties, surcharges or the like pertaining thereto, and maintenance charges for utilities, and shall furnish all electric light bulbs, tubes and ballasts. If any such services are not separately metered to Sublessee, Sublessee shall pay a reasonable proportion, as determined by Sublessor, of all charges jointly metered with other

premises. Sublessor shall in no event be liable for any interruption or failure of utility services on the Sublet Premises.

**11. Assignment and Subletting.** Sublessee shall not have the right to assign this Sublease or to sublet the whole or any part of the Sublet Premises or to permit the use of the Sublet Premises by any party other than Sublessee without the prior written consent of Sublessor and the Prime Landlord. Notwithstanding any permitted assignment or subletting, Sublessee shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent herein specified and for compliance with all of Sublessee's other obligations under the terms, provisions and covenants of this Sublease. Sublessor's or Prime Landlord's consent to one assignment, subletting or occupation or use by other parties shall not be deemed a consent to other subleases or assignments or occupation or use by other parties. Upon the occurrence of an Event of Default as hereinafter defined, if the Sublet Premises or any part thereof are then assigned or sublet, Sublessor, in addition to any other remedies herein provided or provided by law, may at its option collect directly from such assignee or subtenant all rents becoming due to Sublessee under such assignment or sublease and apply such rent against any sums due to Sublessor from Sublessee hereunder, and no such collection shall be construed to constitute a novation or a release of Sublessee from the further performance of Sublessee's obligations hereunder.

**12. Fire and Casualty Damage.**

A. In case the Sublet Premises are so injured or damaged by fire or other cause as to be untenable, Sublessor shall have the right at its option, within sixty (60) days from the date of such fire or other cause, to repair and restore the Sublet Premises to tenable condition. No injury to the Sublet Premises rendering same untenable shall annul or void this Sublease, except that Sublessee shall be entitled to a proportionate abatement of rent while repairs are being made. If repairs cannot be made within sixty (60) days, Sublessor, at its option, may make same within a reasonable time, this Sublease continuing in full force and effect and the rent to be proportionately abated. In the event that Sublessor does not so elect to make repairs, or repairs cannot be made under current laws or regulations, this Sublease may terminate at the option of either party. A total destruction of the Sublet Premises shall automatically terminate this Sublease.

**13. Liability and Insurance.**

A. Sublessor shall not be liable to Sublessee or Sublessee's employees, agents, patrons or visitors, or to any other person whomsoever, for any injury to person or damage to property on or about the Sublet Premises, resulting from and/or caused by the negligence or misconduct of Sublessee, its agents, servants, employees, contractors or invitees and Sublessee hereby covenants and agrees that it will be liable for and hereby releases Sublessor from liability for any loss, liability, claims, suits, costs, expenses, both real and alleged, arising out of any such damage or injury.

**B.** Sublessee shall not be liable to Sublessor or Sublessor's employees, agents, patrons or visitors, or to any other person whomsoever, for any injury to person or damage to property on or about the Sublet Premises, resulting from and/or caused by the negligence or misconduct of Sublessor, its agents, servants, employees, contractors or invitees and Sublessor hereby covenants and agrees that it will be liable for and hereby releases Sublessee from liability for any loss, liability, claims, suits, costs, expenses, both real and alleged, arising out of any such damage or injury.

**C.** Sublessee shall, during the entire term hereof, provide Sublessor with a certificate evidencing self-insurance coverage for comprehensive general liability in the amount of One Hundred Thousand Dollars (\$100,000) per person and Two Hundred Thousand Dollars (\$200,000) per incident or occurrence and Workers' Compensation insurance covering all employees in accordance with Chapter 440 Florida statutes. In the event that the Legislature should change the Sublessee's exposure by statute above or below the sums insured against, the Sublessee shall provide insurance to the extent of that exposure. All of Sublessee's personal property placed or moved in the Sublet Premises shall be at the risk of the Sublessee or the owner thereof. Sublessor shall not be liable for any damage to such personal property, except to the extent caused by the Sublessor, its agents' or its employees' willful or grossly negligent acts or omissions. Sublessee shall also require its contractors performing alterations to the Sublet Premises to procure and maintain insurance as set forth in **Exhibit C** attached hereto and made a part hereof (the "Sublessee's Contractor's Insurance Requirements").

**D.** Sublessee shall reimburse Sublessor, upon Sublessor's demand therefor, as additional rent, for one hundred percent (100%) of any increase in premiums over the premiums in effect on the Commencement Date for fire insurance upon the Sublet Premises, including extended coverage, rental value, vandalism and malicious mischief, as well as liability, which is maintained during the term of this Sublease by Sublessor.

**E.** Unless otherwise specified in this Lease, Sublessor shall, at its sole expense, maintain in full force and effect at all times during the life of this Lease or the performance of work hereunder, the particular insurance limits, coverages or endorsements required herein. The foregoing sentence shall not be deemed to impede Sublessor from recovering such costs from Sublessee as a component of Expenses pursuant to Section 4(A) of this Sublease. The requirements contained herein as well as County's review or acceptance of insurance is not intended to and shall not in any manner limit nor qualify the liabilities and obligations assumed under this Lease.

**Commercial General Liability.** Sublessor shall maintain Commercial General Liability with limits of liability not less than \$1,000,000 Each Occurrence including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/Advertising Injury and Cross Liability. Fire Legal liability with a limit not less than \$100,000. This coverage shall be provided on a primary basis.

**Certificate of Insurance.** Sublessor shall provide the County with a certificate of insurance evidencing limits, coverages and endorsements required herein. The certificate of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage cancels or non-renews during the life of this Lease, Sublessor shall furnish thirty (30) days prior to, but in no case later than the expiration of such insurance, a new certificate of insurance evidencing replacement coverage.

**F. Waiver of Subrogation.** To the extent permitted by their insurers, the Sublessor and Sublessee shall agree by way of entering this Lease in writing to a Waiver of Subrogation for any loss insured by fire, extended coverage, All Risks or other insurance now or hereafter existing for the benefit of the respective party. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition prohibiting such an endorsement, or voiding coverage should Sublessor or Sublessee enter into such an agreement on a pre-loss basis. Each party shall obtain any special endorsements required by their insurer to evidence compliance with the aforementioned waiver.

**14. Condemnation.**

**A.** If the whole or any substantial part of the Sublet Premises should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking would prevent or materially interfere with the use of the Sublet Premises for the purpose for which they are then being used, this Sublease shall terminate and the rent shall be abated during the unexpired portion of this Sublease, effective when the physical taking of the Sublet Premises shall occur.

**B.** If part of the Sublet Premises shall be taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof, and this Sublease is not terminated as provided in the subparagraph above, this Sublease shall not terminate, but the rent payable hereunder during the unexpired portion of the Sublease shall be reduced in the ratio which the diminution in the total floor space of the Sublet Premises following such taking shall bear to the total floor space immediately prior thereto.

**C.** All awards derived from any such taking have been assigned to the Prime Landlord by Sublessor pursuant to the Prime Lease except that the Sublessee shall be entitled to receive any award for relocation expenses.

**15. Holding Over.** Sublessee will, at the termination of this Sublease by lapse of time or otherwise, yield up immediate possession to Sublessor. In the event of any holding over by Sublessee or any of its successors in interest after the expiration or termination of this Sublease, unless the parties hereto otherwise agree in writing, the holdover tenancy shall be subject to termination by Sublessor at any time upon not less than five (5) days' advance written notice, or by Sublessee at any time upon not less than thirty (30) days' advance written notice, and all of the other terms and provisions of this Sublease shall be applicable during the period, except that Sublessee shall pay Sublessor from time to time upon demand, as rental for the period of any holdover, an amount equal to one and one-half (1-1/2) the rent in effect on the

termination date, computed on a daily basis for each day of the holdover period. No holding over by Sublessee, whether with or without consent of Sublessor, shall operate to extend this Sublease except as otherwise expressly provided.

16. , ***Quiet Enjoyment.*** Sublessor covenants that it is the tenant pursuant to the Prime Lease and has good title to the leasehold created thereby, free and clear of all liens and encumbrances, excepting only the lien for current taxes not yet due, zoning ordinances, and other building and fire ordinances and governmental regulations relating to the use of such property, and easements, restrictions, and other limitations of record. Except as otherwise provided in this Sublease, including, without limitation, Section 1A, Sublessee agrees to take the Sublet Premises subject to the provisions of the Prime Lease. Sublessor represents and warrants that it has full right and authority to enter into this Sublease and that Sublessee, upon paying the rental herein set forth and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold, and enjoy the Sublet Premises for the term hereof without hindrance or molestation from Sublessor, subject to the terms and provisions of this Sublease.

17. ***Prime Lease.*** Except as may be inconsistent with the terms hereof, all the terms, covenants and conditions contained in the Prime Lease (other than any options or rights of first refusal or extension options granted to Sublessor or obligations of Sublessor to offer to purchase the Sublet Premises) shall be applicable to this Sublease with the same force and effect as if Sublessor were the lessor under the Prime Lease and Sublessee were the lessee thereunder; and in case of any breach hereof by Sublessee, Sublessor and Sublessee shall have all the rights against each other as would be available to the Prime Landlord and the lessee under the Prime Lease if such breach were by a party thereto. Sublessor and Sublessee shall neither do nor permit anything to be done which would cause the Prime Lease to be terminated or forfeited by reason of any right of termination or forfeiture reserved or vested in the Prime Landlord.

18. ***Use of Hazardous Material.***

A. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any state or local government authority or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) listed in the United States Department of Transportation Hazardous Materials Table (49 CFR §172.101, including the appendix to §172.101); (ii) identified by the Environmental Protection Agency as a hazardous substance in 40 CFR Part 302; (iii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317); (iv) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903); (v) defined as a "hazardous waste" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601); (vi) an asbestos containing material; (vii) any petroleum product or material in any way derived from or containing any petroleum product; (viii) defined as a "hazardous waste", a "hazardous material", a "hazardous substance", a "contaminant", or as a "waste" under any statute, code or administrative rule of any jurisdiction in which the Sublet Premises is located, or under any amendments, revisions, supplements, or replacements of any of the above or any regulations implementing any of the above.

**B.** Sublessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Sublet Premises by Sublessee, its agents, employees, contractors or invitees without the prior written consent of Sublessor, which Sublessor shall not unreasonably withhold as long as Sublessee demonstrates to Sublessor's reasonable satisfaction that such Hazardous Material is necessary or useful to Sublessee's business and will be used, kept, stored and disposed of in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Sublet Premises. If Sublessee breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Sublet Premises caused or permitted by Sublessee, its agents, employees, contractors or invitees results in contamination of the Sublet Premises, or if contamination of the Sublet Premises by any Hazardous Material otherwise occurs for which Sublessee is legally liable to Sublessor for damage resulting therefrom, then Sublessee shall promptly take all actions, including, without limitation, investigations, studies, samplings, and testing, and remedial removal, at its sole expense as are necessary to return the Sublet Premises to the condition existing prior to the introduction of any such Hazardous Material to the Sublet Premises; provided that Sublessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Sublet Premises. Notwithstanding the foregoing, Sublessee shall not be responsible for, and Sublessor shall promptly remediate, any Hazardous Materials which were brought, kept or used in the Sublet Premises by Sublessor, its agents, employees, contractors or invitees ("Pre-Existing Hazardous Materials"). In the event remediation of Pre-Existing Hazardous Materials interferes with Sublessee's use of this Sublet Premises, rent shall abate for the affected portion of the Sublet Premises.

**19. *Events of Sublessee Default.*** The following events shall be deemed to be Events of Default by Sublessee under this Sublease:

(a) Sublessee shall fail to pay any installment of the rent hereby reserved when due, or any payment with respect to taxes hereunder when due, or any other payment or reimbursement to Sublessor required herein when due, and such failure shall continue for a period of five (5) days from the date Sublessor notifies Sublessee that such payment is past due.

(b) Sublessee shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(c) Sublessee shall file a bankruptcy or Sublessee shall be adjudged bankrupt or insolvent in proceedings filed against Sublessee.

(d) A receiver or trustee shall be appointed for all or substantially all of the assets of Sublessee.

(e) Sublessee shall desert or vacate the Sublet Premises.

(f) Sublessee shall fail to comply with any term, provision or covenant of this Sublease (other than the foregoing in this Paragraph 19), and shall not cure

such failure within twenty (20) days after written notice thereof to Sublessee; provided, if such cure requires more than 20 days for completion, Sublessee shall not be in default hereunder so long as it is diligently pursuing the completion of such cure.

**20. Sublessor Remedies.** Upon the occurrence of any of Events of Default described in Paragraph 19 hereof, Sublessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Sublease, in which event Sublessee shall immediately surrender the Sublet Premises to Sublessor, and if Sublessee fails so to do, Sublessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Sublet Premises and expel or remove Sublessee and any other person who may be occupying such Sublet Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor; and Sublessee agrees to pay to Sublessor on demand the amount of any loss and damage which Sublessor may suffer by reason of such termination, whether through inability to relet the Sublet Premises or through decrease in rent or otherwise.

(b) Enter upon and take possession of the Sublet Premises and expel or remove Sublessee and any other person who may be occupying such Sublet Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, and relet the Sublet Premises and receive the rent therefor; and Sublessee agrees to pay to the Sublessor on demand any deficiency that may arise by reason of such reletting.

(c) Enter upon the Sublet Premises, by force if necessary, without being liable for prosecution or any claim for damages therefor, and do whatever Sublessee is obligated to do under the terms of this Sublease; and Sublessee agrees to reimburse Sublessor, on demand, for any expenses which Sublessor may incur in thus effecting compliance with Sublessee's obligations under this Sublease, and Sublessee further agrees that Sublessor shall not be liable for any damages resulting to the Sublessee from such action.

In the event Sublessee fails to pay any installment of rent hereunder as and when such installment is due, to help defray the additional cost to Sublessor for processing such late payments, Sublessee shall pay to Sublessor on demand a late charge in an amount equal to five percent (5%) of such installment; and the failure to pay such amount within ten (10) days after demand therefor shall be an Event of Default hereunder. The provision for such late charge shall be in addition to all of Sublessor's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Sublessor's remedies in any manner.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Sublessor hereunder

or of any damages accruing to Sublessor by reason of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by the Sublessor or its agents during the term hereby granted shall be deemed a termination of this Sublease or an acceptance of the surrender of the Sublet Premises, and no agreement to terminate this Sublease or to accept a surrender of said Sublet Premises shall be valid unless in writing signed by Sublessor. No waiver by Sublessor or any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Except as otherwise provided by law, Sublessor's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Sublessor so notifies Sublessee in writing. Forbearance by Sublessor to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of Sublessor's right to enforce any such remedies with respect to such default or any subsequent default.

**21. *Events of Sublessor Default and Sublessee Remedies.*** Sublessor shall be in default of this Sublease if Sublessor shall fail to observe or perform any term, covenant, or condition of this Sublease on the Sublessor's part to be observed or performed, and the Sublessor fails to remedy the same within thirty (30) days after notice from Sublessee. In the event the default is of such a nature that it cannot be reasonably cured within the foregoing thirty (30) day period, Sublessor shall be entitled to a reasonable period of time under the circumstances in which to cure said default, provided that Sublessor diligently proceeds with the curing of the default. In the event that the default is not cured by Sublessor within the foregoing time period, Sublessee shall have all remedies available at law or in equity under the laws of the State of Florida.

**22. *Mortgages and Prime Lease.*** Sublessee accepts this Sublease subject and subordinate to the Prime Lease and any mortgage(s) and/or deed(s) of trust now or at any time hereafter constituting a lien or charge upon the Sublet Premises or the improvements situated thereon; provided Sublessee's acceptance of this Sublease subject to such matters is contingent upon Sublessee's receipt and approval of the consent, estoppels letter and other items from the Prime Landlord required by Section 1B and any such lender's commercially reasonable form subordination, non-disturbance and attornment agreement; provided, however, that if the Prime Landlord, mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Sublessee's interest in this Sublease superior to any such instrument, then by notice to Sublessee from such mortgagee, trustee or holder, this Sublease shall be deemed superior to such lien, whether this Sublease was executed before or after said Prime Lease, mortgage or deed of trust. Sublessee shall at any time hereafter, on demand, execute any commercially reasonable instruments, releases or other documents which may be required by any mortgagee for the purpose of subjecting and subordinating this Sublease to the lien of any such Prime Lease, mortgage and/or deed of trust.

**23. *Mechanic's Liens.*** Sublessee shall have no authority, express or implied, to create or place any lien or encumbrance, of any kind or nature whatsoever upon, or in any manner to bind, the interest of Sublessor in the Sublet Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Sublessee, including those who may



furnish materials or perform labor for any construction or repairs, and each such claim shall affect and each such lien shall attach to, if at all, only the Leasehold interest granted to Sublessee by this instrument. Sublessee covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed on the Sublet Premises on which any lien is or can be validly and legally asserted against its Leasehold interest in the Sublet Premises or the improvements thereon.

**24. Notices.** Each provision of this instrument or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivery of any notice or the making of any payment by Sublessor to Sublessee or with reference to the sending, mailing, or delivery of any notice or the making of any payment by Sublessee to Sublessor shall be deemed to be complied with when and if the following steps are taken:

(a) All rent and other payments required to be made by Sublessee to Sublessor hereunder shall be payable to Sublessor at the address hereinbelow set forth or at such other address as Sublessor may specify from time to time by written notice delivered in accordance herewith. Sublessee's obligation to pay rent and any other amounts to Sublessor under the terms of this Sublease shall not be deemed satisfied until such rent and other amounts have been actually received by Sublessor.

(b) Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, Certified or Registered Mail, addressed to the parties hereto at the respective addresses set out below, or at such other address as they have theretofore specified by written notice delivered in accordance herewith:

**Sublessor:**

Huttig Building Products, Inc.  
555 Maryville University Drive  
Suite 400  
St. Louis, Missouri 63141  
Attention: President and CEO

**Sublessee:**

Susan Bucher  
Palm Beach County  
Supervisor of Elections  
240 South Military Trail  
West Palm Beach, Florida 33415

With a Copy to:

Property & Real Estate Management Division  
Attention: Director  
2633 Vista Parkway  
West Palm Beach, Florida 33411-5605

Palm Beach County Attorney's Office  
Attention: Real Estate  
301 North Olive Avenue, Suite 601  
West Palm Beach, Florida 33401

If and when included within the term "Sublessor", as used in this instrument, there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Sublessor; if and when included within the term "Sublessee", as used in this instrument, there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address within the continental United States for the receipt of notices and payments to Sublessee. All parties included within the terms "Sublessor" and "Sublessee", respectively, shall be bound by notices given in accordance with the provisions of this paragraph to the same effect as if each had received such notice.

**25. *Miscellaneous.***

**A.** The terms, provisions, covenants, and conditions contained in this Sublease shall apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns except as otherwise herein expressly provided. Each party agrees to furnish the other, promptly upon demand, a corporate resolution, proof of due authorization by partners, or other appropriate documentation evidencing the due authorization of such party to enter into this Sublease.

**B.** Sublessee agrees from time to time within thirty (30) days after request of Sublessor, to deliver to Sublessor, or Sublessor's designee, an estoppel certificate stating that this Sublease is in full force and effect, the date to which rent has been paid, the unexpired term of this Sublease and such other matters pertaining to this Sublease as may be reasonably requested by Sublessor. It is understood and agreed that Sublessee's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Sublessor's execution of this Sublease.

**C.** This Sublease may not be altered, changed or amended except by an instrument in writing signed by both parties hereto.

D. All obligations of Sublessee hereunder not fully performed as of the expiration or earlier termination of the term of this Sublease shall survive the expiration or earlier termination of the term hereof, including without limitation all payment obligations with respect to taxes and insurance and all obligations concerning the condition of the Sublet Premises. Upon the expiration or earlier termination of the term hereof, and prior to Sublessee vacating the Sublet Premises, Sublessee shall pay to Sublessor any amount reasonably estimated by Sublessor as necessary to put the Sublet Premises, including without limitation all heating and air conditioning systems and equipment therein, in good condition and repair. Sublessee shall also, prior to vacating the Sublet Premises, pay to Sublessor the amount, as estimated by Sublessor, of Sublessee's obligation hereunder for real estate taxes and insurance premiums for the year in which the Sublease expires or terminates. All such amounts shall be used and held by Sublessor for payment of such obligations of Sublessee hereunder, with Sublessee being liable for any additional costs therefor upon demand by Sublessor, or with any excess to be returned to Sublessee after all such obligations have been determined and satisfied, as the case may be. Any security deposit held by Sublessor shall be credited against the amount payable by Sublessee under this Paragraph 24(D).

E. This Sublease contains the entire agreement of the parties and no representation or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

F. No failure of Sublessor to exercise any power given Sublessor hereunder, or to insist upon strict compliance of any obligation hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Sublessor's right to demand exact compliance with the terms hereof.

