

THIS LEASE AGREEMENT, made and entered into as of the first day of December, 1982, by and between NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), having its principal office at 225 Broadway, New York, New York, party of the first part, and AMERICAN PACKAGE COMPANY, INC. (the "Company"), a corporation organized and existing under and by virtue of the laws of the State of New York, having its principal office at 402 Lafayette Street, New York, New York, party of the second part:

WITNESSETH:

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities including industrial pollution control facilities and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act the Agency was established by Chapter 1082 of the 1974 Laws of New York, as amended (together with the Enabling Act, the "Act") for the benefit of the City of New York and the inhabitants thereof; and

WHEREAS, to accomplish the purposes of the Act the Agency has entered into negotiations with the Company to induce the Company to commence with the leasing of a manufacturing facility consisting of an existing building and structures and related real property in New York City, and the leasing of certain machinery and equipment, all for the manufacturing of paper boxes (the "Project") and to locate such facility within the City of New York, to be leased to the Company by the Agency, and, in furtherance of said purpose on October 19, 1982, the Agency has adopted a resolution authorizing the acquisition of the Project, and undertaking to permit the issuance of its industrial development revenue bonds to finance such acquisition and thereupon to lease the Project to the Company; and

WHEREAS, the Company pursuant to said resolution has proceeded with the acquisition of the Project pursuant to this Lease Agreement; and

WHEREAS, the acquisition of the Project by the Agency is necessary to provide employment in the City of New York and is beneficial for the economy of the City of New York and is reasonably necessary to discourage the Project occupant from removing its operations at its existing plants or facilities to a location outside the State and will not result in the removal of an industrial, manufacturing, warehousing or commercial plant or facility of the Project occupant from one area of the State of New York to another area of the State or in the abandonment of one or more of such plants or facilities of the Project occupant within the State; and

WHEREAS, the Agency is empowered to enter into the transactions contemplated by this Lease Agreement and to carry out its obligations hereunder and by proper action of the members of the Agency, the Agency has duly authorized the execution and delivery of this Lease Agreement; and

WHEREAS, the Agency, in order to provide funds for the cost of the acquisition of the Project, will issue and sell its Industrial Development Revenue Bonds (1982 American Package Company, Inc. Project), in the aggregate principal amount of \$1,040,000 pursuant to the Act, a resolution of the Agency adopted on October 19, 1982 and an Indenture of Mortgage and Trust (the "Indenture") dated as of December 1, 1982 by and between the Agency and Long Island Trust Company, N.A., as Trustee, securing said Bonds; and

WHEREAS, concurrently with the execution hereof the Company will enter into a company guaranty agreement with the Trustee whereunder the Company will guarantee the payment of the principal of, redemption premium, if any, and interest on said Bonds; and

WHEREAS, as further inducement to the Agency to enter into this Lease Agreement, Martin C. Kofman, Irene M. Kofman, Murray Magnes and Beatrice Manges (the "Individual Guarantors") the principal officers and stockholders of the Company, will enter into an Individual Guaranty Agreement with the Trustee whereunder the Individual Guarantors will, jointly and severally, to the extent provided in said Individual Guaranty Agreement, guarantee the payments, obligations, covenants and agreements of the Company under the Lease Agreement and the payment of the principal of, redemption premium, if any, and interest on said Bonds; and

WHEREAS, concurrently with the execution hereof, the Economic Capital Corporation of New York City (the "ECC") will make a loan to the Company in the amount of \$313,000 (the "ECC Loan") in connection with the Project and as security for the ECC Loan, the Company and the Agency will grant a mortgage to the ECC pursuant to a mortgage (the "ECC Mortgage") on the Project subject to this Agreement and the Indenture and a security interest in certain machinery and equipment pursuant to a security agreement (the "ECC Security Agreement") subject to this Agreement and the Indenture;

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not create a debt of the State of New York or of the City of New York, and neither the State of New York nor the City of New York shall be liable on any obligation so incurred, but any such obligation shall be payable solely out of the lease rentals, revenues and receipts derived from or in connection with the Project, including moneys received under this Lease Agreement):

ARTICLE I
Definitions and Representations

Section 1.1. Definitions. Terms not otherwise defined herein shall have the same meanings as used in the Indenture. The following terms shall have the following meanings in this Agreement:

Act shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, and Chapter 1082 of the 1974 Laws of New York, as amended.

Agency shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York.

Agreement shall mean this Lease Agreement dated as of December 1, 1982 between the Agency and the Company and shall include any and all amendments thereto hereafter made.

Amortization Schedule(s) shall mean the amortization schedule(s), if any, attached to the Bonds.

Bond Fund shall mean the New York City Industrial Development Agency (American Package Company, Inc.) Bond Fund established by Section 5.01 of the Indenture.

Bonds shall mean the Series 1982 Bonds and any Additional Bonds.

Business Day shall mean any day which shall not be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Garden City are authorized by law or executive order to close.

City shall mean New York, New York.

Code shall mean the Internal Revenue Code of 1954, as amended, including the rules and regulations thereunder.

Company shall mean American Package Company, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns.

Company Guaranty shall mean the Company Guaranty Agreement dated as of December 1, 1982 between the Company and the Trustee, and shall include any and all amendments thereto hereafter made.

ECC shall mean Economic Capital Corporation of New York City, a New York not-for-profit corporation.

Event of Default shall have the meaning specified in Section 7.1 hereof.

Indenture shall mean the Indenture of Mortgage and Trust dated as of December 1, 1982, by and between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article IX of the Indenture.

Independent Engineer shall mean a person or firm (not an employee of either the Agency, the Company or any subsequent lessee of the Project) registered and qualified to practice engineering or architecture under the laws of the State of New York, selected by the Company and approved, in writing, by the Agency and the Trustee (which approvals shall not be unreasonably withheld).

Individual Guarantors shall mean, collectively, Martin C. Kofman, Irene Kofman, Murray Magnes and Beatrice Magnes, stockholders of the Company, and their respective estates, representatives and assigns.

Individual Guaranty shall mean the Individual Guaranty Agreement dated as of December 1, 1982 between the Individual Guarantors and the Trustee, and shall include any and all amendments thereto hereafter made.

Outstanding, when used with reference to the Bonds, shall mean the Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption, prior to maturity, or surrender by the Company or subsequent lessee of the Project for cancellation;

(ii) Bonds for the payment or redemption of which funds equal to the principal amount, or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in the Bond Fund (whether at or prior to the maturity or redemption date), provided that if such Bonds or portions thereof are to be redeemed, notice of such redemption shall have been given as provided in Article III of the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article II of the Indenture.

Paying Agent shall mean any paying agent for the Bonds (and may include the Trustee), and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Project shall mean the real property and interests therein described in Exhibit A hereto and the buildings, structures, improvements, fixtures and related facilities located or to be located thereon, and the machinery, equipment and other property as described in Exhibit B hereto, and any replacements, structures, improvements, substitutions and additions thereto, acquired, constructed and installed as provided in this Agreement, provided that such term shall not include any machinery, equipment or other property installed by the Company (and not constituting fixtures) and the title to which has been retained by the Company pursuant to Section 4.1 hereof.

Redemption Price shall mean, with respect to any Bond, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Series 1982 Bonds shall mean the \$1,040,000 Industrial Development Revenue Bonds (1982 American Package Company, Inc. Project) of the Agency issued, executed, authenticated and delivered under the Indenture.

State shall mean the State of New York.

Trustee shall mean Long Island Trust Company N.A., or its successors or assigns hereafter appointed in the manner provided in the Indenture.

Section 1.2. Construction. In this Agreement, unless the context otherwise requires:

(a) The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of the execution and delivery of this Agreement.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

Section 1.3. Representations and Warranties by Agency.
The Agency makes the following representations and warranties:

(a) The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State of New York, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement.

(b) In order to finance the cost of the acquisition of the Project, the Agency proposes to issue the Series 1982 Bonds in the aggregate principal amount of \$1,040,000. The Series 1982 Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

(c) Prior to the issuance of the Series 1982 Bonds the Agency will duly make the election provided for under Section 103(b)(6)(D) of the Code.

Section 1.4. Findings by Agency. The Agency, based upon the representations and warranties of the Company contained in this Agreement and the information contained in the application of the Company and other materials heretofore submitted by the Company to the Agency, hereby finds and determines that the financing of the acquisition of the Project by the Agency and the leasing thereof to the Company is reasonably necessary to discourage the Company from removing its operations at its existing plant and facilities to a location outside the State.

Section 1.5. Representations and Warranties by Company.
The Company makes the following representations and warranties:

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New York, has the corporate power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement. The Company is duly qualified to do business in every jurisdiction in which such qualification is necessary.

(b) The execution, delivery and performance of this Agreement and the consummation of the transactions herein

contemplated have been duly authorized by all requisite corporate action on the part of the Company and will not violate any provision of law, any order of any court or agency of government or the certificate of incorporation or by-laws of the Company, or any indenture, agreement or other instrument to which the Company is a party or by which it or any of its property is bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or result in the imposition of any lien, charge or encumbrance of any nature whatsoever except as provided in this Agreement and the Indenture.

(c) Expenses for supervision by the officers or employees of the Company and expenses for work done by such officers or employees in connection with the acquisition of the Project will be included as a Project cost only to the extent that such officers or employees were specifically employed for such particular purpose, the expenses do not exceed the actual cost thereof and are to be treated on the books of the Company as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis.

(d) The acquisition of the Project being financed by the Agency and the leasing thereof to the Company has induced the Company to locate the Project in the City.

(e) The Company shall use the Project in accordance with this Agreement and as a qualified "project" in accordance with and as defined under the Act.

(f) The acquisition of the Project by the Agency and the leasing thereof to the Company is reasonably necessary to discourage the Company from removing its operations at its existing plants and facilities to a location outside the City and State.

(g) The acquisition of the Project by the Agency and the leasing thereof to the Company will not result in the removal of an industrial, manufacturing, warehousing or commercial plant or facility of the Company from one area of the State to another area of the State or in the abandonment of one or more of such plants or facilities of the Company within the State.

(h) The Company will pay or cause there to be paid all costs of the acquisition of the Project not paid by the issuance of the Series 1982 Bonds.

(i) The total cost of the Project being funded by the issuance of the Series 1982 Bonds is at least \$1,040,000.

(j) Neither the Company nor any other principal user of the facilities to be financed from the proceeds of the Series

1982 Bonds, or a related person to any of the foregoing, as such terms "related person" and "principal user" are defined in the Code, is the principal user of (1) other facilities located or to be located wholly or partially in the City, or (2) facilities located or to be located in an incorporated municipality or other political jurisdiction adjacent to the City which are or will be contiguous or integrated with facilities located or to be located in the City and which facilities referred to in (1) and (2) above were financed in whole or in part from the proceeds of outstanding bonds, notes or any other obligations the interest on which is exempt from Federal income taxes by reason of Section 103(b)(6) of the Code.

(k) No State or political subdivision thereof, or entity acting on behalf of any state or political subdivision, has issued any obligation in the six-month period preceding the date of issuance of the Series 1982 Bonds the proceeds of which were or are to be used in whole or in part, directly or indirectly, for the benefit of the Company, any other "principal user" of the Project, or any "related person" (as defined in Section 103(b)(6)(D) of the Code), and the Company does not expect any state or political subdivision thereof, or any entity acting on behalf of any state or political subdivision, to issue any obligations in the six-month period following the date of issuance of the Series 1982 Bonds the proceeds of which are to be applied to such use.

(l) The property included in the Project is either land or property of the character subject to the allowance for depreciation under Section 167 of the Code.

(m) The issuance of the Series 1982 Bonds will not be used to finance inventory nor for working capital.

(n) This Agreement constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(o) To the best of the knowledge and belief of the Company, the Project is in compliance with all applicable Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

ARTICLE II
Acquisition and Installation of the Project

Section 2.1. Acquisition and Installation of the Project. (a) The Agency shall acquire at the time of the issuance and delivery of the Series 1982 Bonds good and marketable title, free and clear of all liens, claims, encumbrances and servitudes, except current taxes not yet due (and except those matters affecting the title set forth in the title insurance policy insuring the Agency's and the Trustee's interest in the Project) to the real property and interests therein described in Exhibit A hereto, including the buildings, structures, improvements and related facilities and any machinery and equipment located thereon or therein, as described in Exhibit B, against delivery therefor by the Agency of the Series 1982 Bonds, the principal amount of which the Series 1982 Bonds represent.

(b) The Company affirms that as an inducement to the Agency to acquire title to the Project and to lease the same to the Company it shall bear all of the costs and expenses in connection with the preparation of the deed and any other instruments of conveyance, the delivery of any instruments and documents and their filing and recording, if required, and all taxes and charges payable in connection with the conveyance and transfer of the Project, and all such costs and expenses and taxes and charges shall be costs to the Company.

(c) The Company covenants that it will obtain or cause to be obtained all necessary approvals from any and all governmental agencies requisite to the acquisition of the Project by the Agency, for lease to the Company, and the operation thereof, and the acquisition of the Project by the Agency, for lease to the Company, and the operation thereof, will be done in compliance with all Federal, State and local laws, ordinances and regulations applicable thereto including, with respect to any machinery, equipment or other property of the Project, all manufacturers' instructions and warranty requirements, and with the conditions and requirements of all policies of insurance with respect to the Project and this Agreement.

(d) The Company will extend to the Agency all vendors' warranties received by the Company in connection with the leasing and operation of the Project, including any warranties given by contractors, manufacturers or service organizations who perform work on the leased premises. If requested, the Company shall execute and deliver appropriate instruments to the Agency to accomplish the foregoing.

Section 2.2. Completion by Company. The Company unconditionally covenants and agrees that the Project is completed.

Section 2.3. Issuance of Series 1982 Bonds. The Agency on the date of delivery hereof will issue and deliver the Series 1982 Bonds in the aggregate principal amount of \$1,040,000 under and pursuant to a resolution adopted by the Agency on October 19, 1982 authorizing the issuance of the Series 1982 Bonds and under and pursuant to the Indenture. The issuance and delivery of the Series 1982 Bonds shall be exchanged for the Project, in accordance with the provisions of the Indenture.

