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Cook County Recorder

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Robert E. Blacher, Esq. Altheimer & Gray 10 South Wacker Drive Suite 4000 Chicago, Illinois 60606

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LEASE

This Lease (the "Lease") is lated November 17, 2000 and is made by and between WM. E. WRIGHT LIMITED PARTNERSHIF, a Delaware limited Partnership ("Lessor"), and WRIGHT ACQUISITION CO., a Delaware corporation ("Lessee").

- 1. Premises. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, for the Term (as hereinafter defined) and upon all of the conditions set forth herein, that certain real property and the improvements thereon situated in the City of Chicago, County of Cook, State of Illinois, legally described on Exhibit A attached hereto and made a part hereof and commonly known as 4343 North Ravenswood Avenue, Chicago, Illinois, excluding, however, out of service fuel oil tanks located in one or more vaults in the basement of such real property and all portions of such real property located below the surface thereof including, without limitation, subsurface soils, ground water, and gasoline underground storage tanks, if any, located upon such real property (the "Excluded Property") Said real property including the improvements thereon, but excluding the Excluded Property, is herein called the "Premises".
- Term. The term of this Lease shall be for one (1) year, commencing on the date hereof and ending on the date which is the first anniversary of the date hereof, unless sooner term nated pursuant to any provision hereof (the "Term"). Notwithstanding the foregoing, (a) Lessor shall have the right to terminate this Lease upon the sale of the Premises to a third party in accordance with the terms of that certain Purchase Price Adjustment Agreement dated of even date herewith between Lesser and Lessee (the "Purchase Price Adjustment Agreement"), such termination shall be effective on the date prior to the closing of such sale which shall be no less than sixty (60) days after the date that Lessee receives written notice of such sale and (b) provided that (i) Lessee is not then in default under this Lease and (ii) Lessee shall continue to be responsible for all Carrying Costs (as defined in the Purchase Price Adjustment Agreement) for the Premises and the Excluded Property related to or accruing with respect to the one (1) year period after the date hereof, then Lessee shall have the right to terminate this Lease for any reason effective on the date that is sixty (60) days after the date that Lessor receives Lessee's written notice of termination. Notwithstanding anything in this Lease to the contrary, if Lessee has terminated this Lease pursuant to this Section 2(b), Lessee shall pay directly or reimburse Lessor for all Carrying Costs related to or accrued with respect to the period commencing on the date hereof through the date that is one (1) year after the date hereof. Lessee shall be responsible for and pay the Carrying Costs to Lessor each

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month, no later than fifteen (15) days after Lessee receives written notice from Lessor of the amount of Lessee's obligation for the Carrying Costs along with copies of invoices or bills, as the case may be, indicating the Carrying Costs then owed. If the payment by Lessee of any amount due under this Section 2(b) shall become overdue, a late charge on the overdue amounts equal to an annual rate of two percent (2%) plus the Prime Rate of interest as published daily in the "Money Rates" section of *The Wall Street Journal* or, if such publication or index is discontinued, such other publication or index of similar type, but in no event more than permitted under applicable law, for the period from the due date to the date of actual payment, shall become due and payable as a service fee to Lessor for the administrative costs and expenses incurred by reason of such failure to make prompt payment. Lessee's obligations pursuant to this Section 2(b) shall survive the termination of this Lease.

3. Use. Lessee shall use and occupy the Premises for the manufacturing of knitting needles, crochet hooks, and other notion accessories, the warehousing and shipping of such items, as well as ribbons, trims, package tape, repair partnes and other similar items, and incidental office uses in connection therewith, and for no other use or purpose.

3.1 Compliance with Law.

After receipt of notice from a go ermnental entity having jurisdiction over the Premises that the Premises or any portion thereof fails to comply with or is in violation of any federal, state, county, municipal, or other governmental statutes, laws, or tirarces, rules, regulations, orders, covenants, restrictions, and requirements (collectively, "Laws"), Lesso shall, at Lessor's expense, remedy any such non-compliance with or violation of Law. Notwithstanding the foregoing, Lessee shall, at Lessee's expense, cause the Premises to be in compliance with any Law nat is the subject of said notice if the requirement to comply arises out of or results from Lessee's use of the Premises. Lessee shall not use nor permit the use of the Premises in any manner that will violate any Laws or tend to create waste or a nuisance. Nothing set forth herein shall affect Lessor's or Lessee's obligations under that certain Environmental Agreement dated of even date herewith among Lessor, Lessee, certain partners of Lessor, and William Blair Mezzanine Capital Fund, L.P. (the "Environmental Agreement").

3.2 Condition of Premises. Lessee's acceptance of possession of the Premises shall constitute an absolute acknowledgment that the Premises have been delivered in good condition and in compliance with this Lease. The Premises are being delivered by Lessor, and accepted by Lessor, in "AS-IS" condition with no representations or warranties or promises of any type being made by Lessor.

Net Lease.