G. If any clause or provision of this Sublease is illegal, invalid or unenforceable under present or future laws effective during the term of this Sublease, then and in that event, it is the intention of the parties hereto that the remainder of this Sublease shall not be affected thereby, and it is also the intention of the parties of this Sublease that in lieu of each clause or provision of this Sublease that is illegal, invalid or unenforceable, there be added as a part of this Sublease contract a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

H. **Brokers.** The parties hereby represent and warrant that the only brokers involved in the negotiation and execution of this Sublease are Hospitality Consultants Realty Services, Inc., representing Sublessee and Pinnacle Corporate Real Estate Advisory Services, Inc./Rauch Weaver Norfleet Kurtz & Co, representing Sublessor, whose commissions will be paid by Sublessor.

26. **Conversion to Direct Lease.** In the event of a termination of this Sublease due to insolvency or default of Sublessor, or due to a rejection of the Prime Lease in a bankruptcy proceeding, this Sublease shall convert to a direct lease pursuant to the terms of the Consent to Sublease signed by Sublessor and Sublessee contemporaneously herewith.

EXECUTED BY SUBLESSEE, this \_\_\_\_ day of \_\_\_\_\_, 2009.

SUBLESSEE:

ATTEST:

**PALM BEACH COUNTY, a political  
Subdivision of the State of Florida**

SHARON R. BOCK,  
CLERK & COMPTROLLER

\_\_\_\_\_  
By: Deputy Clerk

By: \_\_\_\_\_  
John F. Koons, Chairman

APPROVED AS TO FORM AND  
SUFFICIENCY

APPROVED AS TO TERMS AND  
CONDITIONS

By: \_\_\_\_\_  
Assistant County Attorney

By: \_\_\_\_\_  
County Administrator

EXECUTED BY SUBLESSOR, this \_\_\_\_ day of \_\_\_\_\_, 2009.

SUBLESSOR:

**HUTTIG BUILDING PRODUCTS, INC.**

Attest/Witness:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_ President

(SEAL)

**EXHIBITS**

<b>EXHIBIT A</b>	<b>-</b>	<b>PRIME LEASE</b>
<b>EXHIBIT B</b>	<b>-</b>	<b>SUBLET PREMISES</b>
<b>EXHIBIT C</b>	<b>-</b>	<b>SUBLESSEE'S CONTRACTOR'S INSURANCE REQUIREMENTS</b>

**EXHIBIT A**

**PRIME LEASE**

10/31/01 MTIN

LEASE

RREEF AMERICA REIT II CORP. S,  
Landlord,

and

HUTTIG BUILDING PRODUCTS, INC.,  
Tenant

## TABLE OF CONTENTS

		Page
1.	USE AND RESTRICTIONS ON USE	1
2.	TERM	1
3.	RENT	2
4.	RENT ADJUSTMENTS	3
5.	SECURITY DEPOSIT	5
6.	ALTERATIONS	5
7.	REPAIR	5
8.	LIENS	6
9.	ASSIGNMENT AND SUBLETTING	6
10.	INDEMNIFICATION	8
11.	INSURANCE	8
12.	WAIVER OF SUBROGATION	9
13.	SERVICES AND UTILITIES	9
14.	HOLDING OVER	9
15.	SUBORDINATION	9
16.	RULES AND REGULATIONS	9
17.	REENTRY BY LANDLORD	10
18.	DEFAULT	10
19.	REMEDIES	11
20.	TENANT'S BANKRUPTCY OR INSOLVENCY.	13
21.	QUIET ENJOYMENT	14
22.	CASUALTY	14
23.	EMINENT DOMAIN	15
24.	SALE BY LANDLORD	15
25.	ESTOPPEL CERTIFICATES	15
26.	SURRENDER OF PREMISES	16
27.	NOTICES	16
28.	TAXES PAYABLE BY TENANT	16
29.	RELOCATION OF TENANT	17
30.	DEFINED TERMS AND HEADINGS	17
31.	TENANT'S AUTHORITY	17
32.	FINANCIAL STATEMENTS AND CREDIT REPORTS	17
33.	COMMISSIONS	17
34.	TIME AND APPLICABLE LAW	17
35.	SUCCESSORS AND ASSIGNS	18
36.	ENTIRE AGREEMENT	18
37.	EXAMINATION NOT OPTION	18
38.	RECORDATION	18



**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
39.    LIMITATION OF LANDLORD'S LIABILITY	18
40.    RADON	18
41.    JOINT AND SEVERAL LIABILITY	18
42     RIGHT OF FIRST OFFER	18
EXHIBIT A – FLOOR PLAN DEPICTING THE PREMISES	
EXHIBIT A-1 – SITE PLAN	
EXHIBIT B – INITIAL TENANT IMPROVEMENT ALTERATIONS	
EXHIBIT B-1 – INITIAL LANDLORD ALTERATIONS	
EXHIBIT C – COMMENCEMENT DATE MEMORANDUM	
EXHIBIT D – RULES AND REGULATIONS	

MULTI-TENANT INDUSTRIAL NET LEASE

REFERENCE PAGES

BUILDING: BRITANNIA BUSINESS CENTER  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

LANDLORD: RREEF America REIT II Corp. S

LANDLORD'S ADDRESS: Attention: Director of Portfolio Management  
875 N. Michigan Avenue  
41st Floor  
Chicago, IL 60611

with a copy to:  
Holland & Knight LLP  
200 South Orange Avenue  
Suite 2600  
Orlando, FL 32801  
Attn: Christopher C. Brockman, Esq.

WIRE INSTRUCTIONS AND/OR ADDRESS FOR RENT PAYMENT: FLORIDA INDUSTRIAL PORTFOLIO  
75 Remittance Drive, Suite #1079  
Chicago, IL 60675-1079

LEASE REFERENCE DATE: *September*  
*August 14*, 2004

TENANT: Huttig Building Products, Inc.

TENANT'S NOTICE ADDRESS: 555 Maryville University Drive  
St. Louis, MO 63141  
Attn: Vice President and General Counsel

PREMISES ADDRESS: 7835 Central Industrial Drive  
Riviera Beach, FL 33404

PREMISES RENTABLE AREA: Approximately 104,693 sq. ft., subject to adjustment following measurement of Premises (for outline of Premises see Exhibit A)

USE: General warehouse and distribution use (with related office use), but specifically excluding any manufacturing (other than light assembly) or retail.

[SCHEDULED] COMMENCEMENT DATE: The Commencement Date is the day following substantial completion of the Tenant Improvements referenced in Exhibit B. However, if Tenant occupies the Premises prior to substantial completion of the Tenant Improvements, then the Commencement Date will be no later than the sixtieth (60th) day following the day that Tenant takes occupancy.

[SCHEDULED] DATE OF OCCUPANCY The Tenant may occupy the Premises on the day following substantial completion of the Landlord Improvements referenced in Exhibit - B-1 for the sole purpose of installing its fixtures and equipment, regardless of whether the Tenant Improvements are substantially complete.

<i>LD</i>	<i>PM</i>
-----------	-----------

**TERM OF LEASE:**

Approximately ten (10) years and nine (9) months beginning on the Commencement Date and ending on the Termination Date with two five-year extension options. [The period from the Commencement Date to the last day of the same month is the "Commencement Month."]

**TERMINATION DATE:**

The last day of the 129th full calendar month after (if the Commencement Month is not a full calendar month), or from and including (if the Commencement Month is a full calendar month), the Commencement Month

**ANNUAL RENT and MONTHLY INSTALLMENT OF RENT(Article 3):**

Period		Rentable Square Footage*	Annual Rent Per Square Foot**	Annual Rent	Monthly Installment of Rent
from	through				
1	9	104,693	\$0.00	\$0.00	\$0.00
10	60	104,693	\$4.00	\$418,772.00	\$34,897.67
61	72	104,693	\$4.70	\$492,057.10	\$41,004.76
73	84	104,693	\$4.84	\$506,714.12	\$42,226.18
85	96	104,693	\$4.99	\$522,418.07	\$43,534.84
97	108	104,693	\$5.14	\$538,122.02	\$44,843.50
109	120	104,693	\$5.29	\$553,825.97	\$46,152.16
121	129	104,693	\$5.45	\$570,576.85	\$47,548.07

\* subject to adjustment following measurement of Premises

\*\* plus applicable sales or use taxes thereon

**INITIAL ESTIMATED RENT ADJUSTMENTS (Article 4)**

\$1.75 per square foot, estimated for 2004 Real Estate Taxes, Insurance and CAM ( (for calendar year 2004)

**TENANT'S PROPORTIONATE SHARE:**

60.47% (104,693 out of a total of approximately 173,134 square feet), subject to adjustment following measurement of Premises.

**SECURITY DEPOSIT:**

N/A

**ASSIGNMENT/SUBLETTING FEE**

\$ 1,500.00

**REAL ESTATE BROKER DUE COMMISSION:**

CB Richard Ellis, Inc. representing the Landlord, and NAI Rauch, Weaver, Norfleet Kurtz & Co., Inc., representing the Tenant.

TENANT'S SIC CODE:

5211

AMORTIZATION RATE:

9 %

The Reference Pages information is incorporated into and made a part of the Lease. In the event of any conflict between any Reference Pages information and the Lease, the Lease shall control. This Lease includes Exhibits A through D, all of which are made a part of this Lease.

**LANDLORD:**

**RREEF AMERICA REIT II CORP. S, a Maryland corporation**

**By: RREEF Management Company, a Delaware corporation, its Authorized Agent**

**TENANT:**

**HUTTIG BUILDING PRODUCTS, INC., a Delaware corporation**

By: *BS Bodin*

Name: *B S Bodin*

Title: *V.P., Regional Director*

Dated: *September 14*, 2004

By: *Nick H. Varsom*

Name: *Nick H. Varsom*

Title: *Vice President General Counsel*

Dated: *August 31*, 2004

## LEASE

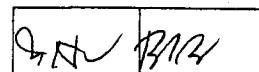
By this Lease Landlord leases to Tenant and Tenant leases from Landlord the Premises in the Building as set forth and described on the Reference Pages. The Premises are depicted on the floor plan attached hereto as Exhibit A, and the Building is depicted on the site plan attached hereto as Exhibit A-1. The Reference Pages, including all terms defined thereon, are incorporated as part of this Lease.

### 1. USE AND RESTRICTIONS ON USE.

1.1 The Premises are to be used solely for the purposes set forth on the Reference Pages. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure, annoy, or disturb them, or allow the Premises to be used for any improper, immoral or unlawful purpose, or commit any waste. Tenant shall not do, permit or suffer in, on, or about the Premises the sale of any alcoholic liquor without the written consent of Landlord first obtained. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises and its occupancy by Tenant and shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in the Building or appurtenant land, caused or permitted by, or resulting from the specific use by, Tenant, or in or upon, or in connection with, the Premises, all at Tenant's sole expense. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything into the Premises which will in any way increase the rate of, invalidate or prevent the procuring of any insurance protecting against loss or damage to the Building or any of its contents by fire or other casualty or against liability for damage to property or injury to persons in or about the Building or any part thereof.

1.2 Tenant shall not, and shall not direct, suffer or permit any of its agents, contractors, employees, licensees or invitees (collectively, the "Tenant Entities") to at any time handle, use, manufacture, store or dispose of in or about the Premises or the Building any (collectively "Hazardous Materials") flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, or other similar substances, petroleum products or derivatives or any substance subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws or ordinances (collectively "Environmental Laws"), nor shall Tenant suffer or permit any Hazardous Materials to be used in any manner not fully in compliance with all Environmental Laws, in the Premises or the Building and appurtenant land or allow the environment to become contaminated with any Hazardous Materials. Notwithstanding the foregoing, Tenant may handle, store, use or dispose of products containing small quantities of Hazardous Materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for the use of the Premises as defined in the Reference Pages; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building and appurtenant land or the environment. Tenant shall protect, defend, indemnify and hold each and all of the Landlord Entities (as defined in Article 30) harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of any actual or asserted failure of Tenant to fully comply with all applicable Environmental Laws, or the presence, handling, use or disposition in or from the Premises of any Hazardous Materials by Tenant or any Tenant Entity (even though permissible under all applicable Environmental Laws or the provisions of this Lease), or by reason of any actual or asserted failure of Tenant to keep, observe, or perform any provision of this Section 1.2.

1.3 Tenant and the Tenant Entities will be entitled to the non-exclusive use of the common areas of the Building as they exist from time to time during the Term, including the parking facilities, subject to Landlord's rules and regulations regarding such use. However, in no event will Tenant or the Tenant Entities park more vehicles in the parking facilities than Tenant's Proportionate Share of the total parking spaces available for common use. The foregoing shall not be deemed to provide Tenant with an exclusive right to any parking spaces or any guaranty of the availability of any particular parking spaces or any specific number of parking spaces.



Initials

## 2. TERM AND EXTENSION OPTION.

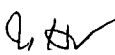

2.1 The Term of this Lease begins on the date ("Commencement Date") which is the later of the Scheduled Commencement Date, as shown on the Reference Pages, and the date that Landlord tenders possession of the Premises to Tenant following substantial completion of the Tenant Improvements referenced in Exhibit B. However, if Tenant occupies the Premises prior to substantial completion of the Tenant Improvements, then the Commencement Date will be no later than the sixtieth (60) day following the day that Tenant takes occupancy. This Lease terminates on the date shown on the Reference Pages ("Termination Date"), unless sooner terminated by the provisions of this Lease. Landlord shall tender possession of the Premises with all the work, if any, to be performed by Landlord pursuant to Exhibit B to this Lease substantially completed. Tenant shall deliver a punch list of items not completed within thirty (30) days after Landlord tenders possession of the Premises and Landlord agrees to proceed with due diligence to perform its obligations regarding such items and to complete same within sixty (60) days after receipt of Tenant's list. Tenant shall, at Landlord's request, execute and deliver a memorandum agreement provided by Landlord in the form of Exhibit C attached hereto, setting forth the actual Commencement Date, Termination Date and, if necessary, a revised rent schedule. Should Tenant fail to do so within thirty (30) days after Landlord's request, the information set forth in such memorandum provided by Landlord shall be conclusively presumed to be agreed and correct.

2.2 Tenant agrees that in the event of the inability of Landlord to deliver possession of the Premises on the Scheduled Commencement Date for any reason, Landlord shall not be liable for any damage resulting from such inability, but Tenant shall not be liable for any rent until the time when Landlord can, after notice to Tenant, deliver possession of the Premises to Tenant. No such failure to give possession on the Scheduled Commencement Date shall affect the other obligations of Tenant under this Lease, except that if Landlord is unable to deliver possession of the Premises within one hundred twenty (120) days after the Scheduled Commencement Date (other than as a result of strikes, shortages of materials, holdover tenancies or similar matters beyond the reasonable control of Landlord and Tenant is notified by Landlord in writing as to such delay), Tenant shall have the option to terminate this Lease unless said delay is as a result of: (a) Tenant's failure to agree to plans and specifications and/or construction cost estimates or bids; (b) Tenant's request for materials, finishes or installations other than Landlord's standard except those, if any, that Landlord shall have expressly agreed to furnish without extension of time agreed by Landlord; (c) Tenant's change in any plans or specifications; or, (d) performance or completion by a party employed by Tenant (each of the foregoing, a "Tenant Delay"). If any delay is the result of a Tenant Delay, the Commencement Date and the payment of rent under this Lease shall be accelerated by the number of days of such Tenant Delay.

2.3 Tenant may occupy the Premises on the day following substantial completion of the Landlord Improvements referenced in Exhibit B-1 for the sole purpose of installing its fixtures and equipment, regardless of whether the Tenant Improvements are substantially complete. In the event that Tenant, or any agent, employee or contractor of Tenant, enters, uses or occupies the Premises prior to the Commencement Date, such entry, use or occupancy shall be subject to all the provisions of this Lease other than the payment of rent, including, without limitation, Tenant's compliance with the insurance requirements of Article 11. Early possession does not advance the Termination Date.

2.4 Provided that as of the time of the giving of the Extension Notice (as defined below) and the Commencement Date of the Extension Term, (as defined below) (a) Tenant is the Tenant originally named herein or a successor entity with creditworthiness as good as Tenant, (b) Tenant actually occupies all of the Premises initially demised under this Lease and any space added to the Premises, and (c) no Event of Default exists or would exist but for the passage of time or the giving of notice, or both; then Tenant will have the right to extend the Lease Term two (2) times for an additional term of five (5) years each (each an "Extension Term"), commencing on the day following the expiration of the Lease Term (the "Commencement Date of the Extension Term"). Tenant will give Landlord notice (the "Extension Notice") of its election to extend the term of the Lease Term at least six (6) months, but not more than nine (9) months, prior to the scheduled expiration date of the Lease Term (the "Notice Period"). If Tenant does not give the Extension Notice during the Notice Period, Tenant's right to extend the Lease Term will automatically terminate. Time is of the essence as to the giving of the Extension Notice. The Base Rent payable to the Landlord during any Extension Term shall be determined in accordance with Paragraph 3.3 below.

Landlord will have no obligation to refurbish or otherwise improve the Premises for the Extension Term. The Premises will be tendered on the Commencement Date of the Extension Term in "as-is" condition. If the Lease is extended for the

	
---	---

Extension Term, Landlord will prepare, and both parties will execute, an amendment to the Lease confirming the extension of the Lease Term and the other provisions applicable thereto (the "Amendment")

3. RENT.

3.1 Tenant agrees to pay to Landlord the Annual Rent in effect from time to time by paying the Monthly Installment of Rent then in effect on or before the first day of each full calendar month during the Term, except that the first full month's rent shall be paid upon the execution of this Lease. The Monthly Installment of Rent in effect at any time shall be one-twelfth (1/12) of the Annual Rent in effect at such time. Rent for any period during the Term which is less than a full month shall be a prorated portion of the Monthly Installment of Rent based upon the number of days in such month. Said rent shall be paid to Landlord, without deduction or offset and without notice or demand, at the Rent Payment Address, as set forth on the Reference Pages, or to such other person or at such other place as Landlord may from time to time designate in writing. If two (2) Events of Default occur within any 36 month period, Landlord may require by notice to Tenant that all subsequent rent payments be made by an automatic payment from Tenant's bank account to Landlord's account, without cost to Landlord. Tenant must implement such automatic payment system prior to the next scheduled rent payment or within ten (10) days after Landlord's notice, whichever is later. Unless specified in this Lease to the contrary, all amounts and sums payable by Tenant to Landlord pursuant to this Lease shall be deemed additional rent.

3.2 Tenant recognizes that late payment of any rent or other sum due under this Lease will result in administrative expense to Landlord, the extent of which additional expense is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if rent or any other sum is not paid when due and payable pursuant to this Lease, upon the second such occurrence within any 36 month period a late charge shall be imposed in an amount equal to the greater of: (a) Fifty Dollars (\$50.00), or (b) five percent (5%) of the unpaid rent or other payment. The amount of the late charge to be paid by Tenant shall be reassessed and added to Tenant's obligation for each successive month until paid. The provisions of this Section 3.2 in no way relieve Tenant of the obligation to pay rent or other payments on or before the date on which they are due, nor do the terms of this Section 3.2 in any way affect Landlord's remedies pursuant to Article 19 of this Lease in the event said rent or other payment is unpaid after date due.

3.3 The Base Rent payable by Tenant to Landlord during the first year of each of the Extension Terms referenced in Paragraph 2.4 will be ninety-five percent (95%) of the then Fair Market Rental, as hereinafter defined, for comparable space in the same rental market, taking into account the specific provisions of the Lease, the length of the Extension Term, then existing market tenant improvement allowances, rent concessions and other economic terms, and the credit of Tenant. Notwithstanding anything else in this Paragraph, the Base Rent during the first year of each of the Extension Terms will not exceed a total increase of ten percent (10%) over the Base Rent for the month immediately preceding the start of the Extension Term; thereafter, Base Rent for each year of the Renewal Term shall increase by three percent (3%). Except for the Base Rent as determined above, Tenant's occupancy of the Premises during the Extension Term will be on the same terms and conditions (including the payment of Additional Rent) as are in effect immediately prior to the expiration of the initial Lease Term; provided, however, Tenant will have no further right to any allowances, credits or abatements or any options to expand, contract, renew or extend the Lease, except as specifically provided herein. Landlord shall advise Tenant of the Landlord's determination of the Fair Market Rental for the Premises no later than thirty (30) days after receipt of Tenant's written request therefor. Said request shall be made no earlier than sixty (60) days prior to the first date on which Tenant may exercise its option under this Paragraph. If Tenant and Landlord are unable to agree on a mutually acceptable rental rate not later than thirty (30) days after Landlord delivers its determination, then at the request of either Landlord or Tenant, Landlord and Tenant shall each within seven (7) business days appoint a qualified industrial real estate broker doing business in the area. In turn those two independent qualified industrial real estate brokers shall within seven (7) business days appoint a qualified MAI appraiser and the majority shall decide upon the fair market rental for the Premises as of the expiration of the then current term and deliver a report to Landlord and Tenant within thirty (30) days. Once the parties elect to determine the new Annual Rent by appraisers, Tenant's deadline to exercise its option to renew hereunder shall not expire until the new Annual Rent has been so determined. Landlord and Tenant shall share equally in the expense of the appraiser.