Section 2.4. Labeling of Machinery and Equipment. The Company will cause each major item of machinery, equipment and other property constituting a part of the Project to be labeled "Property of New York City Industrial Development Agency" by affixing a plate, stenciling, tagging, or other method; provided, however, that no such item need be so labeled where impractical because of its size or its nature or the nature of its operation. The Company will also keep on file an index of all such machinery, equipment and other property constituting a part of the Project.

Section 2.5. Title Insurance. Prior to the delivery of the Series 1982 Bonds to the original purchaser thereof, the Company will obtain for the benefit of the Trustee and the Agency (a) fee title insurance in an amount not less than \$1,040,000 insuring the Agency's title to the real property and interests therein described in Exhibit A hereto, including the buildings, structures, improvements and any fixtures thereon, against loss as a result of defects in the title of the Agency, (b) mortgagee title insurance in an amount not less than \$1,040,000 insuring the Trustee's interest under the Indenture as holder of record of a mortgage lien on the Project, in each case subject to only such liens, claims, encumbrances and servitudes (other than current taxes not yet due) set forth in the policy of mortgage insurance delivered to the Trustee on this day, including the buildings, structures, improvement and any fixtures thereon, against loss as a result of defects in the interest of the Trustee as a holder of record of a mortgage lien on the Project, and (c) a survey of the Project site, certified to the Agency and the Trustee. Any proceeds of such fee title insurance shall be paid to the Trustee for deposit in a special fund to be held by the Trustee and, if so requested by the Agency within thirty days from the date such proceeds shall have been deposited with the Trustee, such proceeds shall be applied to remedy the defect in title, provided, however, that any proceeds of such fee title insurance may be applied to remedy such defect at the option of the Agency, only if such proceeds are paid in connection with a lien in an ascertainable amount. If, within thirty days from the date such proceeds of fee title insurance shall have been deposited in such special fund with the Trustee, the Agency shall have made no such request to have same applied to remedy the defect in title or shall have made such request and proceeds shall remain in such special fund after application of an amount sufficient to remedy

such defect in title, or if upon such earlier date the Agency shall have furnished written notice to the Trustee that no such request by the Agency shall be made, the moneys in such special fund shall be deposited by the Trustee in the Bond Fund. Any proceeds of such mortgagee title insurance insuring against loss as a result of defects affecting the Trustee's interest as holder of a mortgage lien on the Project shall be paid to the Trustee and deposited by the Trustee in the Bond Fund. The premium for any such insurance described in this Section 2.5 may be paid from the Project Fund.

ARTICLE III
 Lease of Project and Rental Provisions

Section 3.1. Lease of the Project. The Agency hereby leases to the Company and the Company hereby leases from the Agency the Project for and during the term herein provided and upon and subject to the terms and conditions herein set forth. The Company shall at all times during the term of this Agreement cause the Project to be used and occupied as a manufacturing facility in accordance with the provisions of the Act, except that upon the occurrence of an event specified in Section 5.1 or 5.2 hereof the Company need not occupy the Project for a period not to exceed one year. The failure of the Company to cause the Project to be used and occupied as aforesaid shall in no way abate or reduce the rent or other amounts payable by the Company to the Agency under the provisions of this Agreement. The Company shall not use or allow the Project or any part thereof to be used or occupied for an unlawful purpose or in violation of any certificate of occupancy affecting the Project or which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto. The Company represents and agrees that the Agency and the Trustee shall have such rights to enter upon the Project, including rights of ingress and egress, as shall be reasonably necessary to enable the Agency and the Trustee to exercise their respective powers, rights, duties and obligations as are set forth in this Agreement and the Indenture.

Section 3.2. Duration of Term. The term of this Agreement shall commence on the date hereof and shall expire on December 1, 1995, or such earlier or later date as there shall be no Bonds Outstanding. The Agency shall deliver to the Company and the Company shall accept sole and exclusive possession of the Project on the date of execution of this Agreement.

Section 3.3. Rental Provisions; Pledge of Agreement and Rent. The Company covenants to make monthly rental payments which the Agency agrees shall be paid by the Company directly to the Trustee. Such monthly rental shall be paid during the term of this Agreement not later than seven Business Days prior to each monthly installment payment date for the Bonds as set forth in the Indenture (except for the first such monthly rental payment which shall be paid in immediately available funds not later than one Business Day prior to the first monthly installment payment date for the Bonds); provided, however, that if at any time the Trustee shall not be the sole Paying Agent, such monthly rental shall be paid to the Trustee not later than nine Business Days prior to each monthly installment payment date for the Bonds. The amount of each such rental payment shall equal each monthly installment payment of principal and/or interest as provided in the Indenture, provided that such rental payments shall be reduced by the following amounts (to the

III-2.

extent, if any, which such amounts shall not previously have been the basis for such reduction):

(a) the amount of net income or gain received and collected from the investment of moneys in the Bond Fund; and

(b) the amount of moneys from any advance rental payment hereinafter referred to remaining in the Principal and Interest Account in the Bond Fund five days prior to a monthly installment payment date and not applied to the full or partial redemption of the Bonds as provided in Section 5.03 of the Indenture;

provided that the amounts described in paragraphs (a) and (b) above shall be credited against monthly rental payments in chronological order as due and, provided further, that each such rental payment shall be sufficient to pay when due the total amount of each such installment payment of principal and/or interest payable on the next succeeding installment payment date, and the Redemption Price on the date of redemption therefor, and the amount of any administrative charge for overdue principal, interest or Redemption Price which shall be due and payable immediately upon demand therefor by the Agency or the Trustee, and if on any installment payment date the balance in the Bond Fund is not sufficient to pay such total installment payment or such Redemption Price due on such date, the Company agrees to pay the amount of such deficiency to the Trustee at least one Business Day prior to such monthly installment payment date or redemption date, as the case may be, in immediately available funds and such payment shall constitute rentals under this Agreement. The Company further agrees to immediately pay, upon demand therefor by the Agency or the Trustee, in accordance with the provisions of the Indenture, any additional interest on the Bonds arising as a result of the occurrence of an Event of Taxability.

The Agency hereby notifies the Company and the Company acknowledges that all the Agency's right, title and interest in this Agreement including the above monthly rental payments, except for the Agency's right to exercise in its own behalf the rights provided for in Article VII hereof and except for those amounts paid by or payable to the Agency for its own account or to the Trustee on behalf of or directly to the appropriate taxing authorities under Sections 4.3, 4.4, 4.5, 4.6, 6.2, 6.3 and 9.22 and such other amounts likewise paid by or payable to the Agency for its own account, shall be pledged by the Agency as security for the Bonds as provided in the Indenture, and in furtherance of said pledge the Agency will unconditionally assign such rental payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture. In addition to the rental payments under this Agreement, the Bond Fund shall also receive for deposit therein in accordance with the Indenture such other

amounts as are required by the provisions of this Agreement or of the Indenture to be paid into the Bond Fund.

Payments designated as and representing advance rental payments under this Agreement may be made as and to the extent provided in this Agreement by the Company to the Trustee for deposit in the Bond Fund in accordance with the Indenture. Such payments shall not in any way alter or suspend any obligations of the Company under the terms of this Agreement except to the extent that such payments result in a credit against monthly rental payments as provided with respect to paragraph (b) above or the full or partial redemption of the Bonds pursuant to the provisions of the Indenture, and the Company shall continue to perform and be responsible for the performance of all the terms and provisions of this Agreement, including, but not by way of limitation, obligations to maintain and insure the premises at its own expense.

No further rental payments need be made to the Agency during the term of this Agreement when and so long as the amount of cash and obligations of or guaranteed by the United States of America on deposit in the Bond Fund is sufficient to satisfy and discharge the obligations of the Agency under the Indenture and pay the Bonds as provided in Section 10.01 of the Indenture.

After all the Bonds have been retired and all interest and applicable premiums, if any, due thereon have been paid or provision for such retirement and payment has been made in accordance with the Indenture, and the Company shall have paid all other amounts and performed all its other obligations hereunder and under the Indenture, and any fees and miscellaneous expenses of the Trustee, Paying Agents, Bond Registrar (as referred to in Section 2.08 of the Indenture) and the Agency have been paid or provided for, any excess moneys in the Bond Fund from whatever source derived will be paid to the Company as an adjustment of rentals within ten (10) days after such date. This paragraph shall survive the termination or expiration of this Agreement for any reason.

Section 3.4. Obligation of Company Unconditional. Except as specifically set forth herein, the obligation of the Company to pay the rent as provided in this Agreement and to make all other payments provided for in this Agreement and to maintain the Project in accordance with Section 4.1 of this Agreement shall be absolute and unconditional, without any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Agency or the Trustee or the Holder of any Bond. The Company will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for hereunder) for any cause including, without limiting the generality of the

foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or commercial frustration of purpose, or any deprivation or limitation of the use of the Project, or any defect in the quality, condition, design, operation or fitness of the Project, or any damage to or loss of use of or destruction or theft of all or any part of the Project, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Project, or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure, omission, delay or inability on the part of the Agency to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement and the Company waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender this Agreement or any obligation of the Company under this Agreement or the Project or any part thereof except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the rentals hereunder. Notwithstanding the foregoing the Company may, at its own cost and expense, and in its own name, or in the name of the Agency but only with the consent of the Agency, such consent not to be unreasonably withheld, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of use and occupancy and other rights hereunder. The provisions of the first and second sentences of this Section shall apply only if and so long as there shall be Outstanding and unpaid any payment required to be paid by the Company under this Agreement or any principal of, Redemption Price, if any, of or interest on the Bonds adequate provision for the payment of which pursuant to the terms of the Indenture, including the payment of the compensation and expenses of the Trustee, Bond Registrar, Paying Agents and the Agency as provided in Section 6.3 hereof, shall not have been made. Furthermore, except to the extent provided in the first and second sentences of this Section, nothing contained herein shall be construed to prevent or restrict the Company from asserting any rights which the Company may have against the Agency under this Agreement or under any provision of law, by damages at law in a separate action or proceeding but not by abatement, attachment, recoupment, counterclaim, set-off or defense against the payments to be made by the Company under this Agreement.

Section 3.5. Grant of Security Interest. In order to secure the payment of rentals and all the obligations of the Company hereunder, the Company hereby grants a security interest to the Agency in all of the Company's right, title and interest in and to this Lease Agreement and the sums due under this Agreement, including any beneficial rights in the machinery and equipment as described in Exhibit B hereto (or otherwise included

Rule 1366 Pg 1594A

III-5.

in the Project) and the proceeds thereof and in the event that the Company breaches its covenants contained in Section 4.2 hereof by failing to pay all such proceeds in accordance with said Section 4.2, then the Agency's security interest in the removed machinery, equipment and other property shall continue until all such proceeds have been paid, anything to the contrary contained herein notwithstanding.

ARTICLE IV
Maintenance, Taxes, Payments in Lieu of Taxes and Insurance

Section 4.1. Maintenance, Alterations and Improvements. During the term of this Agreement the Company will keep the Project in good and safe operating order and condition, ordinary wear and tear excepted, will use the Project in the manner for which it was designed and intended and contemplated by this Agreement, and will make all replacements and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to insure that the security for the Bonds shall not be materially impaired. All repairs and replacements shall be equal in quality, class and value to the original work and be made and installed in compliance with the requirements of all governmental bodies. Upon the expiration or termination of this Agreement (unless it shall purchase the Project) the Company will surrender the Project to the Agency in as good condition as prevailed at the time it was put in full possession thereof, ordinary wear and tear excepted. The foregoing agreements in this paragraph are subject to all of the other provisions in this Agreement, particularly Sections 4.2, 5.1, 5.2 and 6.4. The Agency shall be under no obligation to replace, maintain or effect repairs of the Project or to furnish any utilities or services for the Project and the Company hereby agrees to assume full responsibility therefor.

The Company shall have the privilege of making such alterations of or additions to the Project or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that (a) the fair market value of the Project is not reduced below its value immediately before such alteration or addition and the usefulness, structural integrity or operating efficiency of the Project is not impaired, (b) such additions or alterations are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable legal requirements, (c) such additions or alterations do not change the nature of the Project so that it would not constitute a manufacturing facility and a qualified "project" as defined in and as contemplated by the Act, and (d) such additions or alterations do not cause the interest on any of the Bonds to be includable in the gross income of the Holders of the Bonds for Federal income tax purposes. All alterations of and additions to the Project shall constitute a part of the Project, subject to this Agreement and the Indenture, and the Company shall deliver to the Agency appropriate documents as may be necessary to convey title to such property to the Agency, free and clear of all mechanics liens.

All machinery, equipment and other property constituting fixtures of whatever nature to the extent that such property may be used for the operation of the Project situate on and in the leased premises shall be conclusively deemed to be owned by the

Agency rather than by the Company unless installed by the Company (and not constituting fixtures) and title to which is retained by the Company as in this Section provided.

Nothing herein shall be deemed to prevent the Company from installing machinery, equipment and other property (and not constituting fixtures) and retaining title thereto, and such machinery, equipment and other property (and not constituting fixtures) shall not be deemed a part of the Project provided that any of the Company's machinery, equipment and other property (and not constituting fixtures) not removed by the Company at its expense within 30 days (or such longer period not exceeding 60 days as the Company may have requested of the Agency and the Trustee in a specific instance and to which request the Agency and the Trustee shall have approved in writing, such approvals not to be unreasonably withheld) after any repossession or surrender of the Project (whether or not this Agreement has been terminated) shall be considered abandoned by the Company and may be appropriated, sold, destroyed or otherwise disposed of by the Agency without notice to the Company and without obligation to account therefor, and the Company will pay the Agency, upon demand, all costs and expenses incurred by the Agency in removing, storing or disposing of Company's machinery, equipment or other property (other than fixtures), provided that nothing contained herein shall be deemed to grant to the Company the right to remove any of Company's machinery, equipment or other property (and not constituting fixtures) if such removal of machinery, equipment or other property (other than fixtures) pursuant to the provisions of this paragraph shall materially reduce the overall operating efficiency of the business of the Company at the Project. The Company shall also promptly repair at its own expense any damage to the premises leased hereunder caused by any such removal. The Company shall at all times keep on file with the Trustee an annual report of each item of such machinery, equipment and other property (and not constituting fixtures) installed on or about the leased premises to which the Company shall retain title, but such report need not include any item having a cost of less than \$25,000, and also an annual report of each item of machinery, equipment and other property constituting fixtures a part of the Project and not theretofore described in Exhibit B hereto; each such annual report shall be furnished within 120 days after the end of the fiscal year of the Company.