This Lease shall be deemed and construed to be a fully "net lease," and Lessee shall pay and be responsible for, absolutely net throughout the Term, all amounts, costs, expenses, liabilities, and charges of every kind and nature relating to the Premises which may arise or become due or payable prior to, during, or after (but attributable to a period falling within) the Term, including, without limitation, all real property taxes (as defined herein) and all costs, expenses, and charges related to all recorded or unrecorded agreements, easements, declarations, restrictions, or other matters affecting the title to the Premises. Lessee shall pay such amounts free of any charges, assessments, impositions, or deductions of any kind and without abatement, deduction, or setoff. Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall Lessor be expected or required to make any payment of any kind whatsoever relating to the Premises, Lessee's

personal property, or the operation of the Premises by Lessee, or be under any other obligation or liability under this Lease or otherwise. Notwithstanding the foregoing, Lessee shall have no obligation with respect to, and Lessor shall be obligated to pay and be responsible for, obligations related to the Premises created or arising out of Lessor's negligent acts or omissions occurring subsequent to the date of this Lease, and Lessee shall have no obligation to pay any indebtedness of Lessor relating to or comprising a lien against the Premises for money borrowed. All the obligations of Lessee under this Lease shall be absolute and shall not be affected for any reason whatsoever, including, without limitation, by any damage to or destruction of the Premises or any part thereof, any taking of the Premises or any part thereof or interest therein by condemnation or otherwise, any prohibition, limitation, restriction, or prevention of Lessee's use, occupancy, or enjoyment of the Premises or any part thereof, or any interference with such use, occupancy, or enjoyment by any person (other than Lessor if caused by Lessor's negagent act or omission after the date of this Lease) or for any reason, any matter affecting title to the Premises, any performance or failure of Lessor to perform any of its obligations hereunder or any other default by Lessor under this Lease, the impossibility, impracticability, or illegality of performance by Lessor, Lessee, or toth, any action of any governmental authority, any breach of warranty or misrepresentation, or any or er cause whether similar to or dissimilar from the foregoing and whether or not Lessee shall have notice or knowledge thereof and whether or not such cause shall now be foreseeable. The parties intend that the obligations of Lessee under this Lease shall be separate and independent covenants and agreements and shall continue unaffected unless such obligations have been modified or terminated pursuant to an express provision of this Lease.

5. Maintenance, Repairs and Alterations

- Lessee's and Lessor's Obligations. Lessee shall keep in good order, condition, and repair the Premises and every part thereof, other than the structural components, including, without limiting the generality of the foregoing, all plumbing, heating, air conditioning, ventilating, electrical, lighting facilities and equipment within the Premises, fixtures, interior, non-load bearing walls, ceilings, floors, windows, doors, plate glass and skylights located virinin the Premises, and all landscaping, driveways, parking lots, fences, and signs located on the Premises and sidewalks and parkways adjacent to the Premises. Notwithstanding anything contained herein, Lessee shall not be obligated to make any Major Repairs (as defined in the Purchase Price Adjustment Agreement). Lessor shall keep in good order, condition, and repair the structural portions of the Premises, including all roofs, foundations, and exterior and load bearing walls. In addition, Lessor shall not make any Major Repairs without Lessee's prior written consent; provided that Lessor shall not need Lessee's consent it such Major Repair is necessary (a) to prevent the threat of imminent injury or damage to persons or property. (b) to comply or cause the Property to comply with any Law; or (c) to render the Property tenantable under the Lease.
- 5.2 Surrender. On the last day of the Term hereof, or on any sooner termination. Lessee shall surrender the Premises to Lessor broom clean, free of debris and Lessee's personal property, trade fixtures and equipment and otherwise in the same condition as when received, ordinary wear and tear and damage due to fire or casualty excepted. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee's trade fixtures, furnishings, and equipment.
- 5.3 Lessor not Obligated; Waiver of Certain Claims. Except as otherwise provided herein, it is intended by the parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises nor the improvements located thereon nor the equipment therein, whether structural or non structural, all of which obligations are intended to be that of Lessee under Paragraph 5.1 hereof. To the extent permitted by law, except for claims for damages which arise out of

Lessor's negligence or willful misconduct, Lessee releases Lessor from and waives all claims for damages to person or property sustained by Lessee, or by any other person or entity, resulting directly or indirectly from fire or other casualty, cause or any existing or future condition, defect, matter, or thing in or about the Premises, or from any equipment or appurtenance therein, or from any accident in or about the Premises, or from any act or neglect of any other person or entity. This Section 5.3 shall apply especially, but not exclusively, to damage caused by water, snow, frost, steam, excessive heat or cold, sewerage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures, broken glass, sprinkling or air conditioning devices or equipment, or flooding of basements, and shall apply without distinction as to the person or entity whose act or neglect was responsible for the damage and whether the damage was due to any of the acts specifically enumerated above or from any other thing or circumstance, whether of a life nature or of a wholly different nature. Notwithstanding the foregoing, Lessor shall be obligated to perform repairs and maintenance necessitated by Lessor's negligence or willful misconduct during the Term Additionally, nothing set forth in this Section 5.3 shall affect Lessor's or Lessee's obligations under the Provironmental Agreement.