Q. 65 B113

4. RENT ADJUSTMENTS.

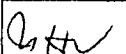
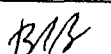
4.1 For the purpose of this Article 4, the following terms are defined as follows:

4.1.1 Lease Year: Each fiscal year (as determined by Landlord from time to time) falling partly or wholly within the Term.

4.1.2 Expenses: All costs of operation, maintenance, repair, replacement and management of the Building (including the amount of any credits which Landlord may grant to particular tenants of the Building in lieu of providing any standard services or paying any standard costs described in this Section 4.1.2 for similar tenants), as determined in accordance with generally accepted accounting principles, including the following costs by way of illustration, but not limitation: water and sewer charges; insurance charges of or relating to all insurance policies and endorsements deemed by Landlord to be reasonably necessary or desirable and relating in any manner to the protection, preservation, or operation of the Building or any part thereof; utility costs, including, but not limited to, the cost of heat, light, power, steam, gas; waste disposal; the cost of janitorial services; the cost of security and alarm services (including any central station signaling system); costs of cleaning, repairing, replacing and maintaining the common areas, including parking and landscaping, window cleaning costs; labor costs; costs and expenses of managing the Building including management and/or administrative fees (not to exceed five percent (5%) of gross revenues); air conditioning maintenance costs; elevator maintenance fees and supplies; material costs; equipment costs including the cost of maintenance, repair and service agreements and rental and leasing costs; purchase costs of equipment; current rental and leasing costs of items which would be capital items if purchased; tool costs; licenses, permits and inspection fees; wages and salaries; employee benefits and payroll taxes; accounting and legal fees; any sales, use or service taxes incurred in connection therewith; Landlord agrees that costs relating to the repair of the roof and the structural elements of the Building are Landlord's responsibility (and not part of the common expenses); provided, however, the foregoing shall not prevent Landlord from collecting directly from Tenant or another tenant in the Building the cost of any repair necessitated by the negligence or willful misconduct of said tenant. In addition, Landlord shall be entitled to recover, as additional rent (which, along with any other capital expenditures constituting Expenses, Landlord may either include in Expenses or cause to be billed to Tenant along with Expenses and Taxes but as a separate item), Tenant's Proportionate Share of: (i) an allocable portion of the cost of capital improvement items which are reasonably calculated to reduce operating expenses; (ii) the cost of fire sprinklers and suppression systems and other life safety systems required by law; and (iii) other capital expenses which are required under any governmental laws, regulations or ordinances which were not applicable to the Building at the Commencement Date; but all capital expenditures (including those described in this sentence) shall be amortized over the reasonable life of such expenditures in accordance with such reasonable life and amortization schedules as shall be determined by Landlord in accordance with generally accepted accounting principles, with interest on the unamortized amount at one percent (1%) in excess of the Wall Street Journal prime lending rate announced from time to time. Expenses shall not include depreciation or amortization of the Building or equipment in the Building except as provided herein, loan principal or interest payments, costs of alterations of tenants' premises, leasing commissions, interest expenses on long-term borrowings or advertising costs.

4.1.3 Taxes: Real estate taxes and any other taxes, charges and assessments which are levied with respect to the Building or the land appurtenant to the Building, or with respect to any improvements, fixtures and equipment or other property of Landlord, real or personal, located in the Building and used in connection with the operation of the Building and said land, any payments to any ground lessor in reimbursement of tax payments made by such lessor; and all fees, expenses and costs incurred by Landlord in investigating, protesting, contesting or in any way seeking to reduce or avoid increase in any assessments, levies or the tax rate pertaining to any Taxes to be paid by Landlord in any Lease Year, not to exceed the amount of the reduction in taxes achieved thereby. Taxes shall not include any corporate franchise, or estate, inheritance or income tax, or tax imposed upon any transfer by Landlord of its interest in this Lease or the Building or any taxes to be paid by Tenant pursuant to Article 28.

4.2 Tenant shall pay as additional rent for each Lease Year Tenant's Proportionate Share of Expenses and Taxes incurred for such Lease Year, beginning on the Commencement Date (even though the payment of Base Rent may be delayed). Landlord agrees that Tenant's Proportionate Share of controllable Expenses (defined as any and all non-capital Expenses incurred by Landlord relating to the Building other than taxes, insurance, non-contracted for

	
---	---



maintenance, utility costs and Building association dues or assessments ) shall not increase by more than five percent (5%) from one Lease Year to the following Lease Year.

4.3 The annual determination of Expenses shall be made by Landlord and shall be binding upon Landlord and Tenant, subject to the provisions of this Section 4.3. During the Term, Tenant may review, at Tenant's sole cost and expense, the books and records supporting such determination in an office of Landlord, or Landlord's agent, during normal business hours, upon giving Landlord five (5) days advance written notice within 180 days after receipt of such determination, but in no event more often than once in any one (1) year period, subject to execution of a confidentiality agreement reasonably acceptable to Landlord, and provided that if Tenant utilizes an independent accountant to perform such review it shall be one of national standing which is reasonably acceptable to Landlord, is not compensated on a contingency basis and is also subject to such confidentiality agreement. If Tenant fails to object to Landlord's determination of Expenses within 180 days after receipt, or if any such objection fails to state with specificity the reason for the objection, Tenant shall be deemed to have approved such determination and shall have no further right to object to or contest such determination. In the event that during all or any portion of any Lease Year or Base Year, the Building is not fully rented and occupied Landlord shall make an appropriate adjustment in occupancy-related Expenses for such year for the purpose of avoiding distortion of the amount of such Expenses to be attributed to Tenant by reason of variation in total occupancy of the Building, by employing consistent and sound accounting and management principles to determine Expenses that would have been paid or incurred by Landlord had the Building been at least ninety-five percent (95%) rented and occupied, and the amount so determined shall be deemed to have been Expenses for such Lease Year.

4.4 Prior to the actual determination thereof for a Lease Year, Landlord may from time to time reasonably estimate Tenant's liability for Expenses and/or Taxes under Section 4.2, Article 6 and Article 28 for the Lease Year or portion thereof. Landlord will give Tenant written notification of the amount of such estimate (together with reasonable supporting documentation) and Tenant agrees that it will pay, by increase of its Monthly Installments of Rent due in such Lease Year, additional rent in the amount of such estimate. Any such increased rate of Monthly Installments of Rent pursuant to this Section 4.4 shall remain in effect until further written notification to Tenant pursuant hereto.

4.5 When the above mentioned actual determination of Tenant's liability for Expenses and/or Taxes is made for any Lease Year and when Tenant is so notified in writing, then:

4.5.1 If the total additional rent Tenant actually paid pursuant to Section 4.3 on account of Expenses and/or Taxes for the Lease Year is less than Tenant's liability for Expenses and/or Taxes, then Tenant shall pay such deficiency to Landlord as additional rent in one lump sum within thirty (30) days of receipt of Landlord's bill therefor; and

4.5.2 If the total additional rent Tenant actually paid pursuant to Section 4.3 on account of Expenses and/or Taxes for the Lease Year is more than Tenant's liability for Expenses and/or Taxes, then Landlord shall credit the difference against the then next due payments to be made by Tenant under this Article 4, or, if the Lease has terminated, refund the difference in cash within forty-five (45) days of such determination.

4.6 If the Commencement Date is other than January 1 or if the Termination Date is other than December 31, Tenant's liability for Expenses and Taxes for the Lease Year in which said Date occurs shall be prorated based upon a three hundred sixty-five (365) day year.

5. SECURITY DEPOSIT. Not Required.

6. ALTERATIONS.

6.1 Except for those, if any, specifically provided for in Exhibit B to this Lease, Tenant shall not make or suffer to be made any alterations, additions, or improvements, including, but not limited to, the attachment of any fixtures or equipment in, on, or to the Premises or any part thereof or the making of any improvements as required by Article 7, without the prior written consent of Landlord. When applying for such consent, Tenant shall, if requested by Landlord, furnish complete plans and specifications for such alterations, additions and improvements. Landlord's

Q. & V	BIB
--------	-----

consent shall not be unreasonably withheld, conditioned or delayed, with respect to alterations which (i) are not structural in nature, (ii) are not visible from the exterior of the Building, (iii) do not affect or require modification of the Building's electrical, mechanical, plumbing, HVAC or other systems, and (iv) in aggregate do not cost more than \$5.00 per rentable square foot of that portion of the Premises affected by the alterations in question.

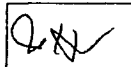
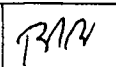
6.2 In the event Landlord consents to the making of any such alteration, addition or improvement by Tenant, the same shall be made by using either Landlord's contractor or a contractor reasonably approved by Landlord, in either event at Tenant's sole cost and expense. If Tenant shall employ any contractor other than Landlord's contractor and such other contractor or any subcontractor of such other contractor shall employ any non-union labor or supplier, Tenant shall be responsible for and hold Landlord harmless from any and all delays, damages and extra costs suffered by Landlord as a result of any dispute with any labor unions concerning the wage, hours, terms or conditions of the employment of any such labor. In any event Landlord may charge Tenant a construction management fee not to exceed five percent (5%) of the cost of such work to cover its overhead as it relates to such proposed work, plus reasonable third-party costs actually incurred by Landlord in connection with the proposed work and the design thereof, with all such amounts being due five (5) days after Landlord's demand.

6.3 All alterations, additions or improvements proposed by Tenant shall be constructed in accordance with all government laws, ordinances, rules and regulations, using Building standard materials where applicable, and Tenant shall, prior to construction, provide the additional insurance required under Article 11 in such case, and also all such assurances to Landlord as Landlord shall reasonably require to assure payment of the costs thereof, including but not limited to, notices of non-responsibility, waivers of lien, surety company performance bonds and/or funded construction escrows and to protect Landlord and the Building and appurtenant land against any loss from any mechanic's, materialmen's or other liens. Tenant shall pay in addition to any sums due pursuant to Article 4, any increase in real estate taxes attributable to any such alteration, addition or improvement for so long, during the Term, as such increase is ascertainable; at Landlord's election said sums shall be paid in the same way as sums due under Article 4.

## 7. REPAIR.

7.1 Landlord has no obligation to alter, remodel, improve, repair, decorate or paint the Premises, except as specified in Exhibit - B and Exhibit - B-1, if attached to this Lease, and except that Landlord shall repair and maintain the Building's structural components, foundation and roof system in good condition, promptly making all necessary repairs or replacements with materials of the same character, kind and quality as the original. By taking possession of the Premises, Tenant accepts them as being in good order, condition and repair and in the condition in which Landlord is obligated to deliver them, except as set forth in the punch list to be delivered pursuant to Section 2.1 and except for latent defects. It is hereby understood and agreed that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, except as specifically set forth in this Lease. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant or Landlord otherwise has actual notice of such need.

7.2 Except to the extent Landlord is so obligated under Section 7.1, Tenant shall at its own cost and expense keep and maintain all parts of the Premises and such portion of the Building and improvements as are within the exclusive control of Tenant in good condition, ordinary wear and tear excepted, promptly making all necessary repairs and replacements, whether ordinary or extraordinary, with materials and workmanship of the same character, kind and quality as the original (including, but not limited to, repair and replacement of all fixtures installed by Tenant, water heaters serving the Premises, windows, glass and plate glass, doors, exterior stairs, skylights, any special office entries, interior walls and finish work, floors and floor coverings, heating and air conditioning systems serving the Premises, electrical systems and fixtures, sprinkler systems, dock boards, truck doors, dock bumpers, plumbing work and fixtures, and performance of regular removal of trash and debris). Tenant as part of its obligations hereunder shall keep the Premises in a clean and sanitary condition. Tenant will, as far as possible keep all such parts of the Premises from falling temporarily out of repair, and upon termination of this Lease in any way Tenant will yield up the Premises to Landlord in good condition and repair, ordinary wear and tear and loss by fire or other casualty excepted (but not excepting any damage to glass). Tenant shall, at its own cost and expense, repair any damage to the Premises or the Building resulting from and/or caused in whole or in part by the negligence or misconduct of Tenant, its agents,

	
---	---

employees, contractors, invitees, or any other person entering upon the Premises as a result of Tenant's business activities or caused by Tenant's default hereunder.

7.3 Except as provided in Article 22, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or to fixtures, appurtenances and equipment in the Building. Except to the extent, if any, prohibited by law, Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

7.4 Tenant shall, at its own cost and expense, enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor approved by Landlord for servicing all heating and air conditioning systems and equipment 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 and must become effective within thirty (30) days of the date Tenant takes possession of the Premises. Should Tenant fail to do so, Landlord may, upon notice to Tenant, enter into such a maintenance/ service contract on behalf of Tenant or perform the work and in either case, charge Tenant the cost thereof along with a reasonable amount for Landlord's overhead.

7.5 Landlord shall coordinate any repairs and other maintenance of any railroad tracks serving the Building and, if Tenant uses such rail tracks, Tenant shall reimburse Landlord or the railroad company from time to time upon demand, as additional rent, for its share of the costs of such repair and maintenance and for any other sums specified in any agreement to which Landlord or Tenant is a party respecting such tracks, such costs to be borne proportionately by all tenants in the Building using such rail tracks, based upon the actual number of rail cars shipped and received by such tenant during each calendar year during the Term.

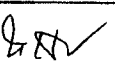
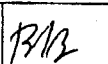
8. **LIENS.** Tenant shall keep the Premises, the Building and appurtenant land and Tenant's leasehold interest in the Premises free from any liens arising out of any services, work or materials performed, furnished, or contracted for by Tenant, or obligations incurred by Tenant. In the event that Tenant fails, within thirty (30) days following the imposition of any such lien, to either cause the same to be released of record or provide Landlord with insurance against the same issued by a major title insurance company or such other protection against the same as Landlord shall accept (such failure to constitute an Event of Default), Landlord shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith shall be payable to it by Tenant within thirty (30) days of Landlord's demand.

#### 9. **ASSIGNMENT AND SUBLETTING.**

Notwithstanding any provision contained in Article 9, Tenant may assign or sublet its leasehold interest to Tenant's affiliates, subsidiaries, or parent company without Landlord's consent provided that Tenant gives Landlord written notice of the transfer before the transfer becomes effective.

9.1 Tenant shall not have the right to assign or pledge this Lease or to sublet the whole or any part of the Premises whether voluntarily or by operation of law, or permit the use or occupancy of the Premises by anyone other than Tenant, and shall not make, suffer or permit such assignment, subleasing or occupancy without the prior written consent of Landlord, such consent not to be unreasonably withheld, delayed or conditioned, and said restrictions shall be binding upon any and all assignees of the Lease and subtenants of the Premises. In the event Tenant desires to sublet, or permit such occupancy of, the Premises, or any portion thereof, or assign this Lease, Tenant shall give written notice thereof to Landlord at least thirty (30) days but no more than one hundred twenty (120) days prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed subtenant or assignee, the relevant terms of any sublease or assignment and copies of financial reports and other relevant financial information of the proposed subtenant or assignee.

9.2 Notwithstanding any assignment or subletting, permitted or otherwise, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the

	
---	---

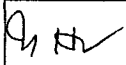
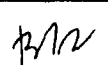
occurrence of an Event of Default, if the Premises or any part of them are then assigned or sublet, Landlord, in addition to any other remedies provided in this Lease or provided by law, may, at its option, collect directly from such assignee or subtenant all rents due and becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant under this Lease, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease.

9.3 In addition to Landlord's right to approve of any subtenant or assignee, Landlord shall have the option, in its sole discretion, in the event of any proposed subletting or assignment, to terminate this Lease, or in the case of a proposed subletting of less than the entire Premises, to recapture the portion of the Premises to be sublet, as of the date the subletting or assignment is to be effective. The option shall be exercised, if at all, by Landlord giving Tenant written notice given by Landlord to Tenant within fifteen (15) days following Landlord's receipt of Tenant's written notice as required above. However, if Tenant notifies Landlord, within five (5) days after receipt of Landlord's termination notice, that Tenant is rescinding its proposed assignment or sublease, the termination notice shall be void and the Lease shall continue in full force and effect. If this Lease shall be terminated with respect to the entire Premises pursuant to this Section, the Term of this Lease shall end on the date stated in Tenant's notice as the effective date of the sublease or assignment as if that date had been originally fixed in this Lease for the expiration of the Term. If Landlord recaptures under this Section only a portion of the Premises, the rent to be paid from time to time during the unexpired Term shall abate proportionately based on the proportion by which the approximate square footage of the remaining portion of the Premises shall be less than that of the Premises as of the date immediately prior to such recapture. Tenant shall, at Tenant's own cost and expense, discharge in full any outstanding commission obligation which may be due and owing as a result of any proposed assignment or subletting, whether or not the Premises are recaptured pursuant to this Section 9.3 and rented by Landlord to the proposed tenant or any other tenant.

9.4 In the event that Tenant sells, sublets, assigns or transfers this Lease, Tenant shall pay to Landlord as additional rent an amount equal to fifty percent (50%) of any Increased Rent (as defined below), less the Costs Component (as defined below), when and as such Increased Rent is received by Tenant. As used in this Section, "Increased Rent" shall mean the excess of (i) all rent and other consideration which Tenant is entitled to receive by reason of any sale, sublease, assignment or other transfer of this Lease, over (ii) the rent otherwise payable by Tenant under this Lease at such time. For purposes of the foregoing, any consideration received by Tenant in form other than cash shall be valued at its fair market value as determined by Landlord in good faith. The "Costs Component" is that amount which, if paid monthly, would fully amortize on a straight-line basis, over the entire period for which Tenant is to receive Increased Rent, the reasonable costs incurred by Tenant for leasing commissions, tenant improvements and any "free rent" period provided by Tenant in connection with such sublease, assignment or other transfer.

9.5 Notwithstanding any other provision hereof, it shall be considered reasonable for Landlord to withhold its consent to any assignment of this Lease or sublease of any portion of the Premises if at the time of either Tenant's notice of the proposed assignment or sublease or the proposed commencement date thereof, there shall exist any uncured default of Tenant or matter which will become a default of Tenant with passage of time unless cured, or if the proposed assignee or sublessee is an entity: (a) with which Landlord is already in negotiation; (b) is already an occupant of the Building unless Landlord is unable to provide the amount of space required by such occupant; (c) is a governmental agency; (d) is incompatible with the character of occupancy of the Building; (e) with which the payment for the sublease or assignment is determined in whole or in part based upon its net income or profits; or (f) would subject the Premises to a use which would: (i) involve substantially increased personnel or wear upon the Building; (ii) violate any exclusive right granted to another tenant of the Building; (iii) require any addition to or exterior modification of the Premises or the Building in order to comply with building code or other governmental requirements; or, (iv) involve a violation of Section 1.2. Tenant expressly agrees that for the purposes of any statutory or other requirement of reasonableness on the part of Landlord, Landlord's refusal to consent to any assignment or sublease for any of the reasons described in this Section 9.5, shall be conclusively deemed to be reasonable.

9.6 Upon any request to assign or sublet, Tenant will pay to Landlord the Assignment/Subletting Fee plus, on demand, a sum equal to all of Landlord's costs, including reasonable attorney's fees, incurred in investigating and considering any proposed or purported assignment or pledge of this Lease or sublease of any of the Premises, regardless of whether Landlord shall consent to, refuse consent, or determine that Landlord's consent is not required for, such assignment, pledge or sublease. Any purported sale, assignment, mortgage, transfer of this Lease or subletting which does not comply with the provisions of this Article 9 shall be void.

	
---	---

9.7 If Tenant is a corporation, limited liability company, partnership or trust, any transfer or transfers of or change or changes within any twelve (12) month period in the number of the outstanding voting shares of the corporation or limited liability company, the general partnership interests in the partnership or the identity of the persons or entities controlling the activities of such partnership or trust resulting in the persons or entities owning or controlling a majority of such shares, partnership interests or activities of such partnership or trust at the beginning of such period no longer having such ownership or control shall be regarded as equivalent to an assignment of this Lease to the persons or entities acquiring such ownership or control and shall be subject to all the provisions of this Article 9 to the same extent and for all intents and purposes as though such an assignment.