The Agency shall be under no obligation to renew, repair or replace any inadequate, obsolete, worn-out or unsuitable machinery, equipment or other property of the Project.

The Agency shall not be responsible for any loss of or damage to the Company's machinery, equipment or other property. The Company shall have the right at any time and from time to time during the term of this Agreement to remove or permit to be

removed machinery, equipment or other property (and not constituting fixtures) not constituting a part of the Project, subject to the limitations set forth above in this Section 4.1, from the Project and to create or permit to be created any lien or charge on, or conditional sale or other title retention agreement with respect to machinery, equipment or other personal property (other than fixtures) not constituting a part of the Project, subject to the limitations set forth above in this Section 4.1 and the Indenture.

In its use and occupancy of the Project the Company will at its sole cost and expense at all times comply with all laws including environmental, zoning, pollution, sanitary and safety laws, and with such rules and regulations thereunder, as under applicable law shall be binding upon it or applicable to the Project; provided, however, the Company may contest in good faith the validity, existence or applicability thereof.

The Company covenants subject to the foregoing that it shall take or cause to be taken all action, including all filing and recording, as may be necessary to ensure that the Indenture shall constitute a first mortgage lien and a first prior perfected security interest in the Project.

Section 4.2. Removal of Property of the Project. The Company shall have the privilege from time to time of removing from the Project any machinery, equipment or other property constituting fixtures and a part of the Project and thereby acquiring such machinery, equipment or other property constituting fixtures, provided that:

(a) such machinery, equipment or other property constituting fixtures and part of the Project are substituted or replaced by machinery, equipment or fixtures having equal or greater fair market value and utility, free of all liens and encumbrances, which shall become a part of the Project and such substitution or replacement shall not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act and shall not materially impair the usefulness, structural integrity or operating efficiency of the Project; or

(b) such machinery, equipment or other property constituting fixtures and part of the Project shall have been made or installed by or on behalf of the Company at its own expense and shall not have been made or installed at the Company's expense pursuant to Section 4.2 (a) above or Section 2.1 or 2.2 and the removal thereof shall not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act and shall not materially impair the usefulness, structural integrity or operating efficiency of the Project; or

(c) such removal shall not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act and shall not materially impair the usefulness, structural integrity or operating efficiency of the Project and (1) in the case of the sale of any such machinery, equipment or fixtures to anyone other than itself or in the case of the scrapping thereof, the Company shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund the proceeds from such sale or the scrap value thereof, as the case may be, or (2) in the case of the trade-in of such machinery, equipment or fixtures for other machinery, equipment or other property constituting fixtures not to be installed at the Project, the Company shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund the amount of the credit received by it in such trade-in, or (3) in the case of the bona fide sale of any such machinery, equipment or fixtures to the Company or in the case of any other disposition thereof the Company shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with the accounting practice of the Company (which shall be in accordance with generally accepted accounting practices) or if less the amount received at such bona fide sale; or

(d) such removal shall not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act and shall not materially impair the usefulness, structural integrity or operating efficiency of the Project together with any repairs thereof and the aggregate fair resale value of (1) all machinery, equipment or other property constituting fixtures of the Project which shall have been made or installed and paid for by the Company (other than pursuant to Section 4.2 (a) above or Sections 2.1 or 2.2) and which shall have become the property of the Agency, exceeds the aggregate fair resale value of (2) all machinery, equipment or fixtures of the Project (exclusive of those to which title has been retained by the Company) which shall have been removed from the Project by the Company (including the property then being removed);

and, provided further that such removal shall not reduce the fair market value of the Project below its value immediately before such removal except by the amount deposited in the Redemption Account of the Bond Fund pursuant to clause (c) of this Section. The Company may effect no removal of any of the machinery, equipment or other property constituting fixtures of the Project if there shall exist and be continuing an Event of Default.

Within 120 days after the close of any fiscal year of the Company (i) during which year action was taken by the Company pursuant to this Section 4.2, the Company shall furnish to the Agency and the Trustee a written report of an Independent Engineer summarizing the action taken by the Company during such

preceding fiscal year and stating that, in his opinion, such action complies with the provisions of this Section; or (ii) during which year no action was taken by the Company pursuant to this Section 4.2, the Company shall furnish to the Agency and the Trustee a certificate of an Authorized Officer of the Company certifying to the fact that no such action was taken by the Company pursuant to said Section 4.2 during such preceding fiscal year as well as any and all costs incurred in connection with the conveyance of title to such property, including, without limitation intended, any sale or use tax.

In the event such removal causes damage to existing buildings, structures, improvements or related facilities, or other machinery, equipment or other property constituting fixtures not being removed, restoration and repair of such damage shall be at the sole expense of the Company.

The Company shall deliver to the Agency appropriate documents conveying to the Agency title to any property installed or placed upon the premises of the Project pursuant to this Section 4.2, and upon request of the Company, the Agency shall deliver to the Company appropriate documents conveying to the Company title to any property removed from the Project pursuant to this Section 4.2. The Company agrees to pay all costs and expenses (including reasonable counsel fees) incurred in subjecting to the lien and security interest of the Indenture any property installed or placed on the Project premises pursuant to this Section 4.2 as well as any and all costs incurred in connection with the conveyance of title to such property, including, without limitation intended, any sales or use tax.

The removal from the Project of any machinery, equipment or fixtures of the Project pursuant to the provisions of this Section 4.2 shall not entitle the Company to any abatement or reduction in the rentals and other amounts payable by the Company under this Agreement.

Section 4.3. Payment in Lieu of Real Estate Taxes. The Project consists of the acquisition of a manufacturing facility consisting of the acquisition of an existing building and structures and related real property in New York City, and the acquisition of certain machinery and equipment, all for the manufacturing of paper boxes. The Project is located at 226 Franklin Street, Brooklyn, New York, being Section 9 Volume 1, Block 2512 and Lots 1 and 10. It is recognized that under the provisions of the Act the Agency is required to pay no real estate taxes upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities.

Except as otherwise provided in this Section 4.3, while the Project is being used in accordance with the Act and this Agreement and there is not an existing and continuing Event of

Default under this Agreement, the provisions of this paragraph with respect to payments in lieu of real estate taxes shall be applicable. Until the tax fiscal year commencing July 1, 1983, the Company shall pay to the Trustee all real estate taxes in the same manner as provided hereinbelow for remittance of payments in lieu of real estate taxes. The Company and the Agency agree, however, that the Company, or any subsequent lessee under this Agreement shall be required to make annual payments in lieu of real estate taxes, payable to the Trustee, in installments at least seven Business Days before such times as real estate taxes are due the City, (a) on the land constituting a part of the Project, for the period from July 1, 1983 until the date on which the Agency no longer owns the Project, an amount equal to (i) that amount which the Company would otherwise be required to pay as real estate taxes on the land constituting part of the Project as would result if the Company were the owner of such land ("Full Land Taxes") multiplied by that percentage portion of the Project, if any, as shall be occupied or utilized by any entity or entities other than the Company, plus (ii) the greater of (A) zero or (B) the result obtained by subtracting \$25,000 from the product of Full Land Taxes multiplied by (100% - that percentage portion referred to above), and (b) on the buildings and improvements constituting a part of the Project in an amount equal to the following: (i) for the tax fiscal years from July 1, 1983 through the tax fiscal year terminating June 30, 1993, an amount equal to the assessed valuation of said buildings and improvements as of May 25, 1982, multiplied by the real estate tax rate in effect as of July 1, 1982 and (ii) for each tax fiscal year thereafter until the date on which the Agency is no longer the owner of the Project, an amount equal to the assessed valuation of said buildings and improvements as of May 25, 1993 (or such other date as may be the final assessment date) and as of each May 25 thereafter (or such other date as may be the final assessment date), as determined by the appropriate officer or officers of the City, multiplied by the real estate tax rate in effect as of July 1 of each such tax fiscal year, provided, however, that if, at any time during the term of this Agreement, the Company shall make any alterations of or additions to the Project pursuant to Section 4.1 hereof, the Agency shall request that the buildings and improvements constituting a part of the Project including any such alterations or additions be reassessed upon completion of such alterations or additions (notification of which the Company shall make to the Agency, the City and the Trustee within thirty days of the completion thereof) by the appropriate officer or officers of the City and the Company shall make or cause to be made additional payments in lieu of taxes equal to:

- (1) the amount of increase in assessed valuation of the buildings and improvements which are part of the Project when any of such improvements are first assessed as completed, times

(ii) the real property tax rate prevailing at that time and thereafter, times

(iii) the fraction equal to the entire assessed valuation at the time of such first assessment of such completed improvement divided by the entire (subsequent) valuation of the Project from time to time.

The Trustee shall deposit such installments of annual payments in lieu of taxes in a special trust fund and shall withdraw from such fund and pay to the Collector of the City at least two Business Days before the due dates of each such installment (as hereinafter referred to in this Section) payments in lieu of real estate taxes with respect to the Project required by this Agreement to be paid subject in each case to the Company's right, to the extent permitted by law, to obtain reductions in the valuation of the Project or the right to obtain exemptions (and discounts, if any) therefrom and to seek to obtain a refund of any such payments made.

Except as provided in the immediately preceding paragraph, in the event the Company shall fail to make any such installments of payments in lieu of real estate taxes, the amount or amounts so in default shall continue as an obligation of the Company until fully paid and the Company agrees to pay the same to the Trustee with interest thereon at the same rate per annum as if such amounts were delinquent taxes.

It is agreed that the Agency shall request the respective appropriate officer or officers of the City charged with the duty of levying and collecting such taxes to submit to the Company and to the Trustee, when the respective levies are made for purposes of such taxes, a statement specifying the amount and due date or dates of such taxes and amounts in lieu thereof which the City shall receive hereunder. All required payments in lieu of taxes and interests or other charges due in connection therewith shall be deemed for purposes of this Agreement, Additional Rent.

The Agency shall cause the Collector of the City to apportion, within a reasonable period of time prior to the date on which the Agency is no longer to be the owner of the Project, that installment of payment in lieu of tax paid by the Trustee to the Collector of the City immediately preceding the date on which the Agency no longer owns the Project, as of such date, and apply that portion attributable to the period from such date to the end of the period of such installment as a credit against the amount of real estate tax that would have been due for the period of such installment had the Project been privately owned on the May 25 (or such other date as may be the final assessment date) immediately preceding the date of such installment and bill the Company for the balance of such installment, which amount shall

be paid by the Company to the Collector of the City, immediately upon receipt thereof. The Agency shall cause the Collector of the City to return the Project to the tax rolls as of the date of transfer of title out of the Agency to the new owner of the Project, who shall pay the remaining installments due for such tax fiscal year.

The Company hereby notifies the Agency and the Trustee that no more than zero percent (0%) of the Project is on the date hereof utilized and occupied by an entity or entities other than the Company. The Company understands and agrees that the Company is required to pay or cause to be paid, as additional payment in lieu of taxes, the amount of taxes that the Company would have been required to pay as if it were the owner of the land and buildings constituting part of the Project for that portion of the Project, if any, so utilized or occupied by the entity or entities other than the Company for so long as such utilization or occupation shall continue. The Company agrees that it shall immediately notify in writing the Agency and the Trustee or cause said written notice to be given in the event that there shall be any change in the portion of the Project utilized or occupied by any entity other than the Company. The Company understands and agrees that in such event, unless the Agency in its sole discretion shall determine otherwise, the amounts payable by the Company as additional payments in lieu of taxes, shall be adjusted to an amount equal to the amount of taxes that the Company would have been required to pay as if it were the owner of the Project for that portion of the Project so utilized or occupied by the entity other than the Company for so long as such utilization or occupation shall continue. The Company further agrees to furnish the Agency and the Trustee with a certificate of an Authorized Officer of the Company on January 1 of each year setting forth all entities other than the Company, if any, that shall be utilizing or occupying any portion of the Project, the amount of space so occupied or utilized and the percentage of the available square footage of the Project represented by such occupation or utilization.

If the Project is not being used in accordance with the Act and this Agreement or if there is an Event of Default under this Agreement or if the Company or any related person to the Company or substantial user of the Project (as such terms "related person" and "substantial user" are defined in Section 103(b)(6)(C) of the Code) shall acquire ownership of any of the Bonds but shall not deliver same to the Trustee as specified in Section 8.3, the Company shall be required to make payments in lieu of real estate taxes on the land, buildings and improvements constituting a part of the Project in such amounts as would result from taxes levied on the Project if the Project were owned by the Company, such amounts to commence to be paid for the period subsequent to the date it is determined by the Agency or the Trustee that use of the Project under the Act or this

Agreement is not being complied with or there is an Event of Default hereunder or the Company or such related person or such substantial user has acquired ownership of any of the Bonds but shall not have delivered same to the Trustee for cancellation as stated above. In such event the tax rate shall be the rate then in effect and the assessed valuation of the Project shall be the assessed valuation then in effect in the records of the proper City department. The Company shall forthwith inform the Agency and the Trustee if it or a related person or a substantial user as hereinabove defined shall acquire ownership of any of the Bonds.

The obligations of the Company under this Section 4.3 shall survive the termination or expiration of this Agreement for any reason whatsoever. The Agency, in its sole discretion and in furtherance of the purposes of the Act, may waive, in whole or in part, payments in lieu of taxes set forth in this Section 4.3, for good cause shown.