5.4 Alterations and Additions.

- (a) Lessee shall not construct any (1) additional buildings or other improvements on the Premises, or (2) change, alteration, or addition in or to the improvements (any and all of the foregoing being herein collectively called an "Alteration"), unless and until, in each instance, Lessee shall have submitted to Lessor plans, specification, and other materials as Lessor may request, and Lessor shall have given prior written approval, which approval may be withheld in Lessor's sole and absolute discretion.
- (b) All Lessor-approved Alterations shall be constructed by Lessee, without expense to Lessor, in a good, first class, and workmanlike manner, employing quality materials, and in compliance with Lessor-approved plans and specifications therefor and all applicable Laws and regulations of the Board of Fire Insurance Underwriters or any other body exercising similar functions, and in compliance with the terms and conditions of this Lease. Before commencing any Alteration, Lessee shall furnish Lessor with certificates of insurance from all contractors performing labor or furnishing materials insuring Lessor against any and all losses and liabilities which may arise out of or be connected in any way with such Alteration.
- (c) Lessee agrees to indemnify, defend, and hold harmless Lesser from and against any and all losses, liabilities, damages, costs, fees (including without limitation reasonable attorneys' fees), expenses, fines, claims, suits, and obligations of every kind and description which hay arise out of or be connected in any way with any Alteration.
- (d) Lessee shall pay, when due, all claims for labor and materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) business days' notice prior to the commencement of any work in, on, or at the Premises, and Lessor shall have the right to post notices of non-responsibility in or on the Premises as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim, or demand, then Lessee shall, at its sole expense, defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against Lessor or the Premises, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to one hundred fifty percent (150%) of such

contested lien, claim, or demand indemnifying Lessor against liability for the same and holding the Premises free from the effect of such lien or claim.

(e) Upon termination of this Lease, Lessor may require Lessee, at Lessee's sole expense, to remove any or all Alterations which may be made by Lessee in, at, on, or to the Premises. Unless Lessor requires their removal, as set forth in this Paragraph 5.4(e), all Alterations which may be made on the Premises shall become the property of Lessor and remain upon and be surrendered with the Premises at the expiration of the Term. Notwithstanding the provisions of this Paragraph 5.4(e), Lessee's machinery and equipment installed after the date of this Lease, other than that which is affixed to the Premises so that it cannot be removed without material damage to the Premises, shall remain the property of Lessee and may be removed by Lessee subject to the provisions of Paragraph 5.2.

6. Insurance; Indemnity.

- 6.1 Insurance. Lessee shall, at Lessee's expense, obtain and keep in force during the Term the following insurance coverages:
- (a) a policy of Commercial Liability Insurance insuring Lessor and Lessee against any liability arising out or the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insu ance shall be a combined single limit policy in an amount not less than Five Million and No/100 Dollars (\$5,000,000) per occurrence. The policy shall insure performance by Lessee of the indemnity provisions of this Paragraph 6. The limits of said insurance shall not, however, limit the liability of Lessee hereunder;
- a policy or policies of insurance covering loss or damage to the Premises and/or the Excluded Property, in the amount not less tire in 100% of the full replacement value thereof, as the same may exist from time to time, but in no event less than the total amount required by lenders having liens on the Premises, against "All Risk" (including beiler and machinery) perils, and flood (in the event same is required by a lender having a lien on the Premises). Said insurance shall provide for payment of loss thereunder to Lessor or to the holders of mortgages or deeds of trust on the Premises. If Lessee shall fail to procure and maintain said insurance, Lessor may, but shall not be required to, procure and maintain the same, but at the expense of Lessee;
- (c) a policy of workers' compensation insurance providing statutory benefits for all persons employed by Lessee at or in connection with the Premises and or the Facilities and employer's liability coverage with a limit of not less than One Million and No/100 Dollars \$1,000,000);
- (d) Lessee shall also insure its fixtures, equipment, and tenant improvements.
- 6.2 Insurance Policies. Insurance required hereunder shall be in companies holding a "General Policyholders Rating" of at least A minus, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best's Insurance Guide". Lessee shall deliver to Lessor copies of policies of such insurance or certificates evidencing the existence and amounts of such insurance with loss payable clauses as required by this Paragraph 6. No such policy shall be cancelable, not renewable, or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals or "binders" thereof. Lessee shall not do or

permit to be done anything which shall invalidate the insurance policies referred to in this Paragraph 6.