#### 10. INDEMNIFICATION.

10.1 None of the Landlord Entities shall be liable and Tenant hereby waives all claims against them for any damage to any property or any injury to any person in or about the Premises or the Building by or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes, plumbing works or appliances, the Building not being in good condition or repair, gas, fire, oil, electricity or theft), except to the extent caused by or arising from the gross negligence or willful misconduct of Landlord or its agents, employees or contractors, or breach of Landlord's obligations hereunder. Except to the extent caused by the negligence of any Landlord Entity, Tenant shall protect, indemnify and hold the Landlord Entities harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of (a) any damage to any property (including but not limited to property of any Landlord Entity) or any injury (including but not limited to death) to any person occurring in, on or about the Premises or the Building to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Tenant or any Tenant Entity to meet any standards imposed by any duty with respect to the injury or damage; (b) the conduct or management of any work or thing whatsoever done by the Tenant in or about the Premises or from transactions of the Tenant concerning the Premises; (c) Tenant's failure to comply with any and all governmental laws, ordinances and regulations applicable to the condition or use of the Premises or its occupancy; or (d) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease.

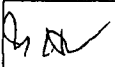
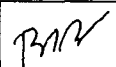
10.2 Except to the extent caused by the negligence of Tenant, Landlord shall protect, indemnify and hold Tenant harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of (a) any damage to any property (including but not limited to property of Tenant) or any injury (including but not limited to death) to any person occurring in, on or about the Premises or the Building to the extent that such injury or damage shall be caused by or arise from the gross negligence or willful misconduct of Landlord or any Landlord Entity, or (b) any breach or default on the part of Landlord in the performance of any covenant or agreement on the part of the Landlord to be performed pursuant to this Lease.

10.3 The provisions of this Article shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

#### 11. INSURANCE.

11.1 Tenant shall keep in force throughout the Term: (a) a Commercial General Liability insurance policy or policies to protect the Landlord Entities against any liability to the public or to any invitee of Tenant or a Landlord Entity incidental to the use of or resulting from any accident occurring in or upon the Premises with a limit of not less than \$1,000,000 per occurrence and not less than \$2,000,000 in the annual aggregate, or such larger amount as Landlord may prudently require from time to time, covering bodily injury and property damage liability and \$1,000,000 products/completed operations aggregate; (b) Business Auto Liability covering owned, non-owned and hired vehicles with a limit of not less than \$1,000,000 per accident; (c) insurance protecting against liability under Worker's Compensation Laws with limits at least as required by statute; (d) Employers Liability with limits of \$500,000 each accident, \$500,000 disease policy limit, \$500,000 disease--each employee; and (e) Excess Liability in the amount of \$5,000,000.

11.2 The aforesaid policies shall (a) be provided at Tenant's expense; (b) name the Landlord Entities as additional insureds (General Liability) and loss payee (Property - Special Form); (c) be issued by an insurance company

	
---	---

with a minimum Best's rating of "A:VII" during the Term; and (d) provide that said insurance shall not be canceled unless thirty (30) days prior written notice (ten days for non-payment of premium) shall have been given to Landlord; a certificate of Liability insurance on ACORD Form 25 shall be delivered to Landlord by Tenant upon the Commencement Date and prior to each renewal of said insurance.

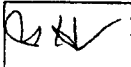

11.3 Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises ("Work") the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

12. **WAIVER OF SUBROGATION.** So long as their respective insurers so permit, Tenant and Landlord hereby mutually waive their respective rights of recovery against each other for any loss insured by fire, extended coverage, All Risks or other insurance now or hereafter existing for the benefit of the respective party but only to the extent of the net insurance proceeds payable under such policies (notwithstanding, such waiver by Landlord shall be to the extent of the full replacement value of the Building, even if Landlord has not maintained full replacement value coverage). Each party shall obtain any special endorsements required by its insurer to evidence compliance with the aforementioned waiver.

13. **SERVICES AND UTILITIES.** Tenant shall pay for all water, gas, heat, light, power, telephone, sewer, sprinkler system charges and other utilities and services used on or from the Premises, together with any taxes, penalties, and surcharges or the like pertaining thereto and any maintenance charges for utilities. Tenant shall furnish all electric light bulbs, tubes and ballasts, battery packs for emergency lighting and fire extinguishers. If any such services are not separately metered to Tenant, Tenant shall pay such proportion of all charges jointly metered with other premises as determined by Landlord, in its sole discretion, to be reasonable. Any such charges paid by Landlord and assessed against Tenant shall be immediately payable to Landlord on demand and shall be additional rent hereunder. Tenant will not, without the written consent of Landlord, contract with a utility provider to service the Premises with any utility, including, but not limited to, telecommunications, electricity, water, sewer or gas, which is not previously providing such service to other tenants in the Building. Landlord shall in no event be liable for any interruption or failure of utility services on or to the Premises, except to the extent caused by Landlord's gross negligence or willful misconduct.

14. **HOLDING OVER.** Tenant shall pay Landlord for each day Tenant retains possession of the Premises or part of them after termination of this Lease by lapse of time or otherwise at the rate ("Holdover Rate") which shall be One Hundred Fifty Percent (150%) of the amount of the Annual Rent for the last period prior to the date of such termination plus all Rent Adjustments under Article 4. If Landlord gives notice to Tenant of Landlord's election to such effect, such holding over shall constitute renewal of this Lease for a period from month to month at the Holdover Rate, but if the Landlord does not so elect, no such renewal shall result notwithstanding acceptance by Landlord of any sums due hereunder after such termination; and instead, a tenancy at sufferance at the Holdover Rate shall be deemed to have been created. In the event Tenant's holdover period continues for more than four (4) months, at Landlord's election Tenant shall be deemed to have extended this Lease for a period of six (6) months, and thereafter Tenant may terminate this Lease only upon not less than 60 days prior written notice to Landlord. In any event, no provision of this Article 14 shall be deemed to waive Landlord's right of reentry or any other right under this Lease or at law.

15. **SUBORDINATION.** Subject to receipt of Landlord's lender's commercially reasonable form subordination, non-disturbance and attornment agreement, without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to ground or underlying leases and to the lien of any mortgages or deeds of trust now or hereafter placed on, against or affecting the Building, Landlord's interest or estate in the Building, or any ground or underlying lease; provided, however, that if the lessor, mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Tenant's interest in this Lease be superior to any such instrument, then, by notice to Tenant, this Lease shall be deemed superior, whether this Lease was executed before or after said instrument. Notwithstanding the foregoing, Tenant covenants and agrees to execute and deliver within ten (10) days of Landlord's request such further instruments evidencing such subordination or superiority of this Lease as may be required by Landlord.

	
---	---

16. **RULES AND REGULATIONS.** Tenant shall faithfully observe and comply with all the rules and regulations as set forth in Exhibit D to this Lease and all reasonable and non-discriminatory modifications of and additions to them from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any such rules and regulations.

17. **REENTRY BY LANDLORD.**

17.1 Landlord reserves and shall at all times upon reasonable notice have the right to re-enter the Premises to inspect the same, to show said Premises to prospective purchasers, mortgagees or tenants, and to alter, improve or repair the Premises and any portion of the Building, without abatement of rent, and may for that purpose erect, use and maintain scaffolding, pipes, conduits and other necessary structures and open any wall, ceiling or floor in and through the Building and Premises where reasonably required by the character of the work to be performed, provided entrance to the Premises shall not be blocked thereby, and further provided that the business of Tenant shall not be interfered with unreasonably. Landlord shall have the right at any time to change the name, number or designation by which the Building is commonly known. In the event that Landlord damages any portion of any wall or wall covering, ceiling, or floor or floor covering within the Premises, Landlord shall repair or replace the damaged portion to match the original as nearly as commercially reasonable but shall not be required to repair or replace more than the portion actually damaged. Except to the extent resulting from Landlord's gross negligence or willful misconduct, Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by any action of Landlord authorized by this Article 17.

17.2 Intentionally Omitted.

18. **DEFAULT.**

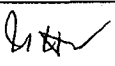
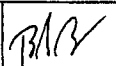
18.1 Except as otherwise provided in Article 20, the following events shall be deemed to be Events of Default under this Lease:

18.1.1 Tenant shall fail to pay when due any sum of money becoming due to be paid to Landlord under this Lease, whether such sum be any installment of the rent reserved by this Lease, any other amount treated as additional rent under this Lease, or any other payment or reimbursement to Landlord required by this Lease, whether or not treated as additional rent under this Lease, and such failure shall continue for a period of five (5) days after written notice that such payment was not made when due, but if any such notice shall be given, for the twelve (12) month period commencing with the date of such notice, the failure to pay within five (5) days after due any additional sum of money becoming due to be paid to Landlord under this Lease during such period shall be an Event of Default, without notice.

18.1.2 Tenant shall fail to comply with any term, provision or covenant of this Lease which is not provided for in another Section of this Article and shall not cure such failure within thirty (30) days (forthwith, if the failure involves a hazardous condition) after written notice of such failure to Tenant provided, however, that such failure shall not be an event of default if such failure could not reasonably be cured during such thirty (30) day period, Tenant has commenced the cure within such thirty (30) day period and thereafter is diligently pursuing such cure to completion.

18.1.3 Tenant shall fail to vacate the Premises immediately upon termination of this Lease, by lapse of time or otherwise, or upon termination of Tenant's right to possession only.

18.1.4 Tenant shall become insolvent, admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency statute, make an assignment for the benefit of creditors, make a transfer in fraud of creditors, apply for or consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable law or statute of the United States or any state thereof.

	
---	---

18.1.5 A court of competent jurisdiction shall enter an order, judgment or decree adjudicating Tenant bankrupt, or appointing a receiver of Tenant, or of the whole or any substantial part of its property, without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

## 19. REMEDIES.

19.1 Except as otherwise provided in Article 20, upon the occurrence of any of the Events of Default described or referred to in Article 18, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever, concurrently or consecutively and not alternatively:

19.1.1 Landlord may, at its election, terminate this Lease or terminate Tenant's right to possession only, without terminating the Lease.

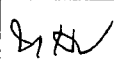
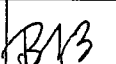
19.1.2 19.1.2 Upon any termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Tenant's right to possession without termination of the Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Premises in such event and to repossess Landlord of the Premises as of Landlord's former estate and to expel or remove Tenant and any others who may be occupying or be within the Premises and to remove Tenant's signs and other evidence of tenancy and all other property of Tenant therefrom without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Tenant waiving any right to claim damages for such re-entry and expulsion, and without relinquishing Landlord's right to rent or any other right given to Landlord under this Lease or by operation of law.

19.1.3 Upon any termination of this Lease, whether by lapse of time or otherwise, Landlord shall be entitled to recover as damages, all rent, including any amounts treated as additional rent under this Lease, and other sums due and payable by Tenant on the date of termination, plus as liquidated damages and not as a penalty, an amount equal to the sum of: (a) an amount equal to the then present value of the rent reserved in this Lease for the residue of the stated Term of this Lease including any amounts treated as additional rent under this Lease and all other sums provided in this Lease to be paid by Tenant, minus the fair rental value of the Premises for such residue; (b) the value of the time and expense necessary to obtain a replacement tenant or tenants, and the estimated expenses described in Section 19.1.4 relating to recovery of the Premises, preparation for reletting and for reletting itself; and (c) the cost of performing any other covenants which would have otherwise been performed by Tenant.

19.1.4 Upon any termination of Tenant's right to possession only without termination of the Lease:

19.1.4.1 Neither such termination of Tenant's right to possession nor Landlord's taking and holding possession thereof as provided in Section 19.1.2 shall terminate the Lease or release Tenant, in whole or in part, from any obligation, including Tenant's obligation to pay the rent, including any amounts treated as additional rent, under this Lease for the full Term, and if Landlord so elects Tenant shall continue to pay to Landlord the entire amount of the rent as and when it becomes due, including any amounts treated as additional rent under this Lease, for the remainder of the Term plus any other sums provided in this Lease to be paid by Tenant for the remainder of the Term.

19.1.4.2 Landlord shall use commercially reasonable efforts to relet the Premises or portions thereof to the extent required by applicable law. Landlord and Tenant agree that nevertheless Landlord shall at most be required to use only the same efforts Landlord then uses to lease premises in the Building generally and that in any case that Landlord shall not be required to give any preference or priority to the showing or leasing of the Premises or portions thereof over any other space that Landlord may be leasing or have available and may place a suitable prospective tenant in any such other space regardless of when such other space becomes available and that Landlord shall have the right to relet the Premises for a greater or lesser term than that remaining under this Lease, the right to relet only a portion of the Premises, or a portion of the Premises or the entire Premises as a part of a larger area, and the right to change the character or use of the Premises. In connection with or in preparation for any reletting,

By  

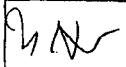
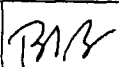


Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable, and Tenant shall pay the cost thereof, together with Landlord's reasonable expenses of reletting, including, without limitation, any commission incurred by Landlord, within fifteen (15) days of Landlord's demand. Landlord shall not be required to observe any instruction given by Tenant about any reletting or accept any tenant offered by Tenant unless such offered tenant has a credit-worthiness reasonably acceptable to Landlord and leases the entire Premises upon terms and conditions including a rate of rent (after giving effect to all expenditures by Landlord for tenant improvements, broker's commissions and other leasing costs) all no less favorable to Landlord than as called for in this Lease, nor shall Landlord be required to make or permit any assignment or sublease for more than the current term or which Landlord would not be required to permit under the provisions of Article 9.

19.1.4.3 Until such time as Landlord shall elect to terminate the Lease and shall thereupon be entitled to recover the amounts specified in such case in Section 19.1.3, Tenant shall pay to Landlord upon demand the full amount of all rent, including any amounts treated as additional rent under this Lease and other sums reserved in this Lease for the remaining Term, together with the costs of repairs, alterations, additions, redecorating and Landlord's expenses of reletting and the collection of the rent accruing therefrom (including reasonable attorney's fees and broker's commissions), as the same shall then be due or become due from time to time, less only such consideration as Landlord may have received from any reletting of the Premises; and Tenant agrees that Landlord may file suits from time to time to recover any sums falling due under this Article 19 as they become due. Any proceeds of reletting by Landlord in excess of the amount then owed by Tenant to Landlord from time to time shall be credited against Tenant's future obligations under this Lease but shall not otherwise be refunded to Tenant or inure to Tenant's benefit.

19.2 Upon the occurrence of an Event of Default, Landlord may (but shall not be obligated to) cure such default at Tenant's sole expense. Without limiting the generality of the foregoing, Landlord may, at Landlord's option, with reasonable notice enter into and upon the Premises if Landlord determines in its sole discretion that Tenant is not acting within a commercially reasonable time to maintain, repair or replace anything for which Tenant is responsible under this Lease or to otherwise effect compliance with its obligations under this Lease and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage or interruption of Tenant's business resulting therefrom and Tenant agrees to reimburse Landlord within fifteen (15) days of Landlord's demand as additional rent, for any expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, plus interest from the date of expenditure by Landlord at the Wall Street Journal prime rate.

19.3 Tenant understands and agrees that in entering into this Lease, Landlord is relying upon receipt of all the Annual and Monthly Installments of Rent to become due with respect to all the Premises originally leased hereunder over the full Initial Term of this Lease for amortization, including interest at the Amortization Rate. For purposes hereof, the "Concession Amount" shall be defined as the aggregate of all amounts forgone or expended by Landlord as free rent under the lease, under Exhibit B hereof for construction allowances (excluding therefrom any amounts expended by Landlord for Landlord's Work, as defined in Exhibit B), and for brokers' commissions payable by reason of this Lease. Accordingly, Tenant agrees that if this Lease or Tenant's right to possession of the Premises leased hereunder shall be terminated as of any date ("Default Termination Date") prior to the expiration of the full Initial Term hereof by reason of a default of Tenant, there shall be due and owing to Landlord as of the day prior to the Default Termination Date, as rent in addition to all other amounts owed by Tenant as of such Date, the amount ("Unamortized Amount") of the Concession Amount determined as set forth below; provided, however, that in the event that such amounts are recovered by Landlord pursuant to any other provision of this Article 19, Landlord agrees that it shall not attempt to recover such amounts pursuant to this Paragraph 19.3. For the purposes hereof, the Unamortized Amount shall be determined in the same manner as the remaining principal balance of a mortgage with interest at the Amortization Rate payable in level payments over the same length of time as from the effectuation of the Concession concerned to the end of the full Initial Term of this Lease would be determined. The foregoing provisions shall also apply to and upon any reduction of space in the Premises, as though such reduction were a termination for Tenant's default, except that (i) the Unamortized Amount shall be reduced by any amounts paid by Tenant to Landlord to effectuate such reduction and (ii) the manner of application shall be that the Unamortized Amount shall first be determined as though for a full termination as of the Effective Date of the elimination of the portion, but then the amount so determined shall be multiplied by the fraction of which the numerator is the rentable square footage of the

	
---	---

eliminated portion and the denominator is the rentable square footage of the Premises originally leased hereunder; and the amount thus obtained shall be the Unamortized Amount.

19.4 If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Landlord's rights or remedies arising under this Lease or to collect any sums due from Tenant, Tenant agrees to pay all costs and fees so incurred by Landlord, including, without limitation, reasonable attorneys' fees and costs. **LANDLORD AND TENANT EXPRESSLY WAIVE ANY RIGHT TO: (A) TRIAL BY JURY; AND (B) SERVICE OF ANY NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW OR ORDINANCE APPLICABLE TO LANDLORDS OR TENANTS BUT NOT REQUIRED BY THE TERMS OF THIS LEASE.**

19.5 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or any other remedies provided by law (all such remedies being cumulative), nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any rent due to Landlord under this Lease or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions and covenants contained in this Lease.

19.6 No act or thing done by Landlord or its agents during the Term shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or accept a surrender of said Premises shall be valid, unless in writing signed by Landlord. No waiver by Landlord or Tenant of any violation or breach of any of the terms, provisions and covenants contained in this Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Lease. Landlord's acceptance of the payment of rental or other payments after the occurrence of an Event of Default shall not be construed as a waiver of such Default, unless Landlord so notifies Tenant in writing. Forbearance by Landlord in enforcing one or more of the remedies provided in this Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such Default or of Landlord's right to enforce any such remedies with respect to such Default or any subsequent Default.

19.7 Intentionally Omitted.

19.8 Any and all property which may be removed from the Premises by Landlord pursuant to the authority of this Lease or of law, to which Tenant is or may be entitled, may be handled, removed and/or stored, as the case may be, by or at the direction of Landlord but at the risk, cost and expense of Tenant, and Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control. Any such property of Tenant not retaken by Tenant from storage within thirty (30) days after removal from the Premises shall, at Landlord's option, be deemed conveyed by Tenant to Landlord under this Lease as by a bill of sale without further payment or credit by Landlord to Tenant.

19.9 If more than two (2) Events of Default occur within any three (3) year period during the Term or any renewal thereof, Tenant's renewal options, expansion options, purchase options and rights of first offer and/or refusal, if any are provided for in this Lease, shall be null and void.

## 20. TENANT'S BANKRUPTCY OR INSOLVENCY.

20.1 If at any time and for so long as Tenant shall be subjected to the provisions of the United States Bankruptcy Code or other law of the United States or any state thereof for the protection of debtors as in effect at such time (each a "Debtor's Law"):

20.1.1 Tenant, Tenant as debtor-in-possession, and any trustee or receiver of Tenant's assets (each a "Tenant's Representative") shall have no greater right to assume or assign this Lease or any interest in this Lease, or to sublease any of the Premises than accorded to Tenant in Article 9, except to the extent Landlord shall be required to permit such assumption, assignment or sublease by the provisions of such Debtor's Law. Without limitation of the

Q.H.	RAB
------	-----

generality of the foregoing, any right of any Tenant's Representative to assume or assign this Lease or to sublease any of the Premises shall be subject to the conditions that:

20.1.1.1 Such Debtor's Law shall provide to Tenant's Representative a right of assumption of this Lease which Tenant's Representative shall have timely exercised and Tenant's Representative shall have fully cured any default of Tenant under this Lease.

20.1.1.2 Tenant's Representative or the proposed assignee, as the case shall be, shall have deposited with Landlord as security for the timely payment of rent an amount equal to the larger of: (a) three (3) months' rent and other monetary charges accruing under this Lease; and (b) any sum specified in Article 5; and shall have provided Landlord with adequate other assurance of the future performance of the obligations of the Tenant under this Lease. Without limitation, such assurances shall include, at least, in the case of assumption of this Lease, demonstration to the satisfaction of the Landlord that Tenant's Representative has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that Tenant's Representative will have sufficient funds to fulfill the obligations of Tenant under this Lease; and, in the case of assignment, submission of current financial statements of the proposed assignee, audited by an independent certified public accountant reasonably acceptable to Landlord and showing a net worth and working capital in amounts determined by Landlord to be sufficient to assure the future performance by such assignee of all of the Tenant's obligations under this Lease.