Section 4.4. Taxes, Assessments and Charges. Subject to the provision of Section 4.3 hereof, the Company shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against the Project, this Agreement, any estate or interest of the Agency in the Project, or the rentals hereunder during the term of this Agreement, and all water and sewer charges, assessments, and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities, which if not paid when due, would impair the lien of the Indenture on the leased premises or the rentals hereunder or the security of the Bonds, or encumber the Agency's title, all of which are herein called "Impositions". The Agency shall promptly forward to the Company any notice, bill or other statement received by the Agency concerning any Imposition. The Company may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

Section 4.5. Insurance. The Company shall during the term of this Agreement keep the buildings, structures, fixtures, machinery, equipment and other property constituting a part of the Project continuously insured with an insurance company licensed to do business in the State against loss or damage by fire, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Agency, the Trustee and the Company from becoming a co-insurer of any loss under the applicable policies, but in any event in amounts equal to not less than the greater of (a) 80% of the actual replacement value of the Project

as determined by an insurance appraiser selected by the Company and approved by the Agency or (b) the principal amount of the Outstanding Bonds. All policies shall name the Agency, the Trustee and the Company as insureds as their respective interests may appear, and all insurance proceeds shall be endorsed and made payable to the Trustee by the named insureds for the purposes described in Section 5.1 hereof, provided, however, that the Trustee shall also be named as mortgagee under the terms of a standard mortgagee clause and as a loss payee under the standard loss payee clause, and all insurance proceeds shall be payable to the Trustee or the Company as set forth in Section 5.1. Duplicate copies of such policies or certificates of such insurance shall be promptly furnished to the Trustee and to the Agency for their records. Any such policy may provide that the insurer is not liable to the extent of the first \$10,000 with the result that the Company is its own insurer to the extent of \$10,000 of such risks. The Company, the Trustee and the Agency shall cooperate in the settlement of any claim and any such settlement shall require their mutual agreement. The Company alone shall have the right to settle any claim below \$15,000.

The Company shall during the term of this Agreement carry boiler insurance in respect of any steam and pressure boilers and similar apparatus located on the Project in amounts approved by the Agency and such other insurance with respect to the Project in such amounts and against such insurable hazards as the Agency or the Trustee from time to time may reasonably require. All such insurance policies shall name the Agency, the Trustee and the Company as insureds as their respective interests may appear, and as otherwise required in Section 4.5 hereof, and all such insurance proceeds shall be endorsed and made payable to the Trustee or the Company as set forth in Section 5.1.

The Company agrees that it will carry public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project in a minimum amount of \$5,000,000. Such insurance will also provide coverage of the Company's obligations of indemnity under Section 6.2. Such insurance coverage may be effected under overall blanket policies of the Company but in any event such insurance policies shall name the Agency, the Trustee and the Company as insureds as their respective interests may appear.

The Company agrees that it will carry such other form of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of the Company.

All policies and certificates evidencing such insurance as is required to be obtained under the terms of this Agreement shall provide for thirty (30) days' prior written notice of any cancellation, reduction in amount or material change in coverage

to the Company, the Agency and the Trustee and shall further provide that any losses shall be payable notwithstanding any act or negligence of the Agency, the Company, the Trustee or any Bondholder.

THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE COMPANY'S BUSINESS OR INTEREST.

Within 120 days after the end of each fiscal year the Company shall file with the Agency and the Trustee a certificate of an Authorized Representative of the Company to the effect that the insurance it maintains with respect to the Project complies with the provisions of this Section and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect.

Section 4.6. Advances by Agency or Trustee. In the event the Company fails to take out or maintain the full insurance coverage required by this Agreement, fails to pay the taxes and other charges referred to in Section 4.3 and 4.4 hereof at or prior to the time they are there required to be paid, or fails to restore the Project or to make necessary renewals and replacements to the Project or keep it in good order and repair and in as reasonably safe condition as its operations permit or to perform or observe any of its other obligations under this Agreement, the Agency or the Trustee, after first notifying the Company of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the Agency or the Trustee under this Agreement or the Indenture, take out the required policies of insurance and pay the premiums on the same, pay such taxes or other charges or restore the Project or after a period of 30 days after such notification make such repairs, renewals and replacements as may be necessary to restore and maintain the Project in good order and repair and in as reasonably safe condition as the Company's operations permit or otherwise cure any failure by the Company to perform and observe its other obligations hereunder. All amounts so advanced therefor by the Agency or the Trustee shall become an additional obligation of the Company to the Agency or to the Trustee, as the case may be, which amounts, together with interest thereon at the rate of 12% per annum, from the date advanced, the Company will pay upon demand therefor by the Agency or the Trustee, as the case may be, and shall be deemed Additional Rent. Any remedy herein vested in the Agency or the Trustee for the collection of the rental payments hereunder shall also be available to the Agency and the Trustee for the collection of all such amounts so advanced.

ARTICLE V

Provisions Respecting Damage, Destruction and Condemnation

Section 5.1. Damage or Destruction. If the Project shall be damaged or either partially or totally destroyed at any time during the term of this Agreement, the Agency shall have no obligation to replace, repair, rebuild or restore the Project and there shall be no abatement or reduction in the rent or other amounts payable by the Company under this Agreement. In such case, the Company will promptly give written notice thereof to the Agency and the Trustee, generally describing the nature and extent of such damage or destruction.

Unless the Company shall exercise its option to purchase the Project pursuant to Section 8.1 hereof, the Company shall at its own cost and expense, promptly and diligently, repair, restore or reconstruct the Project to substantially its condition immediately prior to such damage or destruction or to a condition of at least equivalent value and function regardless of whether or not the proceeds of all policies of insurance covering such damage or destruction shall be sufficient to pay the cost thereof, and the Company shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Agency or the Trustee or the Holder of any Bonds nor shall the rent or other payments due hereunder from the Company be abated or diminished. The total amount collected under any and all policies of insurance covering such damage or destruction shall be paid into a special fund held by the Trustee, and such total amount shall be paid to the Company, upon appropriate requisition therefor by the Company certifying with respect to the same matters and accompanied by the same supporting documents as are required and set forth in Section 5.04 hereof at the Company's election, either upon the completion of such repair, restoration or reconstruction or periodically as such repair, restoration or reconstruction progresses, and shall be applied by the Company to the payment of the cost thereof, or, if such cost has already been paid by the Company, to reimburse it for such cost, provided, however, that the aggregate sum or sums so paid by the Trustee shall in no event exceed the actual cost of such repair, restoration or reconstruction, and shall be applied to the Redemption Account of the Bond Fund in accordance with the Indenture. All payments to the Company shall be made only upon a certification by an Independent Engineer as to the progress and cost of the replacement, restoration or reconstruction of the work. The replacement, restoration or reconstruction shall automatically be a part of the Project and subject to the lien and security interest of this Agreement and the Indenture. Such replacement, restoration or reconstruction of the Project shall be in accordance with plans and specifications approved by the Agency and the Trustee (which approvals shall not be unreasonably withheld) and the Company shall furnish to the Agency and the Trustee a labor and materials payment bond, or other security,

satisfactory to the Agency and the Trustee. The provisions of the second paragraph of Section 4.1 of this Agreement shall apply to such replacement, restoration and reconstruction under this Section. Pending the expenditure of such special fund or its transfer into the Redemption Account of the Bond Fund as hereinafter provided and at the request of the Company, which request shall be subject to approval by the Agency (such approval not to be unreasonably withheld), the Trustee shall invest the same as shall be provided in the Indenture for investment of moneys in the Bond Fund.

In the event the Company shall fail to repair, restore or reconstruct or pay the cost of repairing, restoring or reconstructing any such damage or destruction after the lapse of a reasonable time and after due notice in writing is given by the Agency or the Trustee to the Company, the Agency or the Trustee may, but shall not be required to, do so on behalf of the Company and recover the reasonable cost thereof from the Company, less whatever amount the Agency or the Trustee may collect from such special funds which shall be available to the Agency or the Trustee as a source of reimbursement of such cost with any surplus being dealt with as provided in the preceding paragraph; the provisions of Section 4.6 hereof with respect to an interest charge shall likewise be applicable to the provisions of this paragraph.

If the Company shall exercise its option to purchase the Project under Section 8.1(b) hereof, the total amount collected under any and all policies of insurance covering the damage or destruction to the Project shall be paid to the Trustee and by it deposited in the Redemption Account of the Bond Fund, on account of the purchase price.

Any insurance proceeds attributable to improvements, machinery, equipment and other property (and not constituting fixtures) installed on or about the leased premises to which the Company shall have retained title shall be paid to the Company.

The Company hereby waives the provisions of Section 227 of the New York Real Property Law or any law of like import now or hereafter in effect.

Section 5.2. Condemnation. If the whole or any part of the Project shall be taken or condemned by a competent authority for any public use or purpose, or by agreement between the Agency and those authorized to exercise such right, or if the temporary use of the Project shall be so taken by condemnation or agreement, the Agency shall be under no obligation to replace, restore or rebuild the Project, and there shall be on account of such taking or condemnation no abatement or reduction in the rent or other amounts payable by the Company under this Agreement. In such case, the Company will promptly give written notice thereof

to the Agency and the Trustee, generally describing the nature and extent of such taking or condemnation.

Unless the Company shall exercise its option to purchase the Project pursuant to Section 8.1 hereof, any award or compensation or damages recovered on account of any such taking or condemnation, less any expenses including fees of counsel (selected by the Agency with the consent of the Company and the Trustee, which consents shall not be unreasonably withheld) incurred in litigating, arbitrating, compromising or settling any claim arising out of such condemnation, shall be disposed of in the following manner:

(a) If such taking or condemnation shall involve the taking or condemnation of less than all or substantially all of the Project, but not such taking or condemnation as shall render the Project unsuitable for use by the Company as contemplated hereby, the entire amount (less the expenses above referred to) of the award or compensation or damages recovered on account of such taking or condemnation shall promptly, when received or collected, be deposited with the Trustee in a special fund to be used as hereinafter in this paragraph (a) provided. In such event the Company shall at its own cost and expense promptly and diligently, replace, restore or reconstruct the Project to substantially its condition immediately prior to such taking or condemnation or to a condition of at least equivalent value, function and operating efficiency, provided that any such replacement, restoration or reconstruction will not change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act; such replacement, restoration or reconstruction to be performed by the Company irrespective of whether the total amount (less the expenses above referred to) of such award or compensation or damages shall be sufficient to pay the cost thereof and the Company shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Agency or the Trustee or the Holder of any Bonds nor shall the rent or other payments due hereunder from the Company be abated or diminished. The total amount (less the expenses above referred to) of such award or compensation or damages shall in that event be paid over by the Trustee to the Company, upon appropriate requisition therefor by the Company certifying with respect to the same matters and accompanied by the same supporting documents as are required and set forth in Section 5.04 hereof, at the Company's election, either upon the completion of such replacement, restoration, or reconstruction, or periodically as such replacement, restoration or reconstruction progresses, and shall be applied by the Company to the payment of the cost thereof or, if such cost has already been paid by the Company, to reimburse it for such cost, provided, however, that the aggregate sum or sums so paid by the Trustee shall in no event exceed the actual cost of such replacement, restoration or reconstruction. All payments to the Company shall

be made only upon a certification by an Independent Engineer as to the progress and cost of the replacement, restoration or reconstruction of the work. The replacement, restoration or reconstruction shall automatically be a part of the Project and subject to the lien and security interest of this Agreement and the Indenture. Such replacement, restoration or reconstruction of the Project shall be in accordance with plans and specifications approved by the Agency and the Trustee (which approvals shall not be unreasonably withheld) and the Company shall furnish to the Agency and the Trustee a labor and materials payment bond, or other security, satisfactory to the Agency and the Trustee. The provisions of the second paragraph of Section 4.1 of this Agreement shall apply to such replacement, restoration and reconstruction under this Section. Pending the expenditure of such special fund or its transfer into the Redemption Account of the Bond Fund as hereinafter provided and at the request of the Company, which request shall be subject to approval by the Agency (such approval not to be unreasonably withheld), the Trustee shall invest the same as shall be provided in the Indenture for investment of moneys in the Bond Fund.

Any surplus of such award or compensation or damages remaining after the completion of all payments for such replacement, restoration or reconstruction shall be deposited by the Trustee in the Redemption Account of the Bond Fund in accordance with Section 5.02 of the Indenture, but any balance of such surplus over and above the amount thereof which, together with the cash and obligations in the Bond Fund, will be sufficient to discharge and satisfy the Indenture and pay the Bonds as provided in Section 10.01 of the Indenture and all other payments required to be paid by the Company under this Agreement shall be paid over to the Company.

In the event the Company shall fail to replace, restore or reconstruct and pay the cost of replacing, restoring or reconstructing said buildings, structures, improvements and related facilities as it is obligated by this paragraph (a) to do, after the lapse of a reasonable time and after due notice in writing is given by the Agency or the Trustee to the Company, the Agency or the Trustee may (but shall not be obligated to) so replace, restore or reconstruct said buildings, structures, improvements and related facilities on behalf of the Company and recover the reasonable cost thereof from the Company, less whatever amount the Agency or the Trustee may collect from such special fund, if any, which shall be available to the Agency or the Trustee as a source of reimbursement of such cost with any surplus being dealt with as provided in the preceding paragraph of this subsection (a); the provisions of Section 4.6 hereof with respect to an interest charge shall likewise be applicable to the provisions of this paragraph.

(b) If all or substantially all of the Project shall be taken and/or condemned, and if the taking and/or condemnation renders the Project unsuitable for use by the Company as contemplated hereby, and the Company does not exercise its option to purchase the Project pursuant to Section 8.1 hereof, the amount of the award, compensation or damages so recovered shall be applied and treated as though the Company had exercised such option to purchase and shall be deposited in the Redemption Account of the Bond Fund, and the Company shall thereupon pay to the Trustee for deposit in the Bond Fund an amount which, when added to any amounts then in the Bond Fund available for that purpose, shall be sufficient to retire and redeem the Bonds at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), expenses of redemption, fees and expenses of the Agency, the Trustee and Paying Agents, together with all other amounts due under the Indenture and under this Agreement, plus one dollar, and such amount shall be applied, together with such other available moneys in the Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or maturity date. Thereupon this lease of the Project shall be terminated.

If the Company shall exercise its option to purchase the Project pursuant to Section 8.1 hereof, the amount of the award, compensation and/or damages recovered on account of the taking or condemnation of the Project, less any expenses including fees of counsel (selected as heretofore in this Section provided) incurred in litigating, arbitrating, compromising or settling any claim arising out of such condemnation or taking, shall be paid to the Trustee and by it deposited in the Redemption Account of the Bond Fund pursuant to the Indenture, on account of the Purchase Price.