- Waiver of Subrogation. Lessor and Lessee agree to have all fire and extended coverage 6.3 and other property damage insurance which may be carried by either of them endorsed with a clause providing that any release from liability of, or waiver of claim for, recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder and providing further that the insurer waives all rights of subrogation which such insurer might have against the other party. Without limiting any release or waiver of liability or recovery set forth elsewhere in this Lease, and notwithstanding anything in this Lease which may appear to be to the contrary, each of the parties hereto waives all claims for recovery from the other party for any loss or damage to any of its property insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance policies. Notwithstanding the foregoing or anything contained in this Lease to the contrary, any release or any waiver of claims shall not be operative, nor shall the foregoing endorsements be required, in any case where the effect of suc' release or waiver is to invalidate insurance coverage or invalidate the right of the insured to recover therevides or to increase the cost thereof (provided that in the case of increased cost the other party shall have the right, within ten (10) days following written notice, to pay such increased cost keeping such release or waiver in full force and effect).
- 6.4 Indemnity. Except for Lessor's negligence or willful misconduct, Lessee shall indemnify and save Lessor's artiliates, and Lessor's partners, and each of their respective affiliates, agents, representatives, benefic ares, directors, employees, lessors, mortgagees, officers, parents, partners, shareholders, trustees, tenants, licensees, guests, and invitees (each a "Lessor Indemnified Party" and collectively, the "Lessor Internified Parties") harmless from and against any and all liabilities, losses, suits, obligations, fines, damage, penalties, claims, costs, charges, and reasonable expenses, including, without limitation, reasonable engineers', architects', experts', consultants', and attorneys' fees, court costs, expenses, and disbursements (each a "Liability"), which may be imposed upon or incurred by or asserted against any Lessor Indemnitied Party by reason of any of the following occurring during or after (but attributable to a period of time failing within) the Term: (a) any Alteration of the Premises or any other work or thing done in, on, or about the Premises or any part thereof by or on behalf of Lessee; (b) any use, nonuse, possession, occupation, repair, condition, operation, maintenance, or management of the Premises or any part thereof by Lessee; (c) any act or failure to act on the part of Lessee; (d) any accident, injury (including death at any time resulting therefrom), or damage to any person or property occurring in, on, or about the Premises or any part thereof; (e) any failure on the part of Lessee to pay any amounts or to perform or comply with any of the covenants, agreements, terms, or conditions contained in this Lease to be performed by Lessee; (f) any lien or claim which may be alleged to have arisen against or on the Premises, or any lien or claim which may be alleged to have a isen out of this Lease and created or permitted to be created by Lessee against any assets of Lessor, or any liability which may be asserted against Lessor with respect thereto; (g) any failure on the part of Lessee, or any of Lessee's agents, employees, contractors, or invitees, to fully comply with all Laws and to keep the Premises in compliance with all Laws, to the extent required herein. If any action or proceeding is brought against Lessor or any of the Lessor Indemnified Parties by reason of any Liability, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor or, at Lessor's option, Lessor may engage its own attorneys to defend it, and Lessee shall pay the reasonable fees and disbursements of such attorneys. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon, or about the Premises arising from any cause and any and all liabilities in connection therewith, and Lessee hereby waives all claims in respect thereof against Lessor and shall indemnify and hold Lessor harmless from

same. Notwithstanding anything to the contrary contained in this Lease, in no event shall Lessee be obligated to indemnify or hold harmless Lessor from or against any Liability arising out of Lessor's obligations under the Environmental Agreement.

7. Damage or Destruction.

- (a) If at any time during the Term there is any damage due to fire or other casualty to the Premises, which damage renders the Premises untenantable or substantially interferes with Lessee's ability to conduct its operations in the Premises, Tenant shall have the right, by giving written notice to Lessor, to immediately terminate this Lease upon notice to Lessor, and this Lease and all rights and obligations of Lessor and Lessee hereunder shall terminate as of the date that is thirty (30) days after the date of such damage, except as otherwise provided herein.
- (b) It it any time during the Term there is any damage to the Premises, other than as described in subparag and (a) above, neither Lessor nor Lessee shall have the right to terminate this Lease by reason of such damage.
- (c) If at any time during the Term there is any damage to the Premises, whether or not such damage renders the Premises untenantable or substantially interferes with Lessee's ability to conduct its operations in the Premises, and whether or not Lessee terminates this Lease as provided in subparagraph (a) above, Lessor shall have the right, at its election, to either (i) repair the damage, and in such event the proceeds of insurance maintained by Lessee's provided in Paragraph 6 above shall be used by Lessor to pay for such repairs, and Lessor shall pay the cost of any deductible, or (ii) not repair the damage, in which case the proceeds of insurance maintaine 1 by Lessee as provided Paragraph 6 above shall be distributed in the manner set forth in Paragraph 7 of the Purchase Price Adjustment Agreement. Should Lessor elect to repair the damage, amounts paid by Lessor toward the deductible shall be treated as Capital Repair Expenses (as defined in the Purchase Price Adjustment Agreement).

8. Condemnation.

If all or any part of the Premises shall be taken or condemned for a public or quasi-public use or purpose by a competent authority, then, at Lessor's election, which election shall be made by giving written notice thereof to Lessee, this Lease shall terminate as of the date of delivery of possession to the condemning authority, and any award, compensation, or damages (hereinafter sometimes called the "Award") shall be paid to and be the sole property of Lessor, whether the Award shall be made as compensation for diminution of the value of the leasehold estate or the fee of the Premises or otherwise and Lessee hereby assigns to Lessor all of Lessee's right, title, and interest in and to any and all of the Award. Lessee shall have the right to file any separate claim available to Lessee for reccation of Lessee's business and interruption of Lessee's business, provided such award is separately payable to Lessee and does not diminish the award available to Lessor. Any Award received by Lessor, and any award received by Lessee pursuant to any separate claim that Lessee files, shall be distributed in accordance with the terms of the Purchase Price Adjustment Agreement as though such awards were proceeds of a sale. Lessee shall continue to pay rent and other charges under this Lease until this Lease is terminated and any taxes and insurance premiums prepaid by Lessee or any unpaid impositions or other changes which accrue prior to the termination, shall be adjusted between the parties.