20.1.1.3 The assumption or any contemplated assignment of this Lease or subleasing any part of the Premises, as shall be the case, will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound.

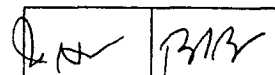
20.1.1.4 Landlord shall have, or would have had absent the Debtor's Law, no right under Article 9 to refuse consent to the proposed assignment or sublease by reason of the identity or nature of the proposed assignee or sublessee or the proposed use of the Premises concerned.

21. **QUIET ENJOYMENT.** Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the rental and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord or its agents, subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, except Landlord or its agents, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance by such other tenants or third parties.

## 22. **CASUALTY**

22.1 In the event the Premises or the Building are damaged by fire or other cause and in Landlord's reasonable estimation such damage can be materially restored within one hundred eighty (180) days, Landlord shall forthwith repair the same and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate abatement in rent from the date of such damage. Such abatement of rent shall be made pro rata in accordance with the extent to which the damage and the making of such repairs shall interfere with the use and occupancy by Tenant of the Premises from time to time. Within forty-five (45) days from the date of such damage, Landlord shall notify Tenant, in writing, of Landlord's reasonable estimation of the length of time within which material restoration can be made, and Landlord's determination shall be binding upon Tenant. For purposes of this Lease, the Building or Premises shall be deemed "materially restored" if they are in such condition as would not prevent or materially interfere with Tenant's use of the Premises for the purpose for which it was being used immediately before such damage.

22.2 If such repairs cannot, in Landlord's reasonable estimation, be made within one hundred eighty (180) days, Landlord and Tenant shall each have the option of giving the other, at any time within ninety (90) days after such damage, notice terminating this Lease as of the date of such damage. In the event of the giving of such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate as of the date of such damage as if such date had been originally fixed in this Lease for the expiration of the Term. In the event that neither Landlord nor



Tenant exercises its option to terminate this Lease, then Landlord shall repair or restore such damage, this Lease continuing in full force and effect, and the rent hereunder shall be proportionately abated as provided in Section 22.1.

22.3 Landlord shall not be required to repair or replace any damage or loss by or from fire or other cause to any panelings, decorations, partitions, additions, railings, ceilings, floor coverings, office fixtures or any other property or improvements installed on the Premises by, or belonging to, Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

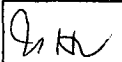
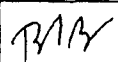
22.4 In the event that Landlord should fail to complete such repairs and material restoration within sixty (60) days after the date estimated by Landlord therefor as extended by this Section 22.4, Tenant may at its option and as its sole remedy terminate this Lease by delivering written notice to Landlord, within fifteen (15) days after the expiration of said period of time, whereupon the Lease shall end on the date of such notice or such later date fixed in such notice as if the date of such notice was the date originally fixed in this Lease for the expiration of the Term; provided, however, that if construction is delayed because of changes, deletions or additions in construction requested by Tenant, strikes, lockouts, casualties, Acts of God, war, material or labor shortages, government regulation or control or other causes beyond the reasonable control of Landlord, the period for restoration, repair or rebuilding shall be extended for the amount of time Landlord is so delayed.

22.5 Notwithstanding anything to the contrary contained in this Article: (a) Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damages resulting from any casualty covered by the provisions of this Article 22 occur during the last twelve (12) months of the Term or any extension thereof, but if Landlord determines not to repair such damages Landlord shall notify Tenant and if such damages shall render any material portion of the Premises untenantable Tenant shall have the right to terminate this Lease by notice to Landlord within thirty (30) days after receipt of Landlord's notice; and (b) in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises or Building requires that any insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon this Lease shall end on the date of such damage as if the date of such damage were the date originally fixed in this Lease for the expiration of the Term.

22.6 In the event of any damage or destruction to the Building or Premises by any peril covered by the provisions of this Article 22, it shall be Tenant's responsibility to properly secure the Premises and upon notice from Landlord to remove forthwith, at its sole cost and expense, such portion of all of the property belonging to Tenant or its licensees from such portion or all of the Building or Premises as Landlord shall request.

23. **EMINENT DOMAIN.** If all or any substantial part of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, or conveyance in lieu of such appropriation, either party to this Lease shall have the right, at its option, of giving the other, at any time within thirty (30) days after such taking, notice terminating this Lease, except that Tenant may only terminate this Lease by reason of taking or appropriation, if such taking or appropriation shall be so substantial as to materially interfere with Tenant's use and occupancy of the Premises. If neither party to this Lease shall so elect to terminate this Lease, the rental thereafter to be paid shall be adjusted on a fair and equitable basis under the circumstances. In addition to the rights of Landlord above, if any substantial part of the Building shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain or conveyance in lieu thereof, and regardless of whether the Premises or any part thereof are so taken or appropriated, Landlord shall have the right, at its sole option, to terminate this Lease. Landlord shall be entitled to any and all income, rent, award, or any interest whatsoever in or upon any such sum, which may be paid or made in connection with any such public or quasi-public use or purpose, and Tenant hereby assigns to Landlord any interest it may have in or claim to all or any part of such sums, other than any separate award which may be made with respect to Tenant's trade fixtures and reasonable moving and relocation expenses; Tenant shall make no claim for the value of any unexpired Term.

24. **SALE BY LANDLORD.** In event of a sale or conveyance by Landlord of the Building, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, contained in this Lease in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in

	
---	---

interest of Landlord in and to this Lease. Except as set forth in this Article 24, this Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. If any security has been given by Tenant to secure the faithful performance of any of the covenants of this Lease, Landlord may transfer or deliver said security, as such, to Landlord's successor in interest and thereupon Landlord shall be discharged from any further liability with regard to said security.

25. **ESTOPPEL CERTIFICATES.** Within fifteen (15) days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord or mortgagee or prospective mortgagee a sworn statement certifying: (a) the date of commencement of this Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications to this Lease, that this lease is in full force and effect, as modified, and stating the date and nature of such modifications); (c) the date to which the rent and other sums payable under this Lease have been paid; (d) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (e) such other matters of fact as may be requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Article 25 may be relied upon by any mortgagee, beneficiary or purchaser, and Tenant shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement contained in such estoppel certificate. Tenant irrevocably agrees that if Tenant fails to execute and deliver such certificate within such fifteen (15) day period Landlord or Landlord's beneficiary or agent may execute and deliver such certificate on Tenant's behalf, and that such certificate shall be fully binding on Tenant. At Tenant's request, Landlord shall provide an estoppel certificate similar to the foregoing.

26. **SURRENDER OF PREMISES.**

26.1 Tenant and Landlord may arrange to meet for two (2) joint inspections of the Premises, the first to occur at least thirty (30) days (but no more than sixty (60) days) before the last day of the Term, and the second to occur not later than forty-eight (48) hours after Tenant has vacated the Premises. In the event of Tenant's failure to participate in such inspection, if arranged by Landlord, Landlord's inspection at or after Tenant's vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration.

26.2 All alterations, additions, and improvements in, on, or to the Premises made or installed by or for Tenant, including carpeting (collectively, "Alterations"), shall be and remain the property of Tenant during the Term. Upon the expiration or sooner termination of the Term, all Alterations shall become a part of the realty and shall belong to Landlord without compensation, and title shall pass to Landlord under this Lease as by a bill of sale. At the end of the Term or any renewal of the Term or other sooner termination of this Lease, Tenant will peaceably deliver up to Landlord possession of the Premises, together with all Alterations by whomsoever made, in the same conditions received or first installed, broom clean and free of all debris, excepting only ordinary wear and tear and damage by fire or other casualty. Notwithstanding the foregoing, if Landlord elects by notice given to Tenant at least ten (10) days prior to expiration of the Term, Tenant shall, at Tenant's sole cost, remove any Alterations (except those building standard improvements initially made or installed at the Premises under the terms of Exhibit B hereto), including carpeting, so designated by Landlord's notice, and repair any damage caused by such removal. Tenant must, at Tenant's sole cost, remove upon termination of this Lease, any and all of Tenant's furniture, furnishings, movable partitions of less than full height from floor to ceiling and other trade fixtures and personal property (collectively, "Personalty"). Personalty not so removed shall be deemed abandoned by the Tenant and title to the same shall thereupon pass to Landlord under this Lease as by a bill of sale, but Tenant shall remain responsible for the cost of removal and disposal of such Personalty, as well as any damage caused by such removal. In lieu of requiring Tenant to remove Alterations and Personalty and repair the Premises as aforesaid, Landlord and Tenant may, by written agreement delivered at least thirty (30) days before the Termination Date, agree for Tenant to pay to Landlord, as additional rent hereunder, the cost of such removal and repair in an amount reasonably estimated by the parties.

26.3 All obligations of Tenant under this Lease not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term. Upon the expiration or earlier termination of the Term, Tenant shall pay to Landlord the amount, as estimated by Landlord, necessary to repair and restore the Premises as provided in this Lease and/or to discharge Tenant's obligation for unpaid amounts due or to become due to Landlord. All such amounts shall be used and held by Landlord for payment of such obligations of Tenant, with Tenant being liable for any additional costs upon demand by Landlord, or with any excess to be returned

gyl	24/3
-----	------

to Tenant after all such obligations have been determined and satisfied. Any otherwise unused Security Deposit shall be credited against the amount payable by Tenant under this Lease.

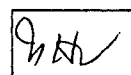
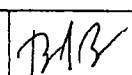
27. **NOTICES.** Any notice or document required or permitted to be delivered under this Lease shall be addressed to the intended recipient, by fully prepaid registered or certified United States Mail return receipt requested, or by reputable independent contract delivery service furnishing a written record of attempted or actual delivery, and shall be deemed to be delivered when tendered for delivery to the addressee at its address set forth on the Reference Pages, or at such other address as it has then last specified by written notice delivered in accordance with this Article 27, or if to Tenant at either its aforesaid address or its last known registered office or home of a general partner or individual owner, whether or not actually accepted or received by the addressee. Any such notice or document may also be personally delivered if a receipt is signed by and received from, the individual, if any, named in Tenant's Notice Address.

28. **TAXES PAYABLE BY TENANT.** In addition to rent and other charges to be paid by Tenant under this Lease, Tenant shall reimburse to Landlord, upon demand, any and all taxes payable by Landlord (other than net income taxes) whether or not now customary or within the contemplation of the parties to this Lease: (a) upon, allocable to, or measured by or on the gross or net rent payable under this Lease, including without limitation any gross income tax or excise tax levied by the State, any political subdivision thereof, or the Federal Government with respect to the receipt of such rent; (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of the Premises or any portion thereof, including any sales, use or service tax imposed as a result thereof; (c) upon or measured by the Tenant's gross receipts or payroll or the value of Tenant's equipment, furniture, fixtures and other personal property of Tenant or leasehold improvements, alterations or additions located in the Premises; or (d) upon this transaction or any document to which Tenant is a party creating or transferring any interest of Tenant in this Lease or the Premises. In addition to the foregoing, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed against Tenant and which become payable during the term hereof upon Tenant's equipment, furniture, fixtures and other personal property of Tenant located in the Premises.

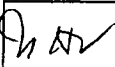
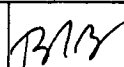
29. **INTENTIONALLY OMITTED.**

30. **DEFINED TERMS AND HEADINGS.** The Article headings shown in this Lease are for convenience of reference and shall in no way define, increase, limit or describe the scope or intent of any provision of this Lease. Any indemnification or insurance of Landlord shall apply to and inure to the benefit of all the following "Landlord Entities", being Landlord, Landlord's investment manager, and the trustees, boards of directors, officers, general partners, beneficiaries, stockholders, employees and agents of each of them. Any option granted to Landlord shall also include or be exercisable by Landlord's trustee, beneficiary, agents and employees, as the case may be. In any case where this Lease is signed by more than one person, the obligations under this Lease shall be joint and several. The terms "Tenant" and "Landlord" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their and each of their respective successors, executors, administrators and permitted assigns, according to the context hereof. The term "rentable area" shall mean the rentable area of the Premises or the Building as calculated by the Landlord on the basis of the plans and specifications of the Building including a proportionate share of any common areas. Tenant hereby accepts and agrees to be bound by the figures for the rentable square footage of the Premises and Tenant's Proportionate Share shown on the Reference Pages; however, Landlord may adjust either or both figures if there is manifest error, addition or subtraction to the Building or any business park or complex of which the Building is a part, remeasurement or other circumstance reasonably justifying adjustment. The term "Building" refers to the structure in which the Premises are located and the common areas (parking lots, sidewalks, landscaping, etc.) appurtenant thereto. If the Building is part of a larger complex of structures, the term "Building" may include the entire complex, where appropriate (such as shared Expenses or Taxes) and subject to Landlord's reasonable discretion.

31. **TENANT'S AUTHORITY.** Tenant represents and warrants that Tenant has been and is qualified to do business in the state in which the Building is located, that the entity has full right and authority to enter into this Lease, and that all persons signing on behalf of the entity were authorized to do so by appropriate actions. Tenant agrees to deliver to Landlord, simultaneously with the delivery of this Lease, a corporate resolution, bylaw extract, proof of due authorization by partners, opinion of counsel or other appropriate documentation reasonably acceptable to Landlord evidencing the due authorization of Tenant to enter into this Lease.

	
---	---

32. **FINANCIAL STATEMENTS AND CREDIT REPORTS.** At Landlord's request, Tenant shall deliver to Landlord a copy, certified by an officer of Tenant as being a true and correct copy, of Tenant's most recent audited financial statement, or, if unaudited, certified by Tenant's chief financial officer as being true, complete and correct in all material respects. Tenant hereby authorizes Landlord to obtain one or more credit reports on Tenant at any time, and shall execute such further authorizations as Landlord may reasonably require in order to obtain a credit report.
33. **COMMISSIONS.** Each of the parties represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease, except as described on the Reference Pages. Landlord shall pay all commissions and fees due to brokers in connection with this Lease.
34. **TIME AND APPLICABLE LAW.** Time is of the essence of this Lease and all of its provisions. This Lease shall in all respects be governed by the laws of the state in which the Building is located.
35. **SUCCESSORS AND ASSIGNS.** Subject to the provisions of Article 9, the terms, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties to this Lease.
36. **ENTIRE AGREEMENT.** This Lease, together with its exhibits, contains all agreements of the parties to this Lease and supersedes any previous negotiations. There have been no representations made by the Landlord or any of its representatives or understandings made between the parties other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties to this Lease.
37. **EXAMINATION NOT OPTION.** Submission of this Lease shall not be deemed to be a reservation of the Premises. Landlord shall not be bound by this Lease until it has received a copy of this Lease duly executed by Tenant and has delivered to Tenant a copy of this Lease duly executed by Landlord, and until such delivery Landlord reserves the right to exhibit and lease the Premises to other prospective tenants. Notwithstanding anything contained in this Lease to the contrary, Landlord may withhold delivery of possession of the Premises from Tenant until such time as Tenant has paid to Landlord any security deposit required by Article 5, the first month's rent as set forth in Article 3 and any sum owed pursuant to this Lease.
38. **RECORDATION.** Tenant shall not record or register this Lease or a short form memorandum hereof without the prior written consent of Landlord, and then shall pay all charges and taxes incident such recording or registration.
39. **LIMITATION OF LANDLORD'S LIABILITY.** Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Building. The obligations of Landlord under this Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager's trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.
40. **RADON.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.
41. **JOINT AND SEVERAL LIABILITY.** If Tenant consists of more than one entity or individual, each shall be jointly and severally liable for all obligations hereunder, including without limitation the payment of all sums due under this Lease and the performance of all obligations and/or required actions outlined in this Lease. Landlord may accept direction or instruction from either party, and same shall be binding on both parties.
42. **OPTION TO LEASE; NOTICE REQUIREMENT.** Provided that as of the date of the giving of Tenant's Notice (defined below), (a) Tenant is the Tenant originally named herein or a successor entity with the same creditworthiness as Tenant, (b) Tenant actually occupies all of the Premises initially demised under this Lease and any space added to the Premises, and (c) no Event of Default exists or would exist but for the passage of time or the giving of notice, or both, Tenant shall have the option to lease the GOL Space (defined below) on the same terms and conditions then in

	
---	---

effect under this Lease, for the remainder of the Term and any extension(s) thereof. The term for lease of the GOL Space shall commence upon the expiration of the GOL Lease.

42.1 Such option to lease shall be exercised by Tenant in a written notice ("Tenant's Notice"), which shall be delivered to Landlord no later than February 1, 2009 (approximately 13 months prior to the expiration of the lease with Garden of Life, Inc. ("GOL Lease")) for the premises more particularly described therein ("GOL Space"). A copy of the Tenant's Notice also shall be attached to and become a part of this Lease. Time is of the essence with respect to the giving of Tenant's Notice. If Tenant does not give Tenant's Notice timely, Landlord will be under no further obligation with respect to leasing the GOL Space to Tenant.

42.2 Tenant must accept all of the GOL Space if it desires to accept any of the GOL Space and may not exercise its right with respect to only part of such space. If Tenant does not exercise its option to lease the GOL Space, Tenant will execute a release evidencing its waiver of such rights with respect to the GOL Space. If Tenant exercises its option to lease the GOL Space, Tenant shall execute an amendment to the Lease documenting same.

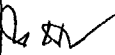
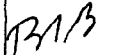
43. **RIGHT OF FIRST OFFER.** Provided that as of the date of the giving of Landlord's Notice (defined below), (a) Tenant is the Tenant originally named herein or a successor entity with the same creditworthiness as Tenant, (b) Tenant actually occupies all of the Premises initially demised under this Lease and any space added to the Premises, and (c) no Event of Default exists or would exist but for the passage of time or the giving of notice, or both, if at any time during the Lease Term any lease for any portion of the Building except the GOL Space (the "Offered Space") expires, then Landlord, before offering such Offered Space to anyone other than the tenant then occupying such space (or its affiliates), will offer to Tenant the right to include the Offered Space within the Premises on the same terms and conditions upon which Landlord intends to offer the Offered Space for lease within a term coterminous with this Lease; provided, however, the foregoing right of first offer is subject to any renewal or extension rights contained in any lease(s) for the Offered Space.

43.1 Such offer will be made by Landlord to Tenant in a written notice (the "First Offer Notice"), which offer will designate the space being offered and specify the terms which Landlord intends to offer with respect to the Offered Space. Tenant may accept the offer set forth in the First Offer Notice by delivering to Landlord an unconditional acceptance ("Tenant's Acceptance Notice") of such offer within ten (10) business days after delivery by Landlord of the First Offer Notice to Tenant. Time is of the essence with respect to the giving of Tenant's Acceptance Notice. If Tenant does not accept (or fails to timely accept) an offer made by Landlord in the First Offer Notice, Landlord will be under no further obligation with respect to offering such space to Tenant.

43.2 Tenant must accept all Offered Space offered by Landlord at any one time if it desires to accept any of such Offered Space and may not exercise its right with respect to only part of such space. In addition, if Landlord desires to lease more than just the Offered Space to one tenant, Landlord may offer to Tenant pursuant to the terms hereof all such space which Landlord desires to lease, and Tenant must exercise its rights hereunder with respect to all such space and may not insist on receiving an offer for just the Offered Space.

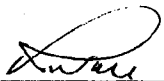
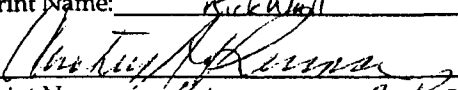
43.3 If Tenant at any time declines any Offered Space offered by Landlord, Tenant will be deemed to have irrevocably waived all further rights with respect to the Offered Space, and Landlord will be free to lease the Offered Space to third parties including on terms which may be more or less favorable to Landlord than those offered to Tenant. In such event, upon Landlord's request, Tenant will execute a release evidencing its waiver of such rights with respect to the Offered Space.

[THE BALANCE OF THIS PAGE INTENTIONALLY IS BLANK.]