The Agency, the Trustee and the Company shall cooperate and consult with each other in all matters pertaining to settlement or adjustment of any and all claims and demands for damages on account of any taking or condemnation of the Project and the settlement or adjustment of any such claim shall be subject (1) in the case of all such settlements of less than \$25,000, to the approval of the Company (such approval not to be unreasonably withheld) and (2) in the case of all such settlements of \$25,000 or more, to the approval of the Company and the Trustee (such approvals not to be unreasonably withheld).

Section 5.3. Taking of Company's Equipment. The Company shall be entitled to the proceeds of any taking or condemnation (as described in Section 5.2) relating to the Company's machinery, equipment or other property (other than fixtures) to which it has retained title in accordance with the provisions of this Agreement or which are otherwise not part of the Project; provided, however, that no rights granted the Company by the

terms of this Section 5.3 shall diminish or alter the award, compensation or damages recovered by the Agency or the Trustee on account of the taking or condemnation of the Project.

Section 5.4. Requisitions from Special Funds. The Trustee is hereby authorized and directed to issue its checks for each disbursement from such special funds into which insurance or condemnation proceeds have been deposited (excepting any fees and expenses payable or incurred by the Trustee, which the Trustee is hereby authorized to disburse upon a requisition approved by an Authorized Officer of the Company, such approval not to be unreasonably withheld), upon a requisition submitted to the Trustee and signed by an Authorized Officer of the Company. Such requisition shall (i) specify the nature of each item and certify the same to be correct and proper under this Section, (ii) certify that none of the items for which the requisition is made has formed the basis for any disbursement theretofore made from such special funds, and (iii) certify that the payee and amount stated with respect to each item in requisition is correct and that such item is due and owing. Such requisition shall be accompanied by bills, invoices or other evidence reasonably satisfactory to the Trustee. The Trustee shall be entitled to rely on such requisition. The Trustee shall keep and maintain adequate records pertaining to such special funds and all disbursements therefrom and, upon request thereto, shall file an accounting thereof with the Agency and the Company.

ARTICLE VI
Particular Covenants

Section 6.1. Dissolution or Merger of Company; Restrictions on Company. The Bonds will be payable as to principal and interest and Redemption Price, if any, together with interest thereon accrued on the Bonds to the date of redemption out of the revenue derived from the leasing of the Project, including all revenues and rental income derived from or in connection with the Project and moneys received under this Agreement, required to be paid into the Bond Fund under the Indenture, and the parties hereto understand that the purchasers of the Bonds will make their purchase in reliance upon the credit and financial condition of the Company. Accordingly, the Company agrees to maintain its corporate existence and not to liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its property, business or assets remaining after the execution and delivery of this Agreement and not to consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it; provided, that the Company may, without violating the foregoing, consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it, or sell or otherwise transfer all or substantially all of its property, business or assets to another such corporation (and thereafter liquidate, wind-up or dissolve or not, as the Company may elect) if the corporation surviving such merger or resulting from such consolidation, or the corporation to which all or substantially all of the property, business or assets of the Company are sold or otherwise transferred, as the case may be, assumes in writing all of the obligations of the Company contained in this Agreement and the Company Guaranty and has a net worth (as determined in accordance with generally accepted accounting principles and certified by an independent public accountant) after the merger, consolidation, sale or transfer at least equal to that of the Company immediately prior to such merger, consolidation, sale or transfer, and in the opinion of counsel who is acceptable to the Trustee, such corporation shall be bound by all of the terms of this Agreement and the Company Guaranty applicable to the Company and such action does not impair the security for the Holders of the Bonds afforded by this Agreement, the Company Guaranty and the Individual Guaranty and will not precipitate an Event of Taxability.

Section 6.2. Indemnity. (a) The Company shall at all times protect and hold the Agency, the Trustee and the Bondholders harmless against all claims (whether in tort, contract or otherwise) for losses, damage, injury and liability however caused, other than, with respect to the Agency, losses arising from the gross negligence or willful misconduct of the Agency or, with respect to the Trustee, the gross negligence or willful misconduct of the Trustee, arising during the term of

this Agreement upon or about the Project or resulting from, arising out of, or in any way connected with the leasing or operation of the Project or defects in the Project. The Agency and the Trustee shall not be liable for any damage or injury to the person or property of the Company or its directors, officers, employees, agents or servants or persons under the Company's control or supervision, or any other person who may be about the Project, due to any act or negligence of any person other than, with respect to the Agency, the gross negligence or willful misconduct of the Agency or, with respect to the Trustee, the gross negligence or willful misconduct of the Trustee.

(b) The Company releases the Agency and the Trustee from, and agrees that the Agency, the Trustee and Bondholders shall not be liable for and agrees to indemnify and hold the Agency, the Trustee and Bondholders harmless against any expense or damage incurred because of any lawsuit commenced as a result of action taken by the Agency or by the Trustee (i) with respect to the acquisition, installation or operation of the Project or from any defect in the Project or (ii) at the direction of the Company and in good faith with respect to the Project. The Agency or the Trustee, as the case may be, shall promptly notify the Company in writing of any claim or action brought against the Agency and/or the Trustee in which indemnity may be sought against the Company pursuant to this Section 6.2; such notice shall be given in sufficient time to allow the Company to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Company under this Section 6.2.

(c) The indemnifications and protections set forth above in this Section 6.2 shall be extended, with respect to the Agency, to its members, directors, officers, employees, agents and servants and persons under the Agency's control or supervision, and with respect to the Trustee and the Bondholders, to any of its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(d) To effectuate the purposes of this Section 6.2, the Company will provide for and insure, in the liability policies required in Section 4.5, not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Section 6.2. Anything to the contrary in this Agreement notwithstanding, the covenants of the Company contained in this Section 6.2 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought or (ii) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by

the Agency or the Trustee and Bondholders relating to the enforcement of the provisions herein specified.

(e) For the purposes of this Section 6.2, the Company shall not be deemed an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

(f) Notwithstanding the inclusion of the Bondholders in the foregoing provisions of this Section 6.2, nothing therein contained shall limit or prevent the Company from pursuing any remedy at law or in equity where it has or may have against Belmont Associates, Belmont Paper Box Company, Inc. or Harold Rosinsky arising out of a breach by any one or more of them of any term, provision, condition, warranty or representation of any independent contract between any one or more of them and the Company.

Section 6.3. Compensation and Expenses of Trustee, Bond Registrar, Paying Agents and Agency. The Company shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay reasonable compensation to the Trustee for its services under the Indenture and the Company Guaranty the Individual Guaranty and all reasonable actual out-of-pocket expenses (including counsel fees) reasonably incurred by the Trustee in performing its duties thereunder, including but not limited to expenses incurred in purchasing the Bonds or redeeming the Bonds in whole or in part or making any investments in accordance with the Indenture. The Company shall also pay the reasonable compensation and reasonable out-of-pocket expenses of the Bond Registrar and the Paying Agents for the Bonds. The Company shall pay the fees and expenses of the Agency in accordance with its agreements heretofore entered into by it with the Agency together with any fees and disbursements incurred by the Agency's Bond Counsel and General Counsel in performing services for the Agency in connection with this Agreement or the Indenture. Upon the termination of this Agreement, whether due to exercise by the Company of its option to purchase the Project or otherwise, the Company will pay, or make provision for payment of, the reasonable compensation and all reasonable out-of-pocket expenses, then due and thereafter to become due, of the Trustee, the Bond Registrar, the Paying Agents for the Bonds and the Agency.

The Company further agrees to pay, as an annual administrative servicing fee to the Agency, the amount of \$300 payable initially on the sale and delivery by the Agency of the Series 1982 Bonds and on every December 1 thereafter until the termination of this Agreement. Such fee shall be adjusted annually by increasing such fee in the same proportion as the cost-of-living increases from the month of such sale and delivery (as measured by the United States Consumer Price Index of the United States Bureau of Labor Statistics or any comparable

successor index) to the most recent month for which such Index has been published, the amount of such adjustment to be furnished by written notice to the Company by the Agency, provided that the total amount of all such servicing fees shall not cause any of the Bonds to be arbitrage bonds.

Section 6.4. Retention of Title to Project; Grant of Easements; Release of Certain Land. The Agency shall not sell, assign, encumber, convey or otherwise dispose of the Project or any part thereof during the term of this Agreement, except as set forth in Section 7.2 hereof, and except as pursuant to the ECC Mortgage and the ECC Security Agreement, without the prior written consent of the Company and the Trustee and any purported disposition without such consent shall be void. The Agency will, however, at the request of the Company grant such rights of way or easements over, across, or under, the realty of the Project, or grant such permits or licenses in respect to the use thereof, free from the lien of the Indenture, as shall be necessary or convenient for the operation or use of the Project, including but not limited to leases, easements or rights of way for utility, roadway, railroad or similar purposes in connection with the Project, or for the utilization of the real property adjacent to or near the Project and owned by or leased to the Company, provided that such leases, rights of way, easements, permits or licenses shall not adversely affect the operation of the Project or impair the usefulness of the Project under the Act, and provided, further, that any consideration received by the Agency or the Company from the granting of said leases, rights of way, easements, permits or licenses shall be deposited in the Bond Fund. The Agency agrees to execute and deliver and to cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and to release the same from the lien of the Indenture.

Notwithstanding any other provision of this Agreement, so long as there exists no Event of Default hereunder, the Company may from time to time request in writing to the Agency the release of and removal from this Agreement and the leasehold estate created hereby and the release from the lien of the Indenture of any unimproved part of the Project (on which none of the improvements, including the buildings, structures, improvements, related facilities, machinery, equipment, major appurtenances, fixtures or other property comprising the Project are situated) provided that such release and removal will not impair the usefulness of the Project under the Act. The Company may also from time to time request in writing to the Agency the release of and removal from this Agreement and the leasehold estate created hereby and release from the lien of the Indenture any portions of the Project improved as parking and loading areas and access ways provided that the Company agrees, as a condition to such release, to substitute facilities substantially

equivalent in function and location to the portions to be released and to cause such substitute facilities to be added to the Project subject to the terms of this Agreement. Upon any such request by the Company, the Agency shall execute and deliver and cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to so release and remove such unimproved part of the Project and convey title thereto in fee simple to the Company or such person as the Company may designate subject to the following: (a) any liens, easements, encumbrances and reservations to which title to said property was subject at the time of recording of this Agreement; (b) any liens, easements and encumbrances created at the request of the Company or to the creation or suffering of which the Company consented; (c) any liens and encumbrances or reservations resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agreement; and (d) any liens for taxes or assessments not then delinquent; provided, that if any of the Bonds are then Outstanding and unpaid, no such release shall be effected unless there shall be deposited with the Trustee the following:

(1) A certificate of an Independent Engineer, dated not more than sixty days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the portion of the Project and the release so proposed to be made will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom; and

(2) An amount of cash for deposit in the Bond Fund equal to the greatest of (A) the original cost of such part of the Project so released, such cost to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, designated by the Agency or the Trustee, (B) the fair market value of such part, such value to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City also designated by the Agency or the Trustee, and (C) if such part is released in connection with the sale of such part, the amount received by the Company upon such sale.

No conveyance or release effected under the provisions of this Section shall entitle the Company to any abatement or diminution of the rents payable under Section 3.3 hereof or the other payments required to be made by the Company under this Agreement.

Section 6.5. Company's Covenant as to Tax Exemption and Obligation to File Statements with Internal Revenue Service. The Company covenants with the Agency, with the Trustee and with each of the Holders of the Bonds, that, notwithstanding any provision in this Agreement to the contrary, (1) it will never take, nor omit to take, any action, so as to cause the loss of tax

exemption under the Code, and (2) it shall file with the Internal Revenue Service of the United States Treasury Department or any other authorized governmental agency any and all statements or other instruments, if any, required under Section 103 of the Code in order that the interest on the Bonds continues to be excludable from the gross income of the Holders thereof for Federal income tax purposes.

Section 6.6. Identification of Certain Property. All improvements and other property which shall become the property of the Agency pursuant to this Agreement shall be identified in the manner referred to in Section 2.4 and pursuant to said Section the Company shall keep an index of the same, one copy of which shall be filed with the Trustee and one maintained by the Company on the leased premises.

Section 6.7. Financial Statements. (a) The Company agrees to furnish annually to the Agency, the Trustee and to each of the Holders of the Bonds who shall file its name and address with the Trustee, as soon as available and in any event within 120 days after the close of each fiscal year of the Company, a copy of the annual audited report (including financial position, earnings and retained earnings statements) of the Company and its subsidiaries for such fiscal year, all as prepared by independent certified public accountants.

(b) The Company shall deliver to the Agency and the Trustee with each delivery required by Section 6.7(a), a certificate of one of the Company's financial officers as to whether or not, as of the close of such preceding period and at all times during such preceding period, the Company was in compliance with all the provisions in this Agreement and the Company Guaranty which relate to the Company, and if such financial officer shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder.

Section 6.8. Discharge of Liens. (a) If any lien, encumbrance or charge is filed or asserted, or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim (such liens, encumbrances, charges, judgments, decrees, orders, levies, processes and claims being herein collectively called "Liens"), whether or not valid, is made against the Project or any part thereof or the interest therein of the Agency, the Company or the Trustee or against any of the rentals or other amounts payable under this Agreement other than Liens for Impositions (as defined in Section 4.4) not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, or Liens being contested as permitted by Section 6.8(b), the Company

forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) at its expense shall give notice thereof to the Agency and the Trustee and take all action (including the payment of money and/or the securing of a bond) as may be necessary or appropriate to obtain the discharge in full thereof within 60 days after the filing, assertion, entry or issuance of such lien and to remove or nullify the basis therefor. Nothing contained in this Agreement shall be construed as constituting the express or implied consent to or permission of the Agency for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien against the Agency's interest in the Project.

(b) The Company may at its sole expense contest (after prior written notice to the Agency and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Lien, if (1) such proceeding shall suspend the execution or enforcement of such Lien against the Project or any part thereof or interest therein of the Agency, the Company or the Trustee or against any of the rentals or other amounts payable under this Agreement, (2) neither the Project nor any part thereof or interest therein would be in any danger of being sold, forfeited or lost, (3) neither the Company, the Agency nor the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and (4) the Company shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Trustee to protect the security intended to be offered by the Indenture.