9. Taxes.

- 9.1 Payment of Taxes. Lessee shall pay the real property tax, as defined in Paragraph 9.2, applicable to the Premises and/or the Excluded Property accruing during or related to the Term directly to the appropriate taxing authority. Provided that Lessee has received the real property tax bills from Lessor, Lessee shall pay the real property tax to the appropriate taxing authority no later than fifteen (15) days before the due date for the real property tax. At least ten (10) days before the due date of the real property tax, Lessee shall provide Lessor with evidence that the real property tax has been paid. Lessor shall promptly forward to Lessee all real property tax bills that Lessor receives. Lessor shall be responsible for payment of any penalty or interest arising out of Lessor's failure to forward such real property tax bills to Lessee in sufficient time to allow Lessee to pay such bills prior to penalties or interest accruing.
- 9.2 Definition of "Real Property Tax". As used herein, the term "real property tax" shall include any form of real estate tax or assessment, general or special, ordinary or extraordinary, and any license fee, commercial occupancy or rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal recome or estate taxes), water, water meter, and sewer rents, rates, and charges, service charges with respect to police protection, fire protection, street and highway maintenance, construction, and lighting, sanitation and water supply imposed on the Premises and/or the Excluded Property by any authority having the direct or indirect power to tax, including any city, state, or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Lessor in the Premises or in the real property of which the Premises are a part, as against Lesson's right to rent or other income therefrom, and as against Lessor's business of leasing the Premises. The term "real property tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution (i, partially or totally, any tax, fee, levy, assessment, or charge hereinabove included within the definition of 'real property tax," or (ii) the nature of which was hereinbefore included within the definition of "real property tax," or (iii) which is imposed by reason of this transaction, any modifications or changes hereto, or any transfers hereof. The term "real property tax" shall not include (a) any income, gross receipts or singlar tax assessed on or in respect of the general income of Lessor, (b) any capital levy, succession, or similar tax assessed or payable by reason of any transfer of any estate or property of Lessor, or (c) any corporation or other franchise, license, mercantile or similar tax assessed against or payable by Lessor other than with respect to the use or occupancy of the Premises.

9.3 Personal Property Taxes.

- (a) Lessee shall pay, prior to delinquency, all taxes assessed agains and levied upon all trade fixtures, furnishings, equipment, and other personal property of Lessee contained in the Premises or elsewhere. When possible, Lessee shall cause said trade fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the real property of Lessor.
- (b) If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee within ten (10) days after receipt of a written statement setting forth the taxes applicable to Lessee's property.
- 10. Utilities. Lessee shall pay for all water, gas, heat, light, power, telephone, and other utilities and services supplied to the Premises, together with any taxes thereon.

11. Assignment and Subletting.

- Lessor's Consent Required. Lessee shall not cause, suffer, or permit to occur any 11.1 Change of Control (as defined herein) or assign or sublet all or any part of Lessee's interest in this Lease or in the Premises, to any affiliate or otherwise, by operation of law or otherwise, without Lessor's prior written consent, which Lessor may withhold in its sole and absolute discretion. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a material default and breach of this Lease. For purposes of this Lease, the term "Change of Control" shall mean, if Lessee is a corporation, any change in the ownership of the shares of stock which constitute control of Lessee. The term "control" as used herein means the power to directly or indirectly direct or cause the direction of the management or policies of Lessee. If Lessee is a partnership (general or limited) or limited liability company, the term "Change of Control" shall mean any change in the ownership of the partnership interests or member interests which constitute control of Lessee. Notwithstanding the foregoing, Lessor consents to Lessee's granting of a leasehold mortgage encumbering Lessee's leasehold estate pursuant to 'iii; Lease in favor of Sun Trust Bank, Agent; provided that Lessor's interest in this Lease, as the same may be modified, amended, or renewed, shall not be subject or subordinate to such leasehold mortgage.
- No Release of Lessee. Regardless of Lessor's consent, no subletting or assignment shall 11.2 release Lessee of Lessee's obligation or alter the primary liability of Lessee to pay all amounts due under this Lease and to perform all other o'sligations to be performed by Lessee under this Lease. The acceptance of payments for amounts due under this Lease by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision of this Lease. Consent to one assignment or subletting shall not be deemed consent to any subsequent as signment or subletting. In the event of default by any assignee of Lessee or any successor of Lessee in the penormance of any of the terms of this Lease, Lessor may proceed directly against Lessee without the necessity of exhausting remedies against said assignee. Lessor may consent to subsequent assignments or sublitting of this Lease or amendments or modifications to this Lease with assignees of Lessee, without notifying Lessee, or any successor of Lessee, and without obtaining its or their consent thereto and such action shall not relieve Lessee of 10/45 liability under this Lease.

12. **Environmental Matters.**

12.1 **Definitions.** For purposes of this Paragraph 12:

"Environmental Law" means: all applicable federal, state and local statutes, (a) laws, rules, regulations, ordinances, orders, standards, permits, licenses, or other requirements (including but not limited to judicial and administrative orders, decisions, and decrees, and the conmon law), enacted, adopted, decreed, or otherwise developed together with all amendments thereto, and implementing regulations and reauthorizations thereof, which pertain to (i) environmental matters, contamination of any type whatsoever, public health and safety, and/or employee safety and training, including, without limitation the protection, preservation, remediation, conservation, or regulation of the environment; (ii) the manufacture, storage, handling, distribution, generation, transportation, treatment, release, threatened release, or disposal of Hazardous Materials (as hereinafter defined); (iii) air, water (including surface, ground, and storm water), or noise pollution; and (iv) protection of wildlife, wetlands, and natural resources, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S. C. §§9601 et seq., all amendments and reauthorizations thereof and regulations adopted thereunder ("CERCLA"), and the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. all amendments and reauthorizations thereof and regulations adopted thereunder

("RCRA").