	
---	---




Signed in the presence of:

  
Print Name: Rick Wall  
  
Print Name: CHRISTINE P. PENNA

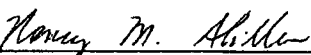
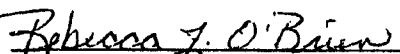
LANDLORD:

RREEF AMERICA REIT II CORP. S, a Maryland corporation

By: RREEF MANAGEMENT COMPANY, a Delaware corporation, as its Authorized Agent

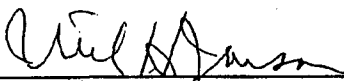
By:   
Name: B S Bodin  
Title: V. P., Regional Director  
Dated: 09/14/04

Signed in the presence of:

  
Print Name: NANCY M. AHILTEN  
  
Print Name: Rebecca J O'Brien

TENANT:

HUTTIG BUILDING PRODUCTS, INC., a Delaware corporation

By:   
Name: Nick H. Varsano  
Title: Vice President - General Counsel  
Dated: 8/31/04

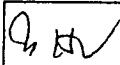
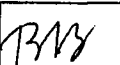
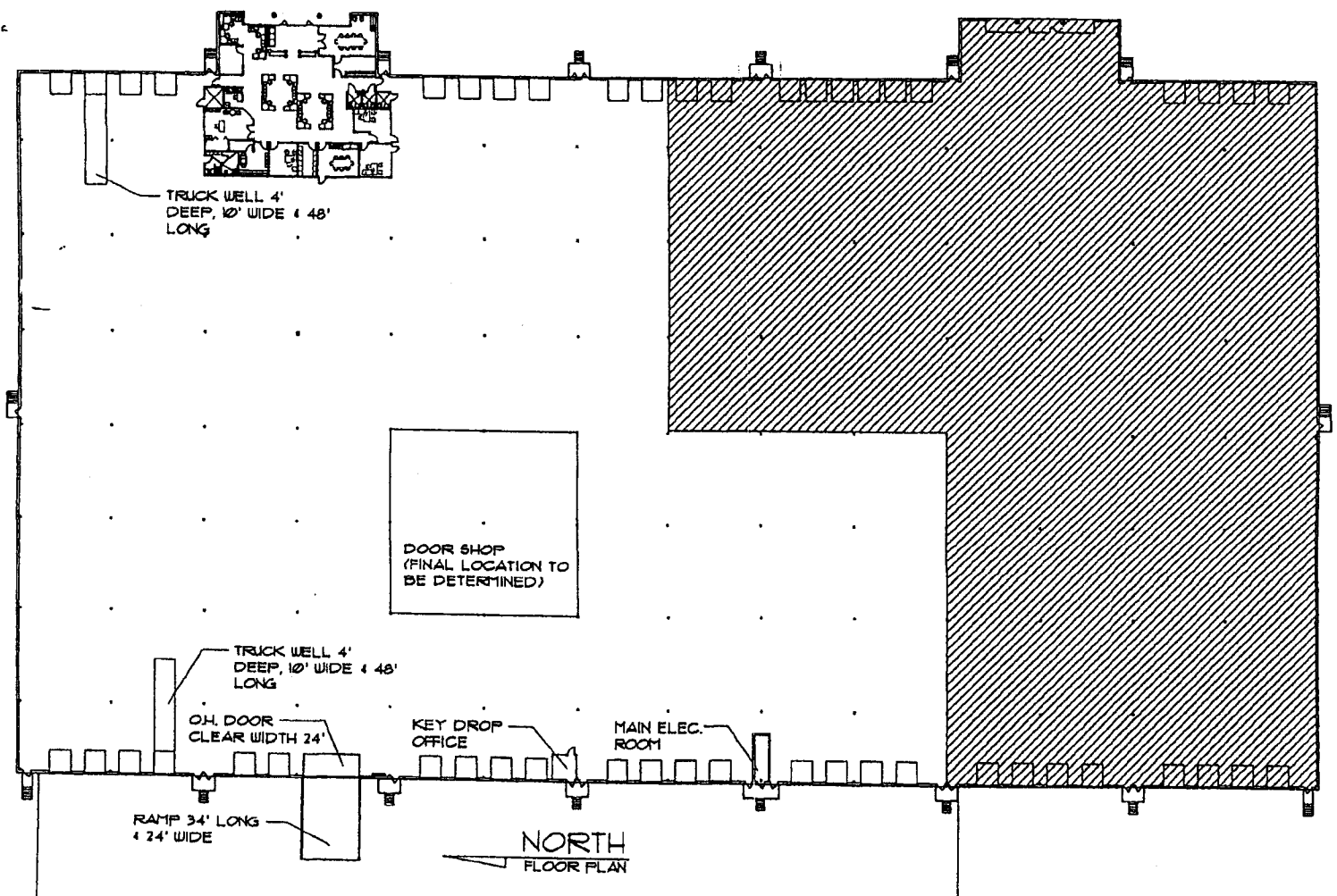
	
---	---

EXHIBIT A – FLOOR PLAN DEPICTING THE PREMISES

attached to and made a part of Lease bearing the  
Lease Reference Date of August 1<sup>st</sup>, 2004 between  
RREEF America REIT II Corp. S, as Landlord and  
Huttig Building Products, Inc., as Tenant  
for the Premises within the Building located at:  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

Exhibit A is intended only to show the general layout of the Premises as of the beginning of the Term of this Lease. It does not in any way supersede any of Landlord's rights set forth in Article 17 with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.

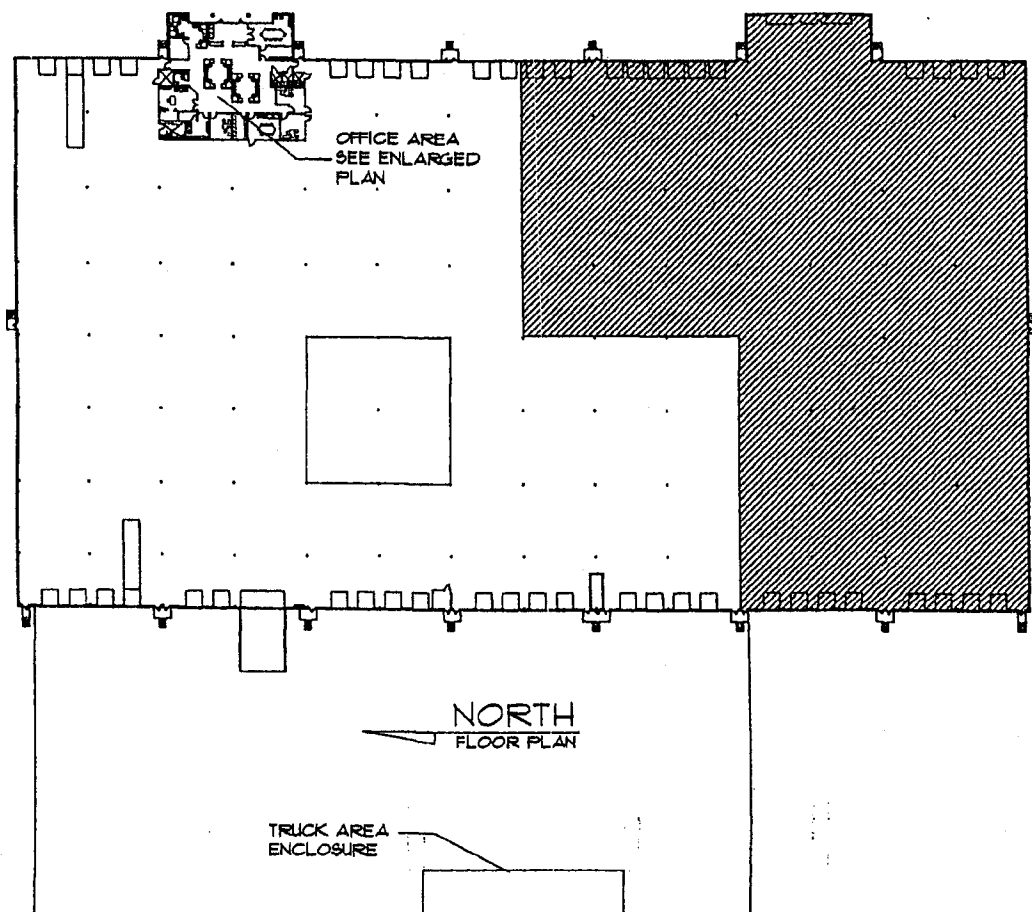


Q. M. T. 7/1/3

EXHIBIT A-1 - SITE PLAN

attached to and made a part of Lease bearing the  
Lease Reference Date of <sup>Sept</sup> August 4, 2004 between  
RREEF America REIT II Corp. S, as Landlord and  
Huttig Building Products, Inc., as Tenant  
for the Premises within the Building located at:  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

Exhibits A-1 is intended only to show the general layout of the Premises as of the beginning of the Term of this Lease. It does not in any way supersede any of Landlord's rights set forth in Article 17 with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.



<i>Q. EL</i>	<i>BM</i>
--------------	-----------

#### EXHIBIT B – INITIAL TENANT IMPROVEMENT ALTERATIONS

attached to and made a part of Lease bearing the  
Lease Reference Date of <sup>Sept</sup> August 14, 2004 between  
RREEF America REIT II Corp. S, as Landlord and  
Huttig Building Products, Inc., as Tenant  
for the Premises within the Building located at:  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

1. TENANT IMPROVEMENTS. Subject to the terms of this Exhibit B, the terms of the Lease and Landlord's prior written approval, Landlord shall construct on Tenant's behalf, or Tenant may construct, certain improvements within the Premises ("Tenant Improvements"). If the construction is undertaken by Landlord, then Tenant shall pay Landlord a five percent (5%) management fee on the total cost of the Tenant Improvements.

2. DESIGN AND CONSTRUCTION. Unless Tenant elects to have the Tenant Improvements completed by designers and contractors selected and engaged by Tenant and approved in writing by Landlord (which designers and contractors, at a minimum, must be licensed in Florida and meet Landlord's insurance requirements), Landlord shall select and engage the designers and contractors who shall complete the Tenant Improvements. The Landlord shall select the contractors by competitive bidding amongst a pool of pre-qualified bidders. Tenant shall elect whether it or the Landlord will manage the design and construction of the Tenant Improvements in conjunction with the execution of the Lease.

3. WORK SCHEDULE. Within 10 days after execution of the Lease, Landlord will deliver to Tenant a schedule ("Work Schedule") which will set forth the timetable for the planning and completion of the installation of the Tenant Improvements and the Lease Commencement Date. The Work Schedule will set forth each of the various items of work to be done or approval to be given by Landlord and Tenant in connection with the completion of Landlord's Work.

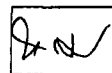
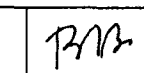
Notwithstanding any contrary provisions of the Lease, the Lease Commencement Date will be the first to occur of: (a) the date on which Landlord or Landlord's architect gives notice of substantial completion (as hereinafter defined) of the Tenant Improvements; (b) the date on which Tenant takes occupancy of all or any portion of the Premises for the conduct of its business; or (c) if the date of substantial completion of Tenant Improvements is delayed by reason of Tenant Delays, the date on which, in Landlord's reasonable judgment, the Tenant Improvements would have been substantially completed but for such Tenant Delays.

"Substantial completion" of the Tenant Improvements means when, in the opinion of the construction manager (whether an employee or agent of Landlord or a third party construction manager), the Tenant Improvements are substantially completed except for punch list items which do not prevent in any material way the use of the Premises for the purposes for which they were intended. Landlord will use reasonable efforts to complete all punchlist items within 30 days or, if such completion is not feasible for any reason, as soon as conditions permit, and Tenant shall afford Landlord access to the Premises for such purpose.

#### 4. PLANS AND SPECIFICATIONS FOR TENANT IMPROVEMENTS.

(a) Approval. Landlord and Tenant approve the preliminary space plans for the layout of the Premises and the Tenant Improvements prepared by \_\_\_\_\_ and dated \_\_\_\_\_, 2004 ("Space Plans"). Copies of the Space Plans are included in the Lease and incorporated by reference.

(b) Preparation of Final Plans. Based on the approved Space Plans, complete architectural plans, drawings and specifications and complete engineered mechanical, structural and electrical working drawings for all of the Tenant Improvements (collectively the "Final Plans") shall be completed. The Final Plans will show: (i) the subdivision (including partitions and walls), layout, lighting, finish and decoration work (including carpeting and other

	
---	---

floor coverings) for the Premises; (ii) all internal and external communications and utility facilities which will require the installation of conduits or other improvements from the base Building shell and/or within common areas; and (iii) all other specifications for the Tenant Improvements. The Final Plans will be submitted to Tenant for signature to confirm that they are consistent with the Space Plans, and at such time Landlord will provide Tenant with a written summary (the "Excess Cost Summary") of those elements of the Final Plans that will cost in excess of the Tenant Improvement Allowance (as defined below) ("Initial Excess Costs"). Tenant agrees to advise Landlord in writing of any disapproval of the Final Plans and/or Excess Cost Summary and the reasons therefor within the time frame set forth in the Work Schedule. In accordance with the Work Schedule, Landlord will then cause Landlord's architect to redesign the Final Plans incorporating the revisions reasonably requested by Tenant so as to make the Final Plans consistent with the Space Plans. If Tenant fails to timely deliver to Landlord Tenant's written disapproval of the Final Plans and/or Excess Cost Summary, the Final Plans and/or Excess Cost Summary will be deemed approved by Tenant. If any revised Final Plans or Excess Cost Summary are timely disapproved by Tenant pursuant to this paragraph, Tenant will provide to Landlord a written explanation of the reason(s) for such disapproval concurrently with its disapproval, and the Final Plans or Excess Cost Summary, as appropriate, will be promptly revised and resubmitted to Tenant for approval. If Tenant fails to provide a written explanation as and when required by this paragraph, the Final Plans or Excess Cost Summary will be deemed approved by Tenant. If Tenant fails to timely deliver to Landlord signed Final Plans or written approval of the Excess Cost Summary, the Final Plans and/or the Excess Cost Summary will be deemed approved by Tenant.

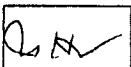
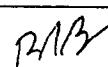
(c) Requirements of the Final Plans. The Final Plans will include locations and complete dimensions of the Tenant Improvements, and will: (i) be compatible with the Building shell and with the design, construction and equipment of the Building; (ii) comply with all legal requirements and all applicable insurance regulations; (iii) not require building service beyond the level normally provided to other tenants of the Building and will not overload the Building floors; and (iv) be of a nature and quality consistent with the overall objectives of Landlord for the Building, as reasonably determined by Landlord. Tenant's approval of the Final Plans will constitute Tenant's agreement to pay Landlord the Initial Excess Costs as otherwise set forth herein.

(d) Submittal of Final Plans. Once approved by Landlord and Tenant, Landlord's architect will submit the Final Plans to the appropriate governmental agencies for plan checking and the issuance of a building permit. Landlord's architect, with Tenant's cooperation, will make any changes to the Final Plans which are requested by the applicable governmental authorities to obtain the building permit. Any changes requested by governmental authorities will be made only with the prior written approval of both Landlord and Tenant, and only if Tenant agrees to pay any excess costs resulting from the design and/or construction of such requested changes (the "Additional Costs"). Landlord will have the option to revise the Excess Cost Summary by increasing the Initial Excess Costs by the amount of the Additional Costs resulting from plan modifications required by any governmental authority. Tenant hereby acknowledges that any such changes will be subject to the terms of Paragraph 5 below. Any Additional Costs are to be paid by Tenant to Landlord in conjunction with the payment of the Initial Excess Costs, as otherwise set forth herein.

5a. PAYMENT FOR WORK. - LANDLORD AS CONTRACTOR.

(a) Tenant Improvement Allowance and Excess Costs. Based on a Tenant Improvement Allowance of Two and 50/100 Dollars (\$2.50) per rentable square foot, based on the Premises occupying 108,000 square feet, Landlord will pay for the Tenant Improvements up to a maximum of Two Hundred Seventy Thousand and 00/100 Dollars (\$270,000.00) (the "Landlord's Contribution") and (subject to reimbursement by Tenant as provided below) will pay the Excess Costs, as hereinafter defined; Tenant shall be solely responsible for the payment of the Additional Costs, as hereinafter defined. The term "Excess Costs" shall mean up to Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) in improvements to the Premises in excess of improvements paid for out of the Landlord's Contribution, amortized over the initial Lease Term at the rate of nine percent (9%) per annum; the Excess Costs shall be payable by Tenant to Landlord in conjunction with the payment of Base Rent. The term "Additional Costs" shall mean any amount in excess of the sum of the Landlord's Contribution and the Excess Costs, and Tenant shall pay any Additional Costs in accordance with Paragraph 5(c). Tenant shall have the right to prepay the then-outstanding principal balance of the Excess Costs at any time during the Term, without penalty, upon not less than 30 days prior written notice to Landlord.

The Tenant Improvement Allowance will be used only for:

	
---	---

(i) Payment of the costs of preparing the Space Plans and the Final Plans, including mechanical, electrical, plumbing and structural drawings, and of all other aspects necessary to complete the Final Plans.

(ii) Payment of plan check, permit and license fees relating to construction of the Tenant Improvements.

(iii) Construction of the Tenant Improvements, including, without limitation, the following:

(A) Installation within the Premises of all partitioning, doors, floor coverings, ceilings, wall coverings and painting, millwork and similar items;

(B) All electrical wiring, conduits, lighting fixtures, outlets and switches, and other electrical work to be installed within the Premises; excluding, however, computer cable and wiring, voice/data wiring, computer and telephone systems and low voltage wiring;

(C) The furnishing and installation of all duct work, terminal boxes, diffusers and accessories required for the completion of the heating, ventilation and air conditioning systems within the Premises;

(D) Any additional tenant requirements including, but not limited to, air quality control, special heating, ventilation and air conditioning, noise or vibration control or other special systems;

(E) All fire and life safety control systems such as fire walls, sprinklers, fire alarms, including piping and wiring, installed within the Premises;

(F) All plumbing, including fixtures and pipes, to be installed within the Premises;

(G) Testing and inspection costs; and

(H) Contractor's fees, including, but not limited to, any fees based on general conditions; and

(iv) The Tenant Improvement Allowance may not be used for the purchase and/or installation of Tenant's furniture, fixtures, equipment, decorating or finishes.

(b) Changes. If, after the Final Plans and the Excess Costs Summary has been approved by Tenant, Tenant requests any changes or substitutions to the Final Plans or to the Tenant Improvements during construction, Tenant will complete the change order request form approved by Landlord and forward it to Landlord's representative. All such changes will be subject to Landlord's prior written approval. Prior to commencing any change, Landlord will prepare and deliver to Tenant, for Tenant's approval, a change order setting forth the total cost of such change, which will include associated architectural, engineering, construction contractor's costs and fees, completion schedule changes in the Work Schedule and the cost of Landlord's overhead. If Tenant fails to approve such change order within five (5) business days after delivery by Landlord, Tenant will be deemed to have withdrawn the proposed change and Landlord will not proceed to perform the change. Upon Landlord's receipt of Tenant's approval, Landlord will proceed with the change. Any additional costs related to such change are to be handled in accordance with Paragraph 5(a) above.

(c) Overage. In the event the Excess Costs exceed Landlord's Tenant Improvement Allowance, Tenant shall pay to Landlord, as a condition to Landlord commencing or continuing with the construction of the Tenant Improvements, as applicable, the overage amount within seven (7) days after receipt of written notice of the amount of the overage. Tenant's failure to pay said amount as aforesaid shall be a default under the Lease.

Q	PM
---	----

(d) Credit. Tenant will not be entitled to any credit for any portion of the Tenant Improvement Allowance which is not used.

5b. PAYMENT FOR WORK - TENANT AS CONTRACTOR.

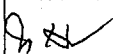
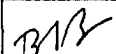
In the event Tenant elects to have the Tenant Improvements completed by designers and contractors selected and engaged by Tenant, Tenant shall be solely responsible for the payment of all cost and expenses associated there with, provided that Landlord shall disburse the Tenant Improvement Allowance and any Amortized Improvement Amount to Tenant in four (4) equal payments over the term of the construction. Landlord shall make such disbursements to Tenant following Landlord's inspection of the status of the Tenant Improvements and Landlord's receipt of partial lien releases from all contractors, subcontractors and materialmen providing labor and/or supplies for the construction of the Tenant Improvements. Landlord shall not be required to remit the final disbursement to Tenant until (i) Landlord shall have inspected the completed Tenant Improvements; (ii) Tenant shall have paid all Excess Costs, if any, and (iii) Tenant shall have provided Landlord with a contractor's affidavit and final lease releases and waivers.

(a) No Liens. Tenant will pay when due all claims for labor and material furnished to the Premises and keep the Property at all times free from liens for labor and materials. Tenant will give Landlord at least 20 days' prior written notice of the commencement of any work on the Premises, regardless of whether Landlord's consent to such work is required. Landlord may record and post notices of non-responsibility on the Premises. Prior to commencement by Tenant of any work on the Premises requiring Landlord approval, Tenant will record a notice of commencement ("Notice of Commencement") in the public records of the county in which the Premises is located identifying Tenant as the party for whom such work is being performed, stating such other matters as may be required by law and requiring the service of copies of all notices, liens or claims of lien upon Landlord. The Notice of Commencement shall clearly reflect that the interest of Tenant in the Premises is that of a leasehold estate. A copy of the Notice of Commencement will be furnished to and approved by Landlord and its attorneys prior to the recording or filing.