Section 6.9. Agency's Authority; Covenant of Quiet Enjoyment. The Agency covenants and agrees that it has full right and lawful authority to enter into this Agreement for the full term hereof, including the right to grant the options to purchase herein contained, and that, subject to the terms and provisions of the Indenture, so long as the Company shall pay the rent and all other sums payable by it under this Agreement and shall duly observe all the covenants, stipulations and agreements herein contained obligatory upon it, the Company shall have, hold and enjoy, during the term hereof, peaceful, quiet and undisputed possession of the Project, and the Agency shall from time to time take all necessary action to that end, subject to matters of record at the date of the acquisition of the Project site by the Agency.

Section 6.10. Covenant by Company as to Compliance with Indenture. The Company covenants and agrees that it will comply with the provisions of the Indenture with respect to the Company and that the Trustee shall have the power, authority, rights and protections provided in the Indenture. The Company further

covenants to use its best efforts to cause there to be obtained for the Agency any documents or opinions required by the Agency under the Indenture.

Section 6.11. No Warranty of Condition or Suitability. THE AGENCY HAS NEITHER MADE NOR MAKES ANY REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE PROJECT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE PROJECT, OR THE SUITABILITY OF THE PROJECT FOR THE COMPANY'S PURPOSES OR NEEDS OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF THE ACQUISITION AND INSTALLATION OF THE PROJECT. THE COMPANY IS SATISFIED THAT THE PROJECT IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE COMPANY FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROJECT PROPERTY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

Section 6.12. Amounts Remaining in the Bond Fund. It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon the expiration or sooner or later termination of the term of this Agreement as provided in this Agreement, after payment in full of the Bonds (in accordance with Section 10.01 of the Indenture), the fees, charges and expenses of the Trustee and Paying Agents in accordance with the Indenture and after all rents and all other amounts payable hereunder shall have been paid in full, shall belong to and be paid to the Company by the Trustee as overpayment of rents.

Section 6.13. No Recourse under This Agreement or on Bonds. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Agency or any natural person executing the Bonds.

Section 6.14. Issuance of Additional Bonds. The Agency and the Company recognize that under the provisions of the Indenture, the Agency is authorized, with the consent of the Holders of at least 100% of the principal amount of the Bonds then Outstanding, or 66-2/3% of the principal amount of the Bonds

then Outstanding if said Bonds are held by six or more people, and the ECC to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Series 1982 Bonds for the purpose of completing the Project or for the purpose of providing extensions, additions or improvements to the Project. If the Company is not in default hereunder, the Agency will consider the issuance of Additional Bonds in a principal amount as is specified in a written request in accordance with the applicable provisions set forth in the Indenture. If Additional Bonds are to be issued pursuant to the Indenture, the Agency and the Company shall enter into an amendment to this Agreement providing, among other things, for the payment by the Company of such additional rentals as are necessary in order to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith.

. Any such completion, additions, extensions or improvements shall become a part of the Project and shall be included under this Agreement to the same extent as if originally included hereunder.

Section 6.15. Employment Information. The Company agrees that, upon request of the Agency, it shall furnish to the Agency such information as the Agency shall request with respect to past, present and future employment by the Company with respect to the Project.

Section 6.16. Capital Expenditures. (a) If at any time before the third anniversary of the date of issuance of the Series 1982 Bonds the Company or any related person or principal user of the Project proposes to make (other than from the proceeds of the Series 1982 Bonds held in the Project Fund) any "capital expenditure" within the meaning of the regulations then in effect under Section 103(b) of the Code, in an amount exceeding \$50,000 with respect to the Project or any other property located in the City, the Company hereby covenants with the Agency, with the Trustee and with each of the Holders of the Bonds that it shall, prior to the payment or incurrence of such capital expenditure, file with the Trustee and the Agency an opinion of counsel who is satisfactory to the Trustee to the effect that such capital expenditure will not have the effect of causing the interest on any of the Bonds (unless held by the Company or any related person or substantial user of the Project) to be included in the gross income of the Holder of any of the Bonds for Federal income tax purposes. If at any time before the third anniversary of the date of issuance of the Series 1982 Bonds the Company or any related person or principal user of the Project proposes to merge or consolidate with any corporation, acquire substantially all the properties of another corporation, gain control of any person, firm or corporation, or acquire greater than 50% of the outstanding stock of another corporation, the Company shall first file with the Trustee and the Agency an

opinion of counsel who is reasonably satisfactory to the Trustee to the effect that such action would not cause the interest on any of the Bonds (unless held by the Company or any related person or substantial user of the Project) to be included in the gross income of the Holder of any of the Bonds for Federal income tax purposes.

(b) The Company shall, until the end of the third full fiscal year after the date of issuance of the Series 1982 Bonds, keep books and records with respect to the Project and any other property or facilities located in the City of which the Company or any related person or any principal user of the Project is the principal user, which books and records shall be sufficient to indicate the nature of all expenditures with respect to the Project or such property or facilities. The Company shall cause a yearly audit for the fiscal years ending December 31, 1982 through December 31, 1986 to be made of such books and records by an independent certified public accountant who is satisfactory to the Trustee. Such independent certified public accountant shall within 90 days after the end of such fiscal year file with the Trustee and the Agency a certificate, which shall state that during the preceding fiscal year neither the Company nor any related person nor any principal user of the Project has made any capital expenditure within the meaning of the regulations then in effect under Section 103(b) of the Code or, in the event the Company or any related person or principal user of the Project has paid or incurred any such capital expenditure, such certificate shall specify the details, including the date and amount thereof.

(c) As used in this Section, the term "related person" shall mean any person, firm or corporation constituting a related person to the Company or any subsequent lessee of the Project within the meaning of Section 103(b)(6)(C) of the Code and the terms "principal user" and "substantial user" shall have the meanings set forth in Section 103 of the Code.

ARTICLE VII
Events of Default; Remedies

Section 7.1. Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Company to pay any rental (inclusive of Additional Rent) that has become due and payable by the terms hereof and the continuation of such default for seven Business Days;

(b) Failure of the Company to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except the obligation to pay rent or Additional Rent) and (1) continuance of such failure for a period of 30 days after receipt by the Company of written notice specifying the nature of such default, or (2) if by reason of the nature of such default the same cannot be remedied within the said 30 days, the Company fails to commence and proceed with reasonable diligence after receipt of said notice to cure the same or fails to continue with reasonable diligence its efforts to cure the same and, further, fails to secure the same within 60 days after receipt of said notice of default;

(c) The Company shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code, or (vii) take any corporate action for the purpose of effecting any of the foregoing;

(d) A proceeding or case shall be commenced, without the application or consent of the Company, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or readjustment of debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of the Company or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and

continue unstayed and in effect, for a period of 60 days; or any order for relief against the Company shall be entered in an involuntary case under such Bankruptcy Code;

(e) Final judgment or judgments for the payment of money in excess of an aggregate of \$25,000 shall be rendered against the Company and the same shall remain undischarged by dismissal, payment, bonding or otherwise for a period of 60 consecutive days during which execution shall not be effectively stayed;

(f) There shall be a default in respect of any evidence of indebtedness for money borrowed by the Company (or with respect to the performance of any obligations of the Company incurred in connection with any indebtedness for money borrowed) where the effect of such default is to accelerate the maturity of such indebtedness or to permit the holders thereof (or a trustee, on behalf of such holders) to cause such indebtedness to become due prior to its stated maturity, or any such indebtedness shall not be paid as and when due and payable;

(g) Any representation or warranty made by the Company herein or in the Letter of Representation dated as of December 22, 1982 executed by the Company and the Individual Guarantors or in any report, certificate, financial statement or other instrument furnished by the Company or any of the Individual Guarantors pursuant hereto or thereto shall prove to be false, misleading or incorrect in any material respect as of the date made; or

(h) An "Event of Default" under the Indenture, or the Company Guaranty, or the Individual Guaranty shall occur and be continuing.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing, the Agency, or the Trustee where so provided, may take any one or more of the following remedial steps:

(a) The Agency and the Trustee, as and to the extent provided in Article VII of the Indenture, or either one of them, may cause all principal installments of rent payable under Section 3.3 hereof for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Agency, with the prior written consent of the Trustee, or the Trustee, may re-enter and take possession of the Project without terminating this Agreement, and sublease the Project for the account of the Company, holding the Company liable for the difference in the rent and other amounts payable

by the sublessee in such subletting, and the rents and other amounts payable by the Company hereunder;

(c) The Agency, with the prior written consent of the Trustee, or the Trustee, may terminate this Agreement, and exclude the Company from possession of the Project, in which case this Agreement and all of the estate, right, title and interest herein granted or vested in the Company shall cease and terminate unless prior to such time all accrued unpaid rentals (exclusive of any such rentals accrued solely by virtue of the acceleration of the due date of the Bonds as provided in Section 7.01 of the Indenture), shall have been paid and all such defaults shall have been fully cured. No such termination of this Agreement shall relieve the Company of its liability and obligations hereunder and such liability and obligations shall survive any such termination;

(d) The Agency or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Company under this Agreement;

(e) The Agency or the Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder; and

(f) The Agency, without the consent of the Trustee or any Bondholder, or the Trustee, may proceed to enforce the obligations of the Company with respect to those amounts paid by or payable to the Agency for its own account or to or for the benefit of the appropriate taxing authorities or to the Trustee under Sections 4.3, 4.4, 4.5, 4.6, 6.2, 6.3 and 9.22 of this Agreement and such other amounts likewise paid by or payable to the Agency for its own account.

In the event that the Company fails to make any monthly rental payment required in Section 3.3 hereof, the installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid.

Notwithstanding the foregoing, prior to the exercise by the Agency of any remedy that would prevent the application of this paragraph, unless and until the Agency, pursuant to Section 7.3 hereof, shall have executed a firm bilateral agreement for the reletting of the Project

(1) the Company may, at any time, pay all accrued unpaid rentals (exclusive of any such rentals accrued solely by virtue of acceleration of the due date of the Bonds as provided in Section 7.01 of the Indenture) and fully cure all defaults; and

VII-4.

(2) in such event, this lease shall be fully reinstated, as if it had never been terminated, and the Company shall be accordingly restored to the use, occupancy and possession of the Project.

No action taken pursuant to this Section 7.2 (including repossession of the Project or termination of this Agreement pursuant to this Section 7.2 or by operation of law or otherwise) shall, except as expressly provided herein, relieve the Company from the Company's obligations hereunder, all of which shall survive any such action.

Section 7.3. Reletting of Project. If the right of the Company to the use, occupancy and possession of the Project shall be terminated in any way, the Agency may relet the same or any part thereof for the account and benefit of the Company for such rental terms to such persons, firms or corporations and for such period or periods as may be fixed and determined by the Agency after notice to and approval by the Trustee, but the Agency shall not unreasonably refuse to accept or receive any suitable occupant or tenant offered by the Company, provided, that the Agency may consider whether such reletting will result in an Event or Determination of Taxability. The Agency and the Trustee shall not otherwise be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Company, and if a sufficient sum shall not be received from any reletting to satisfy the rental payments hereby agreed to be made by the Company, after paying the expenses of reletting and collection, then the Company hereby agrees to pay and satisfy any such deficiency if, as and when the same exists; provided, however, any excess rentals from any such reletting shall be credited to any rental due or to become due by the Company.

Section 7.4. Remedies Cumulative. The rights and remedies of the Agency under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Agency allowed by law with respect to any default under this Agreement. Failure by the Agency to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon default by the Company hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandamus or other appropriate legal remedy a strict compliance by the Company with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default by the Company be continued or repeated, or of the right to recover possession of the Project by reason thereof. Nothing in this Section 7.4 shall be deemed to restrict the right of the Company to reinstate this Agreement as provided in Section 7.2.

Section 7.5. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Agency and/or the Trustee and the Company or any delay or omission on the part of the Agency and/or the Trustee in exercising any rights hereunder or under the Indenture shall operate as a waiver. To the extent permitted by applicable law, the Company hereby waives the benefit and advantage of, and covenants not to assert against the Agency or the Trustee, any valuation, inquisition, stay, appraisalment, extension or redemption laws now existing or which may hereafter exist which, but for this provision, might be applicable to any sale or reletting made under the judgment, order or decree of any court or under the powers of sale and reletting conferred by this Agreement or otherwise.

Section 7.6. Effect on Discontinuance of Proceedings. In case any proceeding taken by the Trustee under the Indenture or this Agreement on account of any Event of Default hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case (without any cost to the Company or the Holders of the Bonds) the Agency, the Trustee, and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 7.7. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Agreement and the Agency or the Trustee should employ attorneys or incur other expenses for the collection of rentals or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Agency or the Trustee the reasonable fees and disbursements of such attorneys and such other expenses so incurred.

Section 7.8. Further Assurances. The Company will cooperate with the Agency and the Trustee for the purpose of protecting the Agency's and Trustee's interest in the Project, this Agreement and the sums due under this Agreement, including without limitation, the execution of all Uniform Commercial Code financing statements requested by the Agency or the Trustee. The Agency and the Trustee are authorized if permitted by applicable law to file one or more Uniform Commercial Code financing

statements disclosing any security interest in this Agreement and the sums due under this Agreement without the signature of the Company or signed by the Agency or the Trustee as attorney-in-fact for the Company. The Company will pay all costs of filing any financing, continuation or termination statements with respect to the Project and this Agreement. The Company shall execute and deliver to the Agency or the Trustee upon written request such other instruments and assurances as the Agency or the Trustee deems necessary or advisable for the implementation, effectuation, confirmation or perfection of this Agreement and any rights of the Agency or the Trustee hereunder or under the Indenture.

Section 7.9. Estoppel Certificates. The Company will, from time to time, upon 20 days' prior request by the Agency or the Trustee, execute, acknowledge and deliver to the Agency and the Trustee, a certificate of the Company stating that this Agreement is unmodified and in full force and effect (or, if there have been modifications or amendments, that this Agreement is in full force and effect as modified, and setting forth such modifications or amendments) and the dates to which rentals and other sums payable hereunder have been paid, and either stating that to the knowledge of the signer of such certificate no default or breach exists hereunder or specifying each such default or breach of which the signer has knowledge. Any such certificate may also be relied upon by any Holder of the Bonds.