- (b) "Hazardous Material" means: "hazardous substance", as defined by CERCLA; "hazardous waste", as defined by RCRA; pesticides, petroleum, crude oil or any fraction thereof; any radioactive material; and any pollutant, contaminant, hazardous, extremely hazardous, dangerous or toxic chemical, material, waste or any other substance within the meaning of any Environmental Law, or which may or could pose a hazard to the environment or the health and safety of any person at the Premises, or any person at property near the Premises, or could presently or at any time in the future cause a detriment to, or impair the use or occupation of the Premises or any portion thereof.
- (c) "Environmental Action" means: any notice of violation, correspondence, memoranda, complaint, claim, citation, demand, inquiry, report, action, or proceeding, whether formal or informal, absolute or contingent, matured or unmatured, known or unknown, brought or issued by any governmental unit, agency, or body, or any person or entity regarding the violation, threatened violation, or alleged violation of, or liability under, any Environmental Law with respect to the Premises or any activity conducted thereon.
- 12.2 Indemnification by Lessee. (a) Lessee shall indemnify, defend and hold Lessor harmless from and against any and all injury, charge, loss, lost profit (limited to actual loss), liability, obligation, penalty, claim, fine, litigation, demand, defense, cost, judgment, suit, proceeding, damage, disbursement or expense of any kind or rature whatsoever (including without limitation, court costs, reasonable attorneys', experts, and consultants fees and expenses (collectively, "Loss") which may at any time be imposed upon, incurred by or asserted or awarded against Lessor, or any of Lessor's subsidiaries, and their respective partners, affiliates, shareholders, directors, officers, employees, agents, representatives, successors and assigns, in connection with or arising from any of the following events:
- (i) any violation, alleged violation, of the assertion of liability or obligation under any Environmental Law which results from or is caused by activities, events, conditions, or occurrences during the Term or while Lessee is in possession of the Premises (except to the extent caused by Lessor and except to the extent that the violation, alleged violation, or assertion of liability or obligation is an Environmental Liability (as defined in the Environmental Agreement) or relates to or arises from an Environmental Liability);
- (ii) any Environmental Action which results from or is caused by activities, events, conditions, or occurrences during the Term or while Lessee is in possession of the Frem ses (except to the extent caused by Lessor and except to the extent that the violation, alleged violation or assertion of liability or obligation is an Environmental Liability (as defined in the Environmental Agreement) or relates to or arises from an Environmental Liability);
- (iii) the presence, manufacture, generation, storage, handling, sale, distribution, transportation, treatment, release, or disposal of (i) any Hazardous Material on, in, under, to, from, or affecting the Premises which results from or is caused by activities, events, conditions or occurrences during the Term or while Lessee is in possession of the Premises (except to the extent caused by Lessor), or (ii) any Hazardous Material manufactured, generated, or otherwise present at the Premises on, in, under, to, or affecting the environment or any facility other than the Premises which results from or is caused by activities, events, conditions or occurrences during the Term or while Lessee is in possession of the Premises (except to the extent caused by Lessor and except to the extent that the violation, alleged violation, or assertion of liability or obligation is an Environmental Liability (as defined in the Environmental Agreement) or relates to or arises from an Environmental Liability);

- (iv) the injury, illness or death of any person, including, but not limited to any officer, director, employee, agent, representative, or invitee of Lessee, arising out of or caused by the environmental condition of the Premises which results from or is caused by activities, events, conditions or occurrences during the Term or while Lessee is in possession of the Premises (except to the extent caused by Lessor and except to the extent that the violation, alleged violation, or assertion of liability or obligation is an Environmental Liability (as defined in the Environmental Agreement) or relates to or arises from an Environmental Liability); and
- (b) The indemnification provisions set forth in this Paragraph 12.2 shall survive expiration or termination of the Lease the Term.
- 12.3 I essor's Remediation. Lessee acknowledges that (a) there may be certain soil and groundwater concernation present at and under the Premises as described in that certain Limited Phase II Soil and Groundwater Investigation of Wm. E. Wright Limited Partnership, Boye Needle Manufacturing Plant, dated November 8, 2000 prepared by GaiaTech, Inc. and (b) Lessor may be performing certain investigative and remedial activities with respect thereto. Lessee agrees to provide Lessor (and Lessor's agents and representatives) with access to the Premises at reasonable times to perform such investigative and remedial activities in accordance with the Environmental Agreement as Lessor may deem appropriate. Lessor agrees to coordinate with Lessee to minimize any unreasonable inconvenience to or interruption of the conduct of Lessee's pusit ess at the Premises.
- 12.4 Conflict. Notwithstanding a sything to the contrary contained in this Lease, the provisions of this Paragraph 12 shall govern the rights and obligations of the parties with respect to any and all matters relating to the environment, including but not limited to contamination of any type whatsoever, provided, however, that nothing set forth in this Lease shall affect Lessor's or Lessee's obligations under and pursuant to the Environmental Agreement. In the event of a conflict between the provisions of this Paragraph 12 and any other provisions of this Lease, the provisions of this Paragraph 12 shall control.