(b) No Authority. Nothing contained in this Lease shall authorize Tenant to do any act which may create or be the foundation for any lien, mortgage or other encumbrance upon the reservation or other estate of Landlord, or of any interest of Landlord in the Premises or in the Property or any improvements thereof; it is agreed that should Tenant cause any alterations, changes, additions, improvements or repairs to be made in the Premises, or cause materials to be furnished or labor to be performed therein, neither Landlord nor the Premises shall, under any circumstances, be liable for the payment of any expenses incurred or for the value of any work done or material furnished to the Premises or any part thereof. Tenant shall, upon request of Landlord, deliver such documents as may be required by Landlord in order to effectuate the lien protection required by this Section, all such alterations, changes, additions, improvements and repairs and materials and labor shall be at Tenant's expense and Tenant shall be solely and wholly responsible to contractors, laborers and materialmen furnishing labor and materials to the Premises, or any part thereof. Tenant shall inform every service or material provider of the foregoing provisions prior to contracting with any of them for goods or services.

(c) Discharge. Tenant shall discharge any lien filed against the Premises, the Building or the Property, or any part thereof, for work done at Tenant's request or materials furnished at Tenant's request with respect to the Premises within thirty (30) calendar days after such lien is filed. The failure of Tenant to do so shall be a material default hereunder. If Tenant fails to keep this covenant, in addition to any other remedies available to Landlord under this Lease, Tenant agrees to pay Landlord, as Additional Rent, the sum equal to the amount of the lien thus discharged by Landlord, plus all costs and expenses, including without limitation attorney's and paralegal's fees and court costs, incurred by Landlord in discharging such lien.

6. CONSTRUCTION OF WORK - LANDLORD AS CONTRACTOR. Until Tenant approves the Final Plans and Excess Cost Summary, Landlord will be under no obligation to cause the construction of any of the Tenant Improvements. Following Tenant's approval of the Excess Cost Summary and after Landlord obtains all necessary permits, Landlord's contractor will commence and diligently proceed with the construction of the Tenant Improvements, subject to Tenant Delays (as described in Paragraph 7 below) and Force Majeure Delays (as described in Paragraph 8 below). Promptly upon the commencement of the Tenant Improvements, Landlord will furnish Tenant with a construction schedule letter setting forth the projected completion dates therefor and showing the deadlines for any actions required to be taken by Tenant during such construction. Landlord may from time to time during construction of the Tenant Improvements modify such schedule.

	
---	---

7. TENANT DELAYS. "Tenant Delays" means any delay in the completion of the Landlord's Work resulting from any or all of the following:

- (a) Tenant's failure to timely perform any of its obligations hereunder, including any failure to approve any item or complete, on or before the due date therefor, any action item which is Tenant's responsibility pursuant to the Work Schedule or any schedule delivered by Landlord to Tenant pursuant to this Exhibit;
- (b) Change orders requested by Tenant after approval of the Final Plans;
- (c) Tenant's request for materials, finishes, or installations which Landlord previously advised are not readily available;
- (d) Any delay of Tenant in making payment to Landlord for any costs due from Tenant under this Exhibit;  
or
- (e) Any other act or failure to act by Tenant, Tenant's employees, agents, architects, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant.

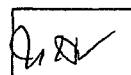
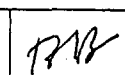
8. FORCE MAJEURE DELAYS. "Force Majeure Delays" means any and all causes beyond Landlord's reasonable control, including, without limitation, delays caused by Tenant, other tenants, governmental regulation, governmental restriction, strike, labor dispute, riot, accident, mechanical breakdown, shortages of or inability to obtain labor, fuel, steam, water, electricity or materials, acts of God, war, enemy action, civil commotion, fire or other casualty.

9. LANDLORD'S APPROVAL. Landlord, in its sole discretion, may withhold its approval of the Final Plans, change orders or other documents or plans that: (a) exceed or adversely affect the structural integrity of the Building, or any systems of the Building; (b) would not be approved by a prudent owner of property similar to the Building; (c) violate any agreement which affects the Building or binds the Landlord; (d) Landlord believes will increase the cost of operation or maintenance of any of the systems of the Building; (e) Landlord believes will reduce the market value of the Premises or the Building at the end of the Term of the Lease; or (f) do not conform to the applicable building code or are not approved by any governmental, quasi-governmental, or utility authority with jurisdiction over the Premises.

10. DEFAULTS BY TENANT. In the event of any default by Tenant with respect to any of the provisions of this Exhibit B, Landlord may, in addition to exercising any other right or remedy Landlord may have, treat such default as an Event of Default by Tenant under the Lease and exercise any or all rights available under the Lease in connection therewith, including, if applicable, the right of termination. In the event of any termination of the Lease by Landlord, in addition to its other rights and remedies, Landlord may elect in its absolute discretion, with respect to any work performed by or on behalf of Tenant prior to the date of such termination, to either: (a) retain for its own use part or all of any such work, without compensation to Tenant therefore; or (b) demolish or remove part or all of any such work and restore part or all of the Premises to its condition prior to the initial tender of possession thereof to Tenant, in which event Tenant will pay Landlord upon demand for all costs reasonably incurred by Landlord in connection with such demolition, removal and/or restoration.

11. SCHEDULING OF TENANT IMPROVEMENTS. All work will be completed in a manner so as to provide the least possible disruption to other tenants. Scheduling of all work shall be coordinated in advance with Building management. All work involving Building life and safety systems shall be scheduled with Building management no later than forty-eight (48) hours in advance of such work.

12. REMOVAL. At Landlord's option and at Tenant's sole expense, the cage vault and the explosion room shall be removed from the Premises at the time Tenant vacates the Premises, and the Premises shall be left in the condition required under the Lease.

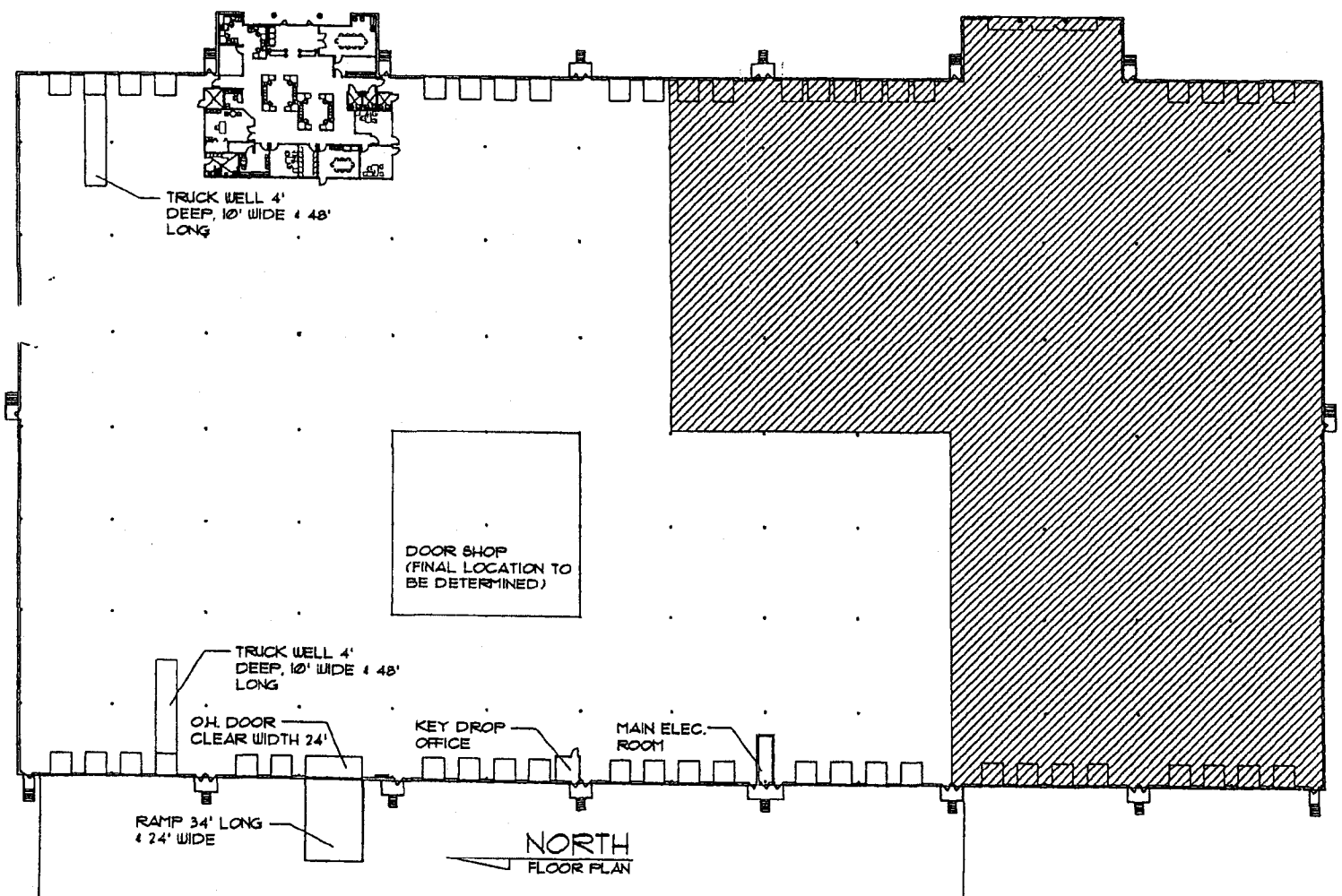
	
---	---



# EXHIBIT B-1 - INITIAL LANDLORD ALTERATIONS

attached to and made a part of Lease bearing the  
 Lease Reference Date of <sup>Sept.</sup> August 14, 2004 between  
 RREEF America REIT II Corp. S, as Landlord and  
 Huttig Building Products, Inc., as Tenant  
 for the Premises within the Building located at:  
 7835 Central Industrial Drive  
 Riviera Beach, FL 33404

Landlord shall, at its sole cost and expense, demise the Premises, including the installation of separation walls and the splitting of utilities between the Premises and the adjacent space (the "Landlord's Work"). Landlord shall commence Landlord's Work as soon as practicable, and shall work diligently to complete the Landlord's Work within a reasonable time thereafter. Tenant shall not interfere with the completion of Landlord's Work.



GHV	PRV
-----	-----

EXHIBIT C - COMMENCEMENT DATE MEMORANDUM

attached to and made a part of Lease bearing the  
Lease Reference Date of <sup>Sept</sup> ~~August 1st~~, 2004 between  
RREEF America REIT II Corp. S, as Landlord and  
Huttig Building Products, Inc., as Tenant  
for the Premises within the Building located at:  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

COMMENCEMENT DATE MEMORANDUM

THIS MEMORANDUM, made as of \_\_\_\_\_, 20\_\_\_\_, by and between RREEF America REIT II Corp. S  
("Landlord") and \_\_\_\_\_ ("Tenant").

Recitals:

- A. Landlord and Tenant are parties to that certain Lease, dated for reference \_\_\_\_\_, 20\_\_ (the "Lease")  
for certain premises (the "Premises") consisting of approximately \_\_\_\_ square feet at the building  
commonly known as \_\_\_\_\_.
- B. Tenant is in possession of the Premises and the Term of the Lease has commenced.
- C. Landlord and Tenant desire to enter into this Memorandum confirming the Commencement Date, the  
Termination Date and other matters under the Lease.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The actual Commencement Date is \_\_\_\_\_.
2. The actual Termination Date is \_\_\_\_\_.
3. The schedule of the Annual Rent and the Monthly Installment of Rent set forth on the Reference Pages  
is deleted in its entirety, and the following is substituted therefor:

[insert rent schedule]

4. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

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

LANDLORD:

TENANT:

By:

By: \_\_\_\_\_ DO NOT SIGN \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

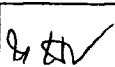
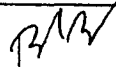
Dated: \_\_\_\_\_

By: \_\_\_\_\_ DO NOT SIGN \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

	
---	---

#### EXHIBIT D - RULES AND REGULATIONS

attached to and made a part of <sup>Sept</sup> Lease bearing the  
Lease Reference Date of August 14, 2004 between  
RREEF America REIT II Corp. S, as Landlord and  
Huttig Building Products, Inc., as Tenant  
for the Premises within the Building located at:  
7835 Central Industrial Drive  
Riviera Beach, FL 33404

1. No sign, placard, picture, advertisement, name or notice (collectively referred to as "Signs") shall be installed or displayed on any part of the outside of the Building without the prior written consent of the Landlord which consent shall be in Landlord's sole discretion. All approved Signs shall be printed, painted, affixed or inscribed at Tenant's expense by a person or vendor approved by Landlord and shall be removed by Tenant at Tenant's expense upon vacating the Premises. Landlord shall have the right to remove any Sign installed or displayed in violation of this rule at Tenant's expense and without notice.
2. If Landlord objects in writing to any curtains, blinds, shades or screens attached to or hung in or used in connection with any window or door of the Premises or Building, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises. Tenant shall not place anything or allow anything to be placed against or near any glass partitions or doors or windows which may appear unsightly, in the opinion of Landlord, from outside the Premises.
3. Tenant shall not alter any lock or other access device or install a new or additional lock or access device or bolt on any door of its Premises without the prior written consent of Landlord. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys or other means of access to all doors.
4. If Tenant requires telephone, data, burglar alarm or similar service, the cost of purchasing, installing and maintaining such service shall be borne solely by Tenant. No boring or cutting for wires will be allowed without the prior written consent of Landlord. Landlord shall direct electricians as to where and how telephone, data, and electrical wires are to be introduced or installed. The location of burglar alarms, telephones, call boxes or other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord.
5. Tenant shall not place a load upon any floor of its Premises, including mezzanine area, if any, which exceeds the load per square foot that such floor was designed to carry and that is allowed by law. Heavy objects shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
6. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building without Landlord's prior written consent which consent shall be in Landlord's sole discretion.
7. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork, plaster or drywall (except for pictures and general office uses) or in any way deface the Premises or any part thereof. Tenant shall not affix any floor covering to the floor of the Premises or paint or seal any floors in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
8. No cooking shall be done or permitted on the Premises, except that Underwriters' Laboratory approved microwave ovens or equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations.

<i>GH</i>	<i>RA</i>
-----------	-----------

9. Tenant shall not use any hand trucks except those equipped with the rubber tires and side guards, and may use such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building. Forklifts which operate on asphalt areas shall only use tires that do not damage the asphalt.

10. Tenant shall not use the name of the Building or any photograph or other likeness of the Building in connection with or in promoting or advertising Tenant's business except that Tenant may include the Building name in Tenant's address. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name and address of the Building.

11. All trash and refuse shall be contained in suitable receptacles at locations approved by Landlord. Tenant shall not place in the trash receptacles any personal trash or material that cannot be disposed of in the ordinary and customary manner of removing such trash without violation of any law or ordinance governing such disposal.

12. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governing authority.

13. Tenant assumes all responsibility for securing and protecting its Premises and its contents including keeping doors locked and other means of entry to the Premises closed.

14. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord without Landlord's prior written consent.

15. No person shall go on the roof without Landlord's permission.

16. Tenant shall not permit any animals, other than seeing-eye dogs, to be brought or kept in or about the Premises or any common area of the property.

17. Tenant shall not permit any motor vehicles to be washed or mechanical work or maintenance of motor vehicles to be performed on any portion of the Premises or parking lot.

18. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building. Landlord may waive any one or more of these Rules and Regulations for the benefit of any tenant or tenants, and any such waiver by Landlord shall not be construed as a waiver of such Rules and Regulations for any or all tenants.

19. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order in and about the Building. Tenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

20. Any toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown into them. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

21. Tenant shall not permit smoking or carrying of lighted cigarettes or cigars in areas reasonably designated by Landlord or any applicable governmental agencies as non-smoking areas.

22. Any directory of the Building or project of which the Building is a part ("Project Area"), if provided, will be exclusively for the display of the name and location of tenants only and Landlord reserves the right to charge for the use thereof and to exclude any other names.

Q. & ✓	PNV ✓
--------	-------

23. Canvassing, soliciting, distribution of handbills or any other written material in the Building or Project Area is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any goods or merchandise in the Building or Project Area without the written consent of Landlord.

24. Any equipment belonging to Tenant which causes noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate the noise or vibration.

25. Driveways, sidewalks, halls, passages, exits, entrances and stairways ("Access Areas") shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. Access areas are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building or its tenants.

26. All parking is generally on an open basis (first come, first served). However, Landlord reserves the right to designate the use of parking areas and spaces if it becomes reasonably necessary to do so in the future. Tenant shall not park in visitor, reserved, or unauthorized parking areas. Tenant and Tenant's guests shall park between designated parking lines only and shall not park motor vehicles in those areas designated by Landlord for loading and unloading. Vehicles in violation of the above shall be subject to being towed at the vehicle owner's expense. Vehicles parked overnight without prior written consent of the Landlord shall be deemed abandoned and shall be subject to being towed at vehicle owner's expense. Tenant will from time to time, upon the request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees or agents.

27. No trucks, tractors or similar vehicles can be parked anywhere other than in Tenant's own truck dock area. Tractor-trailers which must be unhooked or parked with dolly wheels beyond the concrete loading areas must use steel plates or wood blocks under the dolly wheels to prevent damage to the asphalt paving surfaces. No parking or storing of such trailers will be permitted in the parking areas or on streets adjacent thereto.

28. During periods of loading and unloading, Tenant shall not unreasonably interfere with traffic flow and loading and unloading areas of other tenants. All products, materials or goods must be stored within the Tenant's Premises and not in any exterior areas, including, but not limited to, exterior dock platforms, against the exterior of the Building, parking areas and driveway areas. Tenant agrees to keep the exterior of the Premises clean and free of nails, wood, pallets, packing materials, barrels and any other debris produced from their operation.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

# 2039535\_v7

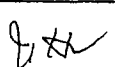
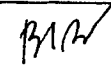
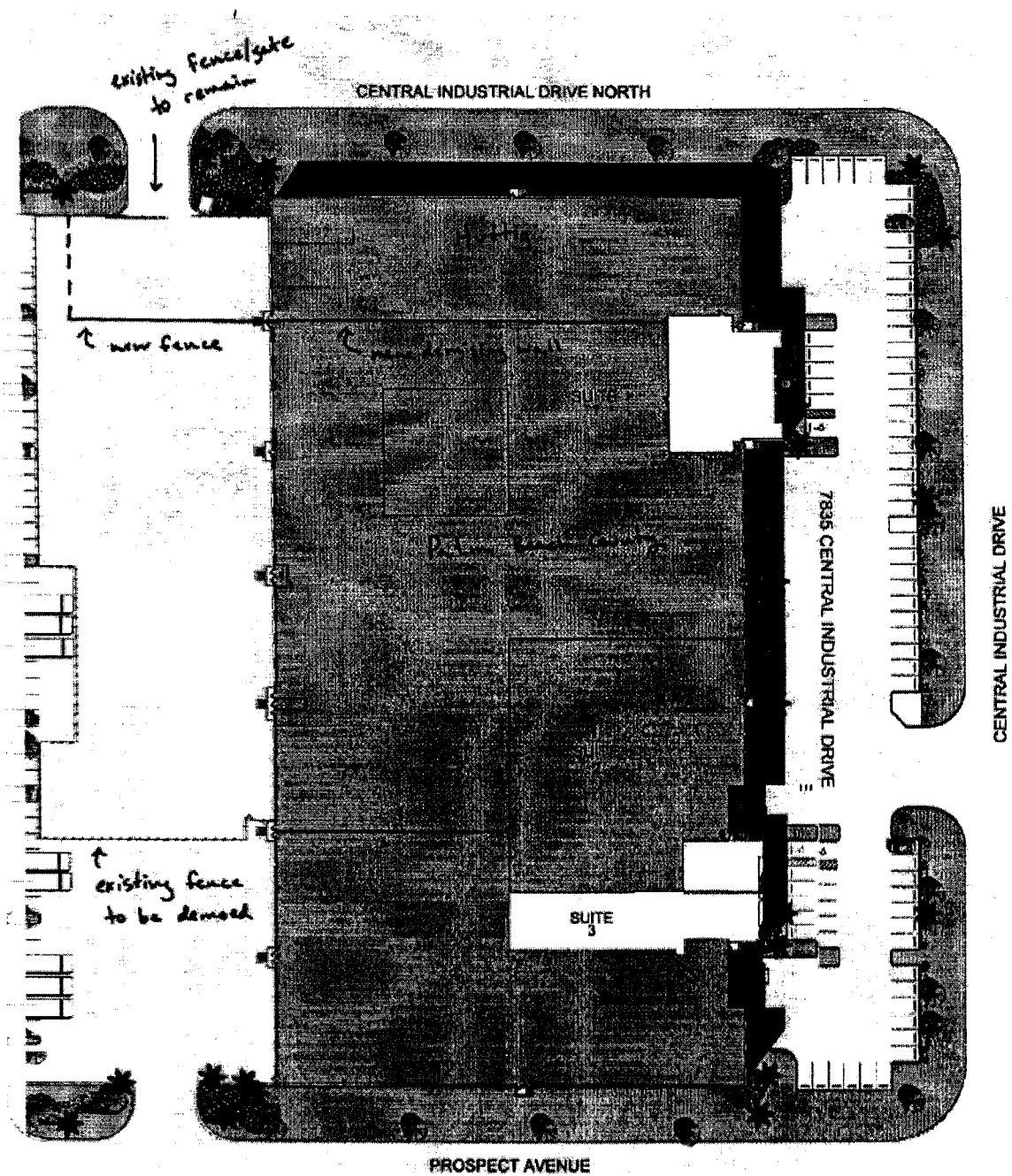
	
---	---

EXHIBIT B

SUBLET PREMISES



**EXHIBIT C**

**SUBLESSEE'S CONTRACTOR'S INSURANCE REQUIREMENTS**

### EXHIBIT C

The CONTRACTOR agrees, at its sole expense, to maintain on a primary basis during the life of this Contract, or the performance of work hereunder, insurance coverages, limits, and endorsements as required herein.