ARTICLE VIII
Options

Section 8.1. Options. (a) The Company, so long as there exists no Event of Default hereunder, shall have the option to purchase the Project on any date during the term of this Agreement if:

(1) The Project shall have been damaged or destroyed to such extent that as evidenced by a certificate of an Independent Engineer filed with the Agency and the Trustee (A) the Project cannot be reasonably restored within a period of eighteen months to the condition thereof immediately preceding such damage or destruction; or (B) the restoration cost of the Project would exceed 110% of the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

(2) Title to, or the temporary use of, all or substantially all of the Project shall have been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the Company or any subsequent lessee of the Project being thereby prevented or likely to be prevented from carrying on its normal operation of the Project for a period of one year as evidenced by a certificate of an Independent Engineer filed with the Agency and the Trustee; or

(3) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Company or subsequent lessee of the Project, this Agreement or other lease of the Project becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed herein or unreasonable burdens or excessive liabilities are imposed upon the Company or subsequent lessee of the Project.

(b) The Company in purchasing the Project pursuant to subparagraph (1) or (2) of subsection (a) shall file with the Agency and the Trustee the certificate prescribed by said subparagraph (1) or (2) and in purchasing pursuant to subsection (a) the Company shall deliver at least thirty (30) days' prior written notice thereof to the Agency and the Trustee and pay to the Trustee as the purchase price, in legal tender, advance rental payments, for deposit in the Bond Fund, equal to the sum of the following:

(1) an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire and redeem the Outstanding Bonds in accordance with the provisions of the Indenture, including, without limitation, the principal of or the Redemption Price (as the case may be) of, together with interest to maturity or redemption date (as the case may be) on, the Outstanding Bonds;

(2) expenses of redemption, the fees and expenses of the Agency, Trustee and Paying Agents and all other amounts due and payable under this Agreement and the Indenture; and

(3) one dollar.

(c) The Company shall not, at any time, assign or transfer its option to purchase the Project as contained in this Section 8.1 separate and apart from a permitted assignment of this Agreement or sublease of the Project pursuant to Section 9.3 hereof without the prior written consent of the Agency and the Trustee.

(RIDER)

(e) At maturity, upon the payment in full of the principal of and interest on the Outstanding Bonds, the Company, if there exists no Event of Default hereunder, shall have the option to purchase the Project and shall exercise such option by (1) delivering to the Agency and the Bondholder prior written notice, no more than ninety (90) and no less than thirty (30) days prior to the final maturity installment payment date of principal and/or interest on the Outstanding Bonds, of the exercise of such option to purchase in a certificate specifying the subsection pursuant to which the Company is purchasing the Project, setting forth such final maturity installment payment date as the closing date for the purchase of the Project, and accompanied by assurances in form satisfactory to the Agency and the Bondholder that such purchase will be made, and (2) paying a purchase price equal to the sum of one dollar, the fees and expenses of the Agency and the Bondholder and all other amounts due and payable under this Agreement and the Indenture.

Section 8.2. Conveyance on Exercise of Option to Purchase. At the closing of any purchase of the Project pursuant to Section 8.1 hereof, the Agency will, upon payment of the purchase price, deliver or cause to be delivered to the Company (a) a release, satisfaction or termination of the mortgage lien and security interest of the Indenture on the Project and (b) other documents conveying to the Company title to the machinery, equipment and other personal property constituting part of the Project and title in fee simple to the real property of the Project being purchased by bargain-and-sale deed with covenants against grantor's acts as all such property then exists, and all rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or anyway appertaining subject

[Rider]

(d) At any time for a period of ninety (90) days after payment in full of the Redemption Price of the Outstanding Bonds, and the interest accrued thereon, upon earlier redemption (unless such ninety-day period shall extend beyond the date which, in the absence of such earlier redemption, would have been the final maturity installment payment date of principal and/or interest on the Outstanding Bonds, in which case such ninety-day period shall be abbreviated to such period as will terminate on such final installment payment date), the Company, if there exists no Event of Default hereunder, shall have the option to purchase the Project and shall exercise such option by (1) delivering at least thirty (30) days' prior written notice to the Agency and to the Bondholder of the exercise of such option to purchase in a certificate specifying the subsection pursuant to which the Company is purchasing the Project, setting forth a date for the closing of the purchase of the Project which shall be a date mutually agreeable to the Agency and the Company but in no event later than sixty (60) days subsequent to the date of receipt of such notice by the Agency (provided, however, that in the event the ninety (90) day period set forth above in this Section 8.1(e) shall be abbreviated as provided herein, the date of closing shall be on a date no later than such final installment payment date), and accompanied by assurances in form satisfactory to the Agency and the Bondholder that such purchase will be made, and (2) paying a purchase price equal to the sum of one dollar, the fees and expenses of the Agency and the Bondholder and all other amounts due and payable under this Agreement and the Indenture.

to the following: (1) any liens, easements, security interests and encumbrances to which title to said property was subject when conveyed to the Agency; (2) any liens, easements, security interests and encumbrances created at the request of the Company or to the creation or suffering of which the Company consented; (3) any liens, security interests and encumbrances, if any, resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Agreement; (4) any liens for taxes or assessments, if any, not then delinquent; and (5) the rights, if any, of any condemning authority, and (c) documents releasing and conveying to the Company all of the Agency's rights and interest in and to any rights of action, or any insurance proceeds or condemnation award, with respect to the Project. Concurrently with the delivery of such title documents, there shall be delivered by the Agency to the Trustee any instructions or other instruments required by Section 10.01 of the Indenture to defease and pay the Bonds.

Upon conveyance of the Project pursuant to this Section, this Agreement and all obligations of the Company hereunder except as referred to in Sections 4.3 (until such time as the Company shall again pay taxes as the record owner of the Project), 6.2, 6.3, 9.20 and 9.22, shall be terminated.

ARTICLE IX
Miscellaneous

Section 9.1. Indenture; Amendment. Moneys received from the sale of the Bonds and all rentals paid by the Company and all other moneys received by the Agency or the Trustee in connection with the Project shall be applied solely and exclusively in the manner and for the purposes expressed and specified in the Indenture and in the Bonds and as provided in this Agreement. The Company shall have and may exercise all the rights, powers and authority stated to be in the Company in the Indenture and in the Bonds, and the Indenture and the Bonds shall not be modified, altered or amended in any manner which adversely affects such rights, powers and authority so stated to be in the Company or otherwise adversely affects the Company without the written consent of the Company.

Section 9.2. Force Majeure. In case by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then except as otherwise expressly provided in this Agreement, if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than the obligation of the Company to make the rental payments or other payments required under the terms hereof or to insure the Project), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure", as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States or of the State or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, hurricanes, storms, floods, washcuts, droughts, restraining of government and people, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of existing or impending strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirements that any force majeure shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be fulfilled even though such existing or impending strikes, lockouts and other industrial disturbances may not be settled but could have been settled by acceding to the demands of the opposing person or persons.

Section 9.3. Assignment or Sublease. (a) The Company may not at any time assign or transfer this Agreement, or sublet the whole of the Project without the prior written consent of the Agency and the Trustee (which consents shall not be unreasonably withheld); provided further, that in the event of such permitted assignment, transfer or sublease, (1) the Company shall nevertheless remain liable to the Agency for the payment of all rent and for the full performance of all of the terms, covenants and conditions of this Agreement and of the Company Guaranty, (2) any assignee, transferee or sublessee of the Company shall be qualified to do business in the State and shall have assumed in writing and have agreed to keep and perform all of the terms of this Agreement and of the Company Guaranty, on the part of the Company to be kept and performed and shall be jointly and severally liable with the Company for the performance thereof, (3) in the opinion of counsel who is acceptable to the Trustee such assignment, transfer or sublease shall not impair in any respect the obligations of the Company for the payment of all rents nor for the full performance of all of the terms, covenants and conditions of this Agreement and of the Company Guaranty nor impair or limit in any respect the obligations of any of the Individual Guarantors under the Individual Guaranty, and (4) any assignee, transferee or sublessee shall utilize the premises as a qualified "project" within the meaning of the Act. The Company shall furnish or cause to be furnished to the Agency and the Trustee a copy of any such assignment, transfer or sublease in substantially final form at least thirty (30) days prior to the date of execution thereof.

(b) The Company may not at any time sublet any portion of the available square footage contained in the Project without the prior written consent of the Agency and the Trustee (which consents shall not be unreasonably withheld); provided, further, that in the event of such permitted subletting in part: (1) the proposed subtenant's business would constitute a qualified "project" in accordance with the Act and the proposed sublease shall so limit the subtenant's business; (2) such sublease shall not violate any provision of this Agreement, the Company Guaranty, the Individual Guaranty or the Indenture; (3) in the opinion of counsel who is acceptable to the Agency and the Trustee such sublease shall not impair or limit in any respect the obligations of the Company for the payment of all rents nor for the full performance of all of the terms, covenants and conditions of this Agreement nor impair or limit in any respect the obligations of the Company under the Company Guaranty nor impair or limit in any respect the obligations of any of the Individual Guarantors under the Individual Guaranty; (4) at any given date, no more than an aggregate of twenty percent (20%) of such space would be subleased by the Company; (5) the term of each such sublease does not exceed five (5) years; (6) the Company will not receive, pursuant to any sublease, rentals or other amounts in excess of the rentals and other payments required to be paid by the Company

under this Agreement allocable to that portion of the Project being sublet; (7) such sublease shall in no way diminish or impair the Company's obligation to carry the public liability insurance required under Section 4.5 of this Agreement and the Company shall furnish written evidence satisfactory to the Agency and the Trustee that such public liability insurance coverage shall in no manner be limited by reason of such sublease; and (8) such sublease contains such other provisions as the Agency may reasonably require. The Company shall furnish or cause to be furnished to the Agency and the Trustee a copy of any such proposed sublease in substantially final form at least thirty (30) days prior to the date of execution thereof.

Any consent by the Agency or the Trustee to any act of assignment, transfer or sublease shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of the Company, or the successors or assigns of the Company, to obtain from the Agency and the Trustee consent to any other or subsequent assignment, transfer or sublease, or as modifying or limiting the rights of the Agency or the Trustee under the foregoing covenant by the Company.

If this Agreement be assigned, the Agency may and is hereby empowered to collect rent from the assignee. If the Project or any part thereof be sublet or occupied by any person or corporation other than the Company, the Agency, in the event of the Company's default in the payment of rent may, and is hereby empowered to, collect rent from the under-tenant or occupant during the continuance of any such default. In either of such events, the Agency may apply the net amount received by it to the rent herein provided, and no such collection shall be deemed a waiver of the covenant herein against assignment, transfer or sublease of this Agreement, or constitute the acceptance of the under-tenant or occupant as tenant, or a release of the Company from the further performance of the covenants herein contained on the part of the Company.

Section 9.4. Priority of Indenture. Pursuant to the Indenture, the Agency will mortgage and grant a security interest in the Project and pledge and assign the rentals and certain other moneys receivable under this Agreement to the Trustee as security for payment of the principal and Redemption Price, if any, of and interest on the Bonds, and this Agreement shall be subject and subordinate to the Indenture and such mortgage, and grant of a security interest in, pledge and assignment thereunder.

Section 9.5. Benefit of and Enforcement by Bondholders. The Agency and the Company agree that this Agreement is executed in part to induce the purchase by others of the Bonds and for the further securing of the Bonds, and accordingly all covenants and

agreements on the part of the Agency and the Company as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds and may be enforced as provided in Article VII of the Indenture on behalf of the Bondholders by the Trustee.

Section 9.6. Amendments. Except as provided in Section 6.4 hereof with respect to the release of an unimproved part of the Project, this Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture and only if the Company and its successors and assigns shall assume in writing the obligations of such amended Agreement.

Section 9.7. Notices. All notices hereunder shall be sufficient if sent by registered or certified United States mail, postage prepaid, addressed, if to the Agency, to the Chairman, New York City Industrial Development Agency, 225 Broadway, New York, New York with a copy to the Deputy Executive Director of the Agency at the same address, if to the Company, to the President, American Package Company, Inc., 402 Lafayette Street, New York, New York, and if to the Trustee, to Long Island Trust Company, N.A., Corporate Trust Department, 82 Seventh Street, Garden City, New York. The Agency, the Company and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices shall be sent.

Section 9.8. Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Agency and the Company relating to the Project.

Section 9.9. Severability. If any clause, provision or section of this Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

Section 9.10. Recording. This Agreement as originally executed or a memorandum thereof shall be recorded by the Company subsequent to the recordation of the Indenture, in the appropriate office of the Register of the City of New York, or in such other office as may at the time be provided by law as the proper place for the recordation thereof. The security interest of the Agency created herein and the assignment of such security interest to the Trustee shall be perfected by the filing of financing statements by the Company which fully comply with the New York State Uniform Commercial Code - Secured Transactions in the office of the Secretary of State of the State, in the City of Albany, New York and in the appropriate office of the Register of the City of New York. The Company shall file or cause to be filed all necessary continuation statements (and additional

financing statements) within the time prescribed by the New York State Uniform Commercial Code - Secured Transactions in order to continue (or attach and perfect) the security interest created by this Agreement, to the end that the rights of the Agency, the Holders of the Bonds and the Trustee in the Project shall be fully preserved as against creditors or purchasers for value from the Agency or the Company. The Company agrees to furnish the Agency the opinion of counsel addressed to the Trustee referred to in Section 6.08 of the Indenture and shall perform all other acts (including the payment of all costs) necessary in order to enable the Agency to comply with Section 6.08 of the Indenture.

Section 9.11. Inspection of Project. The Company will permit the Trustee and the Agency, or their duly authorized agents, at all reasonable times to enter upon, examine and inspect the Project.

Section 9.12. Definitions. Any terms not otherwise defined herein, unless a different meaning clearly appears from the context, shall have the same meanings in this Agreement as those terms are given in the Indenture.