13. Defaults; Remedies.

- 13.1 **Defaults.** The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:
- (a) The failure by Lessee to make any payment required to be made by Lessee under this Lease as and when due or to provide evidence thereof to Lessor, where such failure shall continue for a period of five (5) days after written notice thereof from Lessor to Lessee.
- (b) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in Paragraph (a) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.
- (c) (i) The making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee becomes a "debtor" as defined in 11 U.S.C. §101 or any successor statute

thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days. Provided, however, in the event that any provision of this Paragraph 13.1(c) is contrary to any applicable law, such provision shall be of no force or effect.

- 13.2 **Remedies.** In the event of any default or breach of this Lease by Lessee, Lessor may at any time thereafter, with notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:
- Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lesse shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all damages incurred by Lessor by reason of Lessee's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises, attorneys' fees, and any real estate committee and Lessee's right to possession of the Premises.
 - (e) Pursue any o her remedy now or hereafter available to Lessor at law or in equity.
- 13.3 Interest. Lessee hereby acknowledges that late payment by Lessee to Lessor of any sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor interest on the amount due at the annual rate of 10% payable from the date such payment was due until paid. The parties hereby agree that such interest represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee.
- 13.4 Lessor's Action. If Lessee at any time fails to make any payment or perform any other act on its part to be made or performed under this Lease, Lessor may, but shall not be obligated to, after reasonable notice or demand and without waiving or releasing Lessee from any obligation under this Lease or waiving or releasing any rights of Lessor under this Lease, at law, or in equity, make such payment or perform such other act to the extent Lessor may deem desirable and in that connection pay expenses and employ counsel. All sums paid by Lessor and all costs, charges, and expenses incurred by Lessor in enforcing Lessee's obligations under this Lease or incurred by Lessor in any litigation, negotiation, or transaction in which Lessor causes Lessee, without Lessor's fault, to be involved or concerned (including, but not limited to attorneys' fees and costs) shall be payable upon demand, together with interest at an annual rate equal to the maximum rate permissible by law from the date of such failure by Lessee.

- 14. Estoppel Certificate. Either party shall, at any time upon not less than ten (10) days' prior written notice from the other party, execute, acknowledge, and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Lessee or Lessor hereunder, or specifying such defaults if any are claimed; and (iii) such other matters as such may reasonably request. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.
- 15. Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.
- 16. Time of Essence. Time is of the essence of this Lease and of each of the provisions of this Lease.
- 17. Rent. Any monetary obligations of Lessee to Lessor under the terms of this Lease shall be deemed to be rent.
- 18. Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.
- 19. Notices. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by nationally recognized private courier, or by United States mail. Notices delivered by mail shall be deemed given three (?) business days after being deposited in the United States mail, postage prepaid, registered by certified mail, return receipt requested. Notices delivered by hand, by facsimile, or by nationally recognized private carrier shall be deemed given on the first business day following receipt; provided, however, that a notice aclivered by facsimile shall only be effective if such notice is also delivered by hand, or deposited in the United States mail, postage prepaid, registered or certified mail, on or before two (2) business days after its (its) very by facsimile. All notices shall be addressed as follows:

If to Lessor addressed to:

Wm. E. Wright Limited Partnership c/o LaSalle Capital Group, Inc.

Three First National Plaza

Suite 5710

Chicago, Illinois 60602

Attention: Rocco J. Martino

Telecopier: (312) 236-0720

With a copy to:

Altheimer & Gray 10 South Wacker Drive

Suite 4000

Chicago, Illinois 60606

Attention: S. Michael Peck

Telecopier: (312) 715-4800

Office

If to Lessee addressed to:

Wright Acquisition Co.

c/o Conso International Corporation

513 North Duncan Bypass

P. O. Box 326

Union, South Carolina 29379 Attention: J. Cary Findlay Telecopier: (864) 427-8820

With a copy to:

Kennedy Covington Lobdell & Hickman, L.L.P.

Bank of America Corporate Center

100 North Tryon Street

Suite 4200

Charlotte, North Carolina 28202-4006 Attention: J. Norfleet Pruden, III

Telecopier: (704) 331-7598

and/or to such other respective addresses and/or addresses as may be designated by notice given in accordance with the provisions of this Paragraph 19.

- Other provision hereof or of any subsequent breach by the other party of the same or any other provision. A party's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of such party's consent to or approval of any subsequent act by the other party. No failure by either party to insist upon the strict performance by the other party of any covenant, agreement, term, or condition of this Lease or to exercise any right or remedy consequent aron a breach thereof, and no payment or acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term, or condition. No covenant, agreement, term, or condition of this Lease to be performed or complied with by either party, and no breach thereof, shall be waived, altered, or modified except by a written instrument executed by the other party. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term, and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.
- 21. Recording. Lessor and Lessee shall record this Lease or any "short form" memorandum of this Lease.
- 22. Holding Over. Lessee shall pay Lessor the amount of Seven Hundred Fifty and No/100 dollars (\$750.00) per day for each day Lessee shall retain possession of the Premises or any part thereof after expiration of the Term or earlier termination of this Lease, together with all damages sustained by Lessor, on account thereof. The foregoing provisions shall not serve as permission for Lessee to hold-over, nor serve to extend the Term (although Lessee shall remain a tenant at sufferance, bound to comply with all provisions of this Lease until Lessee vacates the Premises). Lessor shall have the right, at any time after expiration or earlier termination of this Lease or Lessee's right to possession, to reenter and possess the Premises and remove all property and persons therefrom, and Lessor shall have such other remedies for holdover as may be available to Lessor under other provisions of this Lease or applicable Laws.
- 23. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.
- 24. Covenants and Conditions. Each provision of this Lease performable by Lessee shall be

deemed both a covenant and a condition.

25. Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subletting by Lessee, this Lease shall bind the parties, their personal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Illinois.

26. Subordination.

- (a) This Lease, at Lessor's option, shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the real property of which the Premises are a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Lessee's right to quiet possession of the Premises shall not be disturbed if Lessee is not in default unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof.
- (b) Provided Les see receives a non-disturbance agreement, Lessee agrees to execute any documents required to effectuate an autornment, a subordination or to make this Lease prior to the lien of any mortgage, deed of trust or ground lease, as the case may be.
- 27. Attorneys' Fees. If either party named herein brings an action at law or in equity and in doing so incurs any attorneys' fees and costs, court costs and expenses, and related expenses, to enforce the terms of this Lease against the other, then the prevailing party in such proceeding shall have its reasonable attorneys' fees and costs, court costs and expenses, and related expenses incurred in such proceeding paid by the party that does not prevail in such proceeding. For purposes of this Paragraph 27, the "prevailing party" shall be the party that by law is entitled to recover its costs of suit, whether or not the action proceeds to final judgment. If the party which instituted suit shall dismiss as against the other party without concurrence of the other party, the nondismissing party shall be deemed the prevailing party.
- 28. Lessor's Access. Lessor and Lessor's agents shall, after reasonable prior notice to Lessee, have the right to enter the Premises at reasonable times for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees, and making such alterations, rep irs, improvements or additions to the Premises or to the building of which they are a part as Lessor may deem necessary or desirable; provided that Lessor shall not show the Premises to prospective purchasers until the second full calendar month of the Term.
- 29. Auctions. Lessee shall not conduct, nor permit to be conducted, either voluntarily or involuntarily, any auction upon the Premises.
- 30. Signs. Lessee shall not place any sign upon the Premises without Lessor's prior written consent, which Lessor may withhold in its sole and absolute discretion.
- 31. Merger. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any

or all of such subtenancies.

- 32. Quiet Possession. Unless Lessee is in default under this Lease, Lessee shall have quiet possession of the Premises for the entire Term subject to all of the provisions of this Lease and those matters of record as of the date of this Lease. The individuals executing this Lease on behalf of Lessor and Lessee represent and warrant that they are fully authorized and legally capable of executing this Lease on behalf of Lessor and Lessee, respectively, and that such execution is binding.
- 33. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.
- 34. Authority. Each individual executing this Lease on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessee, and each individual executing this Lease on behalf of Lessor represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Lessor.
- 35. Limitation of Liability. The liability of Lessor (which, for purposes of this Section 35, shall include any parent, affiliate, or subsidiary corporation of Lessor and any directors, officers, employees, members, shareholders, partners, or agents of Lessor and any of the foregoing) under this Lease for damages or otherwise shall be limited to Lessor's interest in the Premises. Lessor shall have no personal liability beyond its interest therein and no other property or assets of Lessor shall be subject to levy, execution, or other enforcement procedure for the satisfaction of Lessee's remedies. Nothing in this Section 35 shall prevent or impair Lessee from seeking injurctive relief or other equitable remedies against Lessor. Additionally, this Section 35 shall not apply to any obligation of Lessor under the Environmental Agreement.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

[The signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

WM. E. WRIGHT LIMITED PARTNERSHIP

By: WM. E. WRAGHT CO., Its Managing General Partner

Property of Cook County Clerk's Office

STATE OF NEW YORK)) ss
COUNTY OF HEW YORK)
I,
GIVEN under my hand and notarial seal, this 17 day of November, 2000. Thun New Member Notary Public
My Commission Expires: TANNER NEIDHARDT Notary Public, State of New York No. 01NE6039459 Qualified in New York County Commission Expires April 3, 2002
STATE OF NEW YORK) ss
COUNTY OF NEW YORK)
I, Christian Aiello, a Notary Public in and for said County in the State aforesaid, do hereby certify that Kicheed Zooo, the Vice fresident of Wright Acquisition Co., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes set forth therein
GIVEN under my hand and notarial seal, this 16 day of November, 2000. Christine Giells
Christine Giallo Notary Public

My Commission Expires:

CHRISTINE AIELLO
NOTARY PUBLIC, State of New York
No. 01Al6006778
Qualified in Nassau County
Commission Expires May 4, 2002

EXHIBIT A

PREMISES

Parcel One:

Lots 20, 21, 22, 23 and 24 in Block 24 in Ravenswood, being a Subdivision in Sections 17 and 18, Township Forty North, Range 14, east of the Third Principal Meridian, in Cook County, Illinois.

Parcel Two:

Lot 1 and the north seven and one half feet of Lot 2 in Block 24 in Ravenswood, being a Subdivision in Sections 17 and 18. Township Forty North, Range 14, east of the Third Principal Meridian, in Cook County, Illinois.

The common address of the property is: 4343 N. Ravenswood Avenue, Chicago, Illinois

Permanent Real Estate Index Numbers: 14-18-403-001-0000

14-18-403-002-0000

14-13-403-021-0000

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