The CONTRACTOR agrees the insurance requirements herein as well as COUNTY'S review or acknowledgement, is not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the CONTRACTOR under this Contract.

**COMMERCIAL GENERAL LIABILITY** CONTRACTOR agrees to maintain Commercial General Liability at a limit of liability not less than **\$1,000,000** Each Occurrence **\$2,000,000** Annual Aggregate. CONTRACTOR agrees its coverage will not contain any restrictive endorsement(s) excluding or limiting Premises/Operations, Personal Injury, Product/Completed Operations, Independent Contractors, Broad Form Property Damage, X-C-U Coverage, Contractual Liability, Cross Liability or Severability of Interests. Coverage shall be provided on a primary basis.

**BUSINESS AUTOMOBILE LIABILITY** CONTRACTOR agrees to maintain Business Automobile Liability at a limit of liability not less than **\$1,000,000** Each Occurrence. Coverage shall include liability for Owned, Non-Owned & Hired automobiles. In the event CONTRACTOR does not own automobiles, CONTRACTOR agrees to maintain coverage for Hired & Non-Owned Auto Liability, which may be satisfied by way of endorsement to the Commercial General Liability policy or separate Business Auto Liability policy. Coverage shall be provided on a primary basis.

**WORKER'S COMPENSATION & EMPLOYER'S LIABILITY** The CONTRACTOR agrees to maintain Worker's Compensation & Employers Liability Insurance. **(NOTE: Elective exemptions or coverage through an employee leasing arrangement will NOT satisfy this requirement).**

**ADDITIONAL INSURED ENDORSEMENT** The CONTRACTOR agrees to endorse the COUNTY, the Sublessor and the Prime Landlord as Additional Insureds on the Commercial General Liability with a CG 2010 Additional Insured - Owners, Lessees, or Contractors, or similar endorsement providing equal or broader Additional Insured coverage. The additional insured shall read, as to the County, "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents", as to the Sublessor "Huttig Building Products, Inc., its Officers, Employees and Agents" and, as to the Prime Landlord, "RREEF Americda REIT II Corp, its Officers, Employees and Agents". Coverage shall be provided on a primary basis



**COMMERCIAL UMBRELLA/EXCESS LIABILITY** CONTRACTOR agrees to maintain either a Commercial Umbrella or Excess Liability at a limit of liability not less than \$2,000,000 Each Occurrence \$2,000,000 Aggregate. The CONTRACTOR agrees to endorse the COUNTY, the Sublessor and the Prime Landlord as "Additional Insureds" on the Commercial Umbrella/Excess Liability, unless the Commercial Umbrella/Excess Liability provides coverage on a pure/true follow-form basis, or the COUNTY, the Sublessor and the Prime Landlord are automatically defined as Additional Protected Persons. Coverage shall be provided on a primary basis.

**DEDUCTIBLES, COINSURANCE PENALTIES, & SELF-INSURED RETENTION**

The CONTRACTOR agrees to be fully and solely responsible for any costs or expenses as a result of a coverage deductible, coinsurance penalty, or self-insured retention; including any loss not covered because of the operation of such deductible, coinsurance penalty, self-insured retention, or coverage exclusion or limitation.

**WAIVER OF SUBROGATION** The CONTRACTOR agrees by entering into this written Contract to a Waiver of Subrogation in favor of the COUNTY, the Sublessor, the Prime Landlord, CONTRACTOR, sub-contractor, architects, or engineers for each required policy providing coverage during the life of this Contract. When required by the insurer, or should a policy condition not permit the CONTRACTOR to enter into a pre-loss agreement to waive subrogation without an endorsement, the CONTRACTOR agrees to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or an equivalent endorsement. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition that specifically prohibits such an endorsement, or voids coverage should the CONTRACTOR enter into such an agreement on a pre-loss basis.

**RIGHT TO REVIEW** The CONTRACTOR agrees the COUNTY, the Sublessor, the Prime Landlord reserve the right, but not the obligation, to review or revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work / specifications affecting the applicability of coverage. Additionally, the COUNTY, the Sublessor, the Prime Landlord reserve the right, but not the obligation, to review and reject any insurance policies failing to meet the criteria stated herein, or any insurer(s) providing coverage due of its poor financial condition or failure to operating legally in the State of Florida.

**NO REPRESENTATION OF COVERAGE ADEQUACY:** The coverages, limits or endorsements required herein protect the primary interests of the COUNTY, the Sublessor and the Prime Landlord and the CONTRACTOR agrees in no way should these coverages, limits or endorsements required be relied upon when assessing the extent or determining appropriate types and limits of coverage to protect the CONTRACTOR against any loss exposures, whether as a result of the Project or otherwise.

**CERTIFICATE OF INSURANCE** The CONTRACTOR agrees to provide COUNTY, the Sublessor and the Prime Landlord with Certificate(s) of Insurance that clearly evidence the CONTRACTOR's insurance contains the minimum coverages, limits, and endorsements set forth herein. A minimum thirty (30) day (except 10 days for nonpayment) endeavor to notify due to cancellation or non-renewal of coverage shall be identified on each Certificate(s) of Insurance. In the event the COUNTY, the Sublessor or the Prime Landlord is notified that a required insurance coverage will cancel or expire during the period of this Contract, the CONTRACTOR agrees to furnish COUNTY, the Sublessor and the Prime Landlord prior to the expiration of such insurance, a new Certificate of Insurance evidencing replacement coverage. When notified by COUNTY, the Sublessor or the Prime Landlord the CONTRACTOR agrees not to continue work pursuant to this Contract, unless all required insurance remains in effect.

The COUNTY, the Sublessor and the Prime Landlord shall each have the right, but not the obligation, of prohibiting CONTRACTOR from entering the Project site until a new Certificate of Insurance is provided to the COUNTY, the Sublessor or the Prime Landlord, as the case may be, evidencing the replacement coverage. The CONTRACTOR agrees the COUNTY reserves the right to withhold payment to CONTRACTOR until evidence of reinstated or replacement coverage is provided. If the CONTRACTOR fails to maintain the insurance as set forth herein, the CONTRACTOR agrees the COUNTY, the Sublessor and the Prime Landlord shall each have the right, but not the obligation, to purchase replacement insurance, which the CONTRACTOR agrees to reimburse any premiums or expenses incurred by the COUNTY, the Sublessor or the Prime Landlord, as the case may be.

The CONTRACTOR agrees the Certificate(s) of Insurance shall:

1.	Clearly indicate the COUNTY, the Sublessor and the Prime Landlord have been endorsed on the Commercial General Liability with a <u>CG 2010 Additional Insured - Owners, Lessees, or Contractors</u> , or similar endorsement providing equal or greater Additional Insured coverage.
2.	Clearly indicate the <u>project name</u> and <u>project number</u> .
3.	Clearly identify each policy's limits, flat & percentage deductibles, sub-limits, or self-insured retentions, which exceed the amounts or percentages set forth herein.
4.	Clearly indicate a minimum thirty (30) day (except 10 days for nonpayment) endeavor to notify requirement in the event of cancellation or non-renewal of coverage.

5.	<p data-bbox="284 809 990 849">Clearly indicated Certificate Holder(s) as follows::</p> <div data-bbox="662 887 1026 1048"><p data-bbox="662 887 1026 924">PALM BEACH COUNTY</p><p data-bbox="662 930 1026 964">Att:_____</p><p data-bbox="662 989 1026 1016">_____</p><p data-bbox="662 1029 1026 1048">_____</p></div> <div data-bbox="662 1088 1226 1249"><p data-bbox="662 1088 1226 1126">HUTTIG BUILDING PRODUCTS, INC.</p><p data-bbox="662 1131 1104 1166">Attn:_____</p><p data-bbox="662 1171 1159 1206">RREEF AMERICA REIT II CORP S</p><p data-bbox="662 1212 1089 1247">Attn:_____</p></div>
----	---

**SUBLESSOR'S AFFIDAVIT**

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY  
DESIGNATED REPRESENTATIVE

STATE OF MISSOURI  
COUNTY OF ST. LOUIS

BEFORE ME, the undersigned authority, this day personally appeared, Sally Townsley, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the Associate General Counsel of Huttig Building Products, Inc. (the "Sublessor") which entity is leasing the real property known as and numbered 7835 Central Industrial Drive, Riviera Beach, FL 33404 (the "Property") from RREEF America REIT II Corp. S (the "Owner").

2. Affiant's address is: 555 Maryville University Drive, Suite 400, St. Louis, MO 63141

---

3. Sublessor is an entity registered with the Federal Securities Exchange Commission whose interest is for sale to the general public and is accordingly exempt from the requirement to complete and execute a Disclosure of Beneficial Interests pursuant to Florida Statutes section 286.23.

4. Affiant acknowledges that this Affidavit will be relied upon by Palm Beach County in its sublease of the Property from Sublessor.

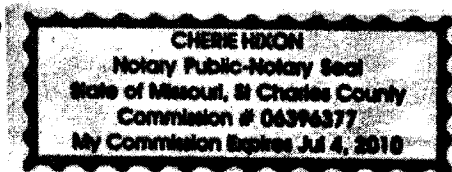
5. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

6. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete.

FURTHER AFFIANT SAYETH NAUGHT.

Sally H. Townsley, Affiant  
Sally H. Townsley

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of July, 2009,  
by Sally H. Townsley ☒ who is personally known to  
me or ☐ who has produced \_\_\_\_\_ as identification and who did take  
an oath.



(Stamp/Seal)

*Cherie Hixon*  
Notary Public

CHERIE HIXON  
(Print Notary Name)

NOTARY PUBLIC  
State of Missouri

My Commission Expires: 7-4-2010



Attachment 3

622 Banyan Trail, Suite 300 / Boca Raton / FL, 33431

PH: 561.361.6700 / FX: 561.361.6979

June 29, 2009

Robert N. Goldstein  
President/CEO  
HOSPITALITY CONSULTANTS, INC.  
622 Banyan Trail, Suite 200  
Boca Raton, FL 33431

Re: **New A/C Installation Budget** for Susan Bucher, Palm Beach County Supervisor of Elections at 7835 Central International Drive, Riviera Beach, Florida.

Robert,

Taking into consideration the information received from KAMM Consulting regarding the initial requirements for the installation of Air Conditioning in the warehouse area at the above referenced location we propose the budget cost of \$299,086.00. In the event that additional cooling is required this may be added at a rate of approximately \$1,995.00/ton installed.

This budget allows for the supply and installation of 6 new 25 ton A/C units (150 tons total) with direct concentric diffusers and includes all required roof cutting, patching, clean up, trash removal etc. along with miscellaneous steel angles / welding that will be necessary to support the units on the roof. Also included in this budget are the required electrical connections and associated materials utilizing the existing panels and related gear along with the installation of (1) smoke detector for each of the unit's concentric diffuser ducts which will be connected to the existing building fire alarm panel.

The work described herein includes professional supervision and management by Kaufman Lynn, Inc. however the budget costs exclude any cost associated with mechanical, electrical and structural engineering drawings and any cost or work relating to architectural requirements / screening etc.

Thank you for the opportunity to provide you with this budget and please feel free to contact me personally should you have questions or concerns regarding this information.

Respectfully Submitted,

Ronald J Zegiel  
Chief Estimator

CELEBRATING  
20 YEARS  
of CONSTRUCTION  
EXCELLENCE

www.kaufmanlynn.com

U.S. Green Building  
Council Member



2/10/25  
150 TONS = 4954 TON

A 10x10 grid with letters A-J across the top and numbers 1-10 down the left side. A 'No Parking' sign is in the center, a 'No Left Turn' sign is at the bottom right, and a 'No Right Turn' sign is at the bottom left.

The floor plan is a detailed drawing of a large room, possibly a school cafeteria or gymnasium, with a grid overlay. The grid is labeled with letters A through Z and numbers 1 through 20. The plan is oriented with the entrance at the top. Key areas include a 'DOOR SHOW' area, a 'RESTROOM' area, and a 'STORAGE' area. The plan is oriented with the entrance at the top.

SCALE 1/8" = 1'-0"

2014-2015

**ALCOHOLICS  
DISCOUNT**

100%

Designed By: **TRIMBLE**

DATE: 2/10/14

DATE: 11/17/2009  
TIME: 11:17  
PAGE: 1

100

67

MECHANICAL

10

100

100

1

**5A3 ADDITIONAL  
BACK UP**

### CONSENT TO SUBLEASE

The undersigned, as Landlord under that certain Lease dated September 14, 2004 (as amended, the "Lease"), amended as more fully described in recitals to the attached Sublease Agreement, hereby consents to the attached Sublease between **HUTTIG BUILDING PRODUCTS, INC.**, a Delaware corporation ("Sublessor") and **PALM BEACH COUNTY**, a political subdivision of the State of Florida ("Sublessee").

This consent is given upon the following conditions:

1. Sublessor shall continue to remain primarily liable for the payment of all amounts of rental and other sums and performance of all covenants required of Sublessor under the Lease. Neither the Sublease nor this Consent will release or discharge Sublessor, as "Tenant" under the Lease, from any liability thereunder, whether past, present, or future, and Sublessor will remain liable and responsible for the full performance and observance of all of the provisions, covenants, and conditions set forth in the Lease on the part of "Tenant" to be performed and observed. The Sublease will not alter Sublessor's obligations under the Lease.
2. There shall be no modifications or amendments of the Sublease without the prior written consent of Landlord.
3. Any breach or violation of any provisions of the Lease by Sublessee will be a default by Sublessor.
4. Consent by Landlord to this subletting shall not include consent to the assignment or transferring of any lease renewal option rights or space option rights, special privileges or extra services granted to Sublessor by the Lease, or addendum or amendment hereto or letter of agreement (and such options, right, privileges or services shall terminate upon such assignment or transfer).
5. Sublessee will pay all rent under the Sublease directly to Landlord, and Landlord will not by acceptance of such rent be deemed to have waived any of Landlord's rights against Sublessor. Landlord will credit Sublessor with any rent received and retained by Landlord, *pro tanto*, but the acceptance of any payment on account of rent from Sublessee will in no manner whatsoever be deemed to release Sublessor from any liability under the terms, covenants, conditions, provisions, or agreements under the Lease, and Sublessor will be deemed to have absolute, primary, unconditional and continuing liability for payment of all rents under the Lease, including areas that are being subleased as well as areas that are not being subleased (i.e., said direct payment of Landlord, the Sublease, and this Consent, will not constitute a novation whereby Sublessor would be relieved of any of its obligations under the Lease). Sublessor will credit Sublessee for rent payments made to Landlord.
6. Consent to the sublease is without waiver of restrictions concerning future subleases or extensions of the foregoing Sublease.

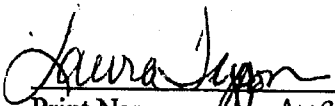


7. Sublessor has paid to Landlord the sum of \$1,500.00 as a fee for evaluation of this subletting, and shall reimburse any actual costs incurred by Landlord upon Landlord's written demand.
8. Landlord shall not be liable for, and Sublessor shall indemnify and hold Landlord harmless from, any commission payable associated with the Sublease.
9. If the Lease expires or terminates during the term of the Sublease for any reason other than condemnation or destruction by casualty, including but not limited to any rejection of the Lease by Sublessor in bankruptcy (a "Substitution Event"), Landlord and Sublessee hereby agree to continue to perform and maintain all rights and obligations described in the Sublease with the same force and effect as if Landlord and Sublessee had entered into a lease as of such effective date for a term equal to the then unexpired term of the Sublease and containing the same terms and conditions as those in the Sublease. In that event, Sublessee will attorn to Landlord, and Landlord and Sublessee will have the same rights, obligations and remedies as were had by Sublessor and Sublessee prior to such effective date, respectively, except that in no event will Landlord be (a) liable or responsible for any act or omission by Sublessor or for any notices provided to Sublessor pursuant to Section 21 of the Sublease, (b) subject to any offsets or defenses which Sublessee had or might have had against Sublessor, (c) bound by any payment of rent or additional rent paid by Sublessee to Sublessor more than thirty (30) days in advance of the due date thereof, (d) bound by any obligation of Sublessor to construct a demising wall or separate electrical metering, (e) responsible for payment of any broker's commission, or any other payment or obligation under Section 25(H) of the Sublease, or (f) bound by any amendment to the Sublease not consented to by Landlord in writing. Any notices to Landlord by Sublessee will be given as required under the Lease.
10. In the absence of a Substitution Event, Sublessee will have no right to enforce any of Sublessor's rights under the Lease directly against the Landlord, all of such rights being personal to the Sublessor. Even in the event of a Substitution Event, Sublessee will not be required to comply with the insurance and indemnity obligations of the Lease to the extent not required by the Sublease.
11. Sublessor agrees to relocate the exterior fence outside of the leased area pursuant to Exhibit B to the Sublease, at Sublessor's own expense, within fifteen (15) days after execution of the Sublease. Subject to Landlord's prior approval of detailed structural, mechanical and other plans and specifications, and approval of Sublessee's contractor, Landlord will allow Sublessee to perform the work described in Section 7.A. of the Sublease. Landlord agrees that its recovery of a construction management fee for Sublessee's work described in Section 7.A. of the Sublease shall not exceed \$5,000.00, and Landlord approves of Kaufman Lynn as a contractor.

12. Landlord agrees that the amount payable by Sublessor to Landlord pursuant to Section 9.4 of the Lease equal to 50% of any Increased Rent (as defined in the Lease) less the Costs Component (as defined in the Lease) is calculated on a cumulative basis over the term of the Sublease through the date that the Increased Rent is received by Sublessor.
13. Landlord and Sublessor have agreed to allocate 62 parking spaces for Sublessee on the east side and the west side of the building containing the sublet premises.
14. Redress for any claims against Landlord under the Lease, the Sublease (if applicable) or this Consent shall only be made against Landlord to the extent of Landlord's interest in the property of which the Premises are a part. The obligations of Landlord under the Lease, the Sublease (if applicable) and this Consent shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, the general partners thereof or any beneficiaries, stockholders, employees or agents of Landlord, or its investment manager, and in no case shall Landlord be liable to Sublessor or Sublessee under the Lease, Sublease, or hereunder, for any lost profits, damage to business, or any form of special, indirect or consequential damages

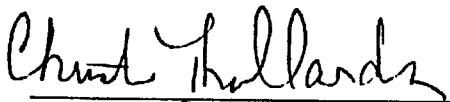
TWO WITNESSES:


LANDLORD:

  
 Print Name: LAURA TYSON

RREEF AMERICA REIT II CORP.  
 S, a Maryland corporation

By: RREEF Management Company,  
 a Delaware corporation, authorized  
 agent

  
 Print Name: CHRISTINE HOLLANDER

By:   
 Name: Jerry Devan  
 Title: Vice President District Manager  
 Dated: July 20, 2009

Agreed and Accepted:

SUBLESSEE:

ATTEST:

PALM BEACH COUNTY, a political  
 Subdivision of the State of Florida

By: \_\_\_\_\_  
 Deputy Clerk  
 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
 John F. Koons, Chairman  
 Dated: \_\_\_\_\_

APPROVED AS TO FORM AND  
 SUFFICIENCY


APPROVED AS TO TERMS AND  
 CONDITIONS


By: \_\_\_\_\_  
Assistant County Attorney  
Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Department Director  
Dated: \_\_\_\_\_

**Acceptance of Sublessor:**

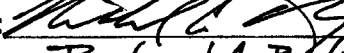
TWO WITNESSES:

  
Print Name: CHERIE HIXON

  
Print Name: Brian Robinson

SUBLESSOR:

**HUTTIG BUILDING PRODUCTS,  
INC., a Delaware corporation**

By:   
Name: Richard A. Baltz  
Title: Vice President  
Dated: 7/20/09

# 8713411\_v2