Section 9.13. Effective Date; Counterparts. This Agreement shall become effective upon its delivery. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.14. Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, the Agency, the Company and their respective successors and assigns.

Section 9.15. Net Lease. It is the intention of the parties hereto that this Agreement be a "net lease" and that all of the rent be available for debt service on the Bonds, and this Agreement shall be construed to effect such intent.

Section 9.16. Law Governing. This Agreement shall be governed by, and construed in accordance with, the laws of the State.

Section 9.17. Qualification in State. The Company warrants that it is and throughout the term of this Agreement will continue to be duly qualified to do business in the State. Any corporation succeeding to the rights of the Company under this Agreement shall be and continue to be duly qualified to do business in the State.

Section 9.18. Investment of Funds. Any moneys held as part of the Bond Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in said Bond Fund shall, at the written request of an

Authorized Representative of the Company, be invested and reinvested by the Trustee as provided in the Indenture.

Interest and profit derived from such investments shall be credited as provided in the Indenture, and any loss resulting from such investments shall be similarly charged.

No part of the proceeds of the Bonds or any other funds of the Agency shall at any time be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any such Bonds to be an "arbitrage bond" as defined in subsection (c) of Section 103 of the Code as then in effect or subject to treatment under subsection (c)(1) of said Section as an obligation the interest on which is not excludable from gross income under subsection (a) of said Section.

Section 9.19. Investment Tax Credit. It is the intention of the parties that any investment tax credit or comparable credit which may ever be available accrue to the benefit of the Company and the Company shall, and the Agency upon advice of counsel may, make any election and take other action in accordance with the Code and the regulations promulgated thereunder as may be necessary to entitle the Company to have such benefit.

Section 9.20. Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the demised premises or any matters whatsoever arising out of or in any way connected with this Agreement.

The provision of this Agreement relating to waiver of a jury trial and the right of re-entry upon revocation shall survive the termination or expiration of this Agreement.

Section 9.21. Non-Discrimination. (a) At all times during the construction, maintenance and operation of the buildings and improvements, the Company shall not discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Company shall use its best efforts to ensure that employees and applicants for employment with the Company, and shall, whenever possible, use its best efforts to ensure that employees and applicants for employment with the Company's sublessees, are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The Company shall, in all solicitations or advertisements for employees placed by or on behalf of the Company, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(c) The Company shall furnish to the Agency all information required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section.

(d) The Agency and the Company shall, from time to time, mutually agree upon goals for the employment, training, or employment and training of members of minority groups in connection with performing work on the demised premises.

Section 9.22. Recapture of Agency Benefits. It is understood and agreed by the parties to this Agreement that the Agency is issuing the Series 1982 Bonds to finance part of the costs of the acquisition of the Project and is entering into this Agreement in order to accomplish the public purposes of the Act. In consideration therefor, the Company hereby agrees as follows:

In the event the Company exercises its option to purchase the Project and shall thereafter sell all or substantially all of the Project or cause all or substantially all of the Project to be sold, at a profit (the "Profit") (i.e., for an amount in excess of the original cost to the Company of the Project or a portion thereof sold) within five (5) years from the date of the issuance of the Series 1982 Bonds, the Company shall pay to the Agency as a return of public benefits conferred by the Agency, the following amounts, provided, however, and notwithstanding anything to the contrary contained in this agreement, the amount so due the Agency shall not exceed the following amounts:

1. one hundred per cent (100%) of the Benefits if the Project is sold within one year of its completion;
2. eighty per cent (80%) of the Benefits if the Project is sold within two years of its completion;
3. sixty per cent (60%) of the Benefits if the Project is sold within three years of its completion;
4. forty per cent (40%) of the Benefits if the Project is sold within four years of its completion; or
5. twenty per cent (20%) of the Benefits if the Project is sold within five years of its completion.

The Term "Benefits" means:

IX-8.

1. all real estate tax benefits which have accrued to the benefit of the Company during such time as the Agency was the owner of the Project, such tax benefits to be computed by subtracting the payments in lieu of taxes paid under Section 4.3 hereof (or that the Company should have paid in the event the Company shall have been in default of any such payments under said Section 4.3) from those payments which the Company would have been required to pay during the lease term had the Company been the owner of the Project during such lease term; and

2. all miscellaneous benefits derived from the Agency's participation in the financing of the costs of the acquisition of the Project including, but not limited to, exemption from mortgage recording tax, transfer tax, filing and recording fees, sales tax, New York City commercial rent and occupancy tax; and

3. one-half of the amount (but not less than 0) derived by subtracting the aggregate of the interest portions of the installments of rent paid by the Company during the lease term from the net earnings (i.e., any income or interest earned by, or increment to, the proceeds of the Series 1982 Bonds, net of any losses or expenses suffered as a result of such investments) derived from the investment of the proceeds of the Series 1982 Bonds.

IN WITNESS WHEREOF, the Agency has caused its corporate name to be hereunto subscribed by its duly authorized Chairman or Vice Chairman and attested under the seal of the Agency by its Secretary or Deputy Executive Director and the Company has caused its corporate name to be subscribed hereto by its President and attested under its corporate seal by its Secretary or Assistant Secretary pursuant to a resolution duly adopted by its Board of Directors, all being done as of the year and day first above

written
(SEAL)
Attest

Deborah P. Ferolito
Deborah P. Ferolito,
Deputy Executive Director

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

William S. Brennan
William S. Brennan,
Chairman

(SEAL)
Attest

Murray Magnes
Murray Magnes,
President

AMERICAN PACKAGE COMPANY, INC.
as lessee

By Murray Magnes
Murray Magnes,
President

REEL 1366 PAGE 1641

All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Green Street with the easterly side of Franklin Street;

RUNNING THENCE northerly along the said easterly side of Franklin Street 200 feet to the southerly side of Freeman Street;

THENCE easterly along said southerly side of Freeman Street 321 feet 1 and 1/2 inches;

THENCE southerly parallel with Franklin Street 50 feet 9 inches;

THENCE westerly parallel with Green Street 14 feet 10 inches;

THENCE southerly again parallel with Franklin Street 149 feet 3 inches to the northerly side of Green Street;

THENCE westerly along said northerly side of Green Street 306 feet 3 and 1/2 inches to the corner, the point or place of **BEGINNING**.

EXCEPTING only therefrom the following, plot, piece and parcel of land:

BEGINNING at a point on the southerly side of Freeman Street which is 64 feet 10 inches easterly from the corner formed by the intersection of the easterly side of Franklin Street and the southerly side of Freeman Street;

THENCE southerly parallel with Franklin Street 50 feet 11 and 3/4 inches;

THENCE easterly parallel with Freeman Street 30 feet;

THENCE northerly parallel with Franklin Street 50 feet 11 and 3/4 inches to the southerly side of Freeman Street.

Printing Department

2 C & P Gold Stampers
1 C & P Die Cutter
1 C & P Lite Frame Printer
2 Miehle Verticals
2 Kelly B
1 Miehle Large Prtg Press
1 Small Saw
1 Bench

Paper Department

3 Parry C.C.
2 Overcutters
2 Beck Sheeters

Scoring Department

2 Heavy Duty Knowlton Scoring Machines
1 Overcutter
3 Single Corner Cutters
1 Double C C
1 Single Scorer

Wrapping Department

7 Quads
2 Extension Edge Machines
1 Foot, Thumb Cutter
2 B's Lines
4 H's Lines
1 Doming Machine

Vinyl Department

7 K & D Machines
8 Parry Corner Cutters
1 Single Corner Cutter
2 Creasing Machines

Assorted

4 Bunn Tyers
4 Single Stayers
1 Baling Machine

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

REEL 1366 PAGE 1643

On the twenty-second day of December, in the year one thousand nine hundred and eighty-two, before me personally came William S. Brennen, to me known, who being by me duly sworn, did depose and say that he resides at 965 Fifth Avenue, New York, New York; that he is Chairman of the New York City Industrial Development Agency, the Agency described in and which executed the above instrument; and that he signed his name thereto by like authority.

Irene Mansfield
Notary Public

IRENE MANSFIELD--
Notary Public, State of New York
No. 43-4881701
Qualified in Richmond County
Certificate filed in New York County
Commission Expires March 30, 1983



TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
Definitions and Representations	
Section 1.1. Definitions.....	I-1
Section 1.2. Construction.....	I-3
Section 1.3. Representations and Warranties by Agency.	I-4
Section 1.4. Findings by Agency.....	I-4
Section 1.5. Representations and Warranties by Company	I-4
ARTICLE II	
Acquisition and Installation of the Project	
Section 2.1. Acquisition and Installation of the Project.....	II-1
Section 2.2. Completion by Company.....	II-1
Section 2.3. Issuance of Series 1982 Bonds.....	II-2
Section 2.4. Labeling of Machinery and Equipment.....	II-2
Section 2.5. Title Insurance.....	II-2
ARTICLE III	
Lease of Project and Rental Provisions	
Section 3.1. Lease of the Project.....	III-1
Section 3.2. Duration of Term.....	III-1
Section 3.3. Rental Provisions; Pledge of Agreement and Rent.....	III-1
Section 3.4. Obligation of Company Unconditional.....	III-3
Section 3.5. Grant of Security Interest.....	III-4
ARTICLE IV	
Maintenance, Taxes, Payments in Lieu of Taxes and Insurance	
Section 4.1. Maintenance, Alterations and Improvements	IV-1
Section 4.2. Removal of Property of the Project.....	IV-3
Section 4.3. Payment in Lieu of Real Estate Taxes.....	IV-5
Section 4.4. Taxes, Assessments and Charges.....	IV-9

Section 4.5.	Insurance.....	IV-9
Section 4.6.	Advances by Agency or Trustee.....	IV-11

ARTICLE V

Provisions Respecting Damage, Destruction and Condemnation

Section 5.1.	Damage or Destruction.....	V-1
Section 5.2.	Condemnation.....	V-2
Section 5.3.	Taking of Company's Equipment.....	V-5
Section 5.4.	Requisitions from Special Funds.....	V-6

ARTICLE VI

Particular Covenants

Section 6.1.	Dissolution or Merger of Company; Restrictions on Company.....	VI-1
Section 6.2.	Indemnity.....	VI-1
Section 6.3.	Compensation and Expenses of Trustee, Bond Registrar, Paying Agents and Agency.	VI-3
Section 6.4.	Retention of Title to Project; Grant of Easements; Release of Certain Land....	VI-4
Section 6.5.	Company's Covenant as to Tax Exemption and Obligation to File Statements with Internal Revenue Service.....	VI-5
Section 6.6.	Identification of Certain Property.....	VI-6
Section 6.7.	Financial Statements.....	VI-6
Section 6.8.	Discharge of Liens.....	VI-6
Section 6.9.	Agency's Authority; Covenant of Quiet Enjoyment.....	VI-7
Section 6.10.	Covenant by Company as to Compliance with Indenture.....	VI-7
Section 6.11.	No Warranty of Condition or Suitability..	VI-8
Section 6.12.	Amounts Remaining in the Bond Fund.....	VI-8
Section 6.13.	No Recourse under This Agreement or on Bonds.....	VI-8
Section 6.14.	Issuance of Additional Bonds.....	VI-8
Section 6.15.	Employment Information.....	VI-9
Section 6.16.	Capital Expenditures.....	VI-9

ARTICLE VII

Events of Default; Remedies

Section 7.1.	Events of Default.....	VII-1
Section 7.2.	Remedies on Default.....	VII-2
Section 7.3.	Reletting of Project.....	VII-4

Section 7.4.	Remedies Cumulative.....	VII-4
Section 7.5.	No Additional Waiver Implied by One Waiver.....	VII-5
Section 7.6.	Effect on Discontinuance of Proceedings..	VII-5
Section 7.7.	Agreement to Pay Attorneys' Fees and Expenses.....	VII-5
Section 7.8.	Further Assurances.....	VII-5
Section 7.9.	Estoppel Certificates.....	VII-6

ARTICLE VIII

Options

Section 8.1.	Options.....	VIII-1
Section 8.2.	Conveyance on Exercise of Option to Purchase.....	VIII-2

ARTICLE IX

Miscellaneous

Section 9.1.	Indenture; Amendment.....	IX-1
Section 9.2.	Force Majeure.....	IX-1
Section 9.3.	Assignment or Sublease.....	IX-2
Section 9.4.	Priority of Indenture.....	IX-3
Section 9.5.	Benefit of and Enforcement by Bondholders	IX-3
Section 9.6.	Amendments.....	IX-4
Section 9.7.	Notices.....	IX-4
Section 9.8.	Prior Agreements Superseded.....	IX-4
Section 9.9.	Severability.....	IX-4
Section 9.10.	Recording.....	IX-4
Section 9.11.	Inspection of Project.....	IX-5
Section 9.12.	Definitions.....	IX-5
Section 9.13.	Effective Date; Counterparts.....	IX-5
Section 9.14.	Binding Effect.....	IX-5
Section 9.15.	Net Lease.....	IX-5
Section 9.16.	Law Governing.....	IX-5
Section 9.17.	Qualification in State.....	IX-5
Section 9.18.	Investment of Funds.....	IX-5
Section 9.19.	Investment Tax Credit.....	IX-6
Section 9.20.	Waiver of Trial by Jury.....	IX-6
Section 9.21.	Non-Discrimination.....	IX-6
Section 9.22.	Recapture of Agency Benefits.....	IX-7

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NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

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AND

AMERICAN PACKAGE COMPANY, INC.

OFFICE OF CITY REGISTER

Kings County
RECORDED

Witness my hand
and official seal

LEASE AGREEMENT

Handwritten signature: George J. Raab

CITY REGISTER

Dated as of December 1, 1982

\$1,040,000

New York City Industrial Development Agency
Industrial Development Revenue Bonds
(1982 American Package Company, Inc. Project)

COUNTY: KINGS

SECTION: 9

BLOCK: 2512

LOT: 1

Title # 8204-00004

Handwritten: From 226 Avenue B 3K

RECORD & RETURN TO

HAWKINS DELAFIELD & WOOD
67 WALL STREET
NEW YORK, NEW YORK 10005
ATTN: K. T. MOLIN, ESQ

1982 JUN 10 10 30 AM '82