

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Arcapita Bank B.S.C. (c), et al.

Reorganized Debtors.

CHAPTER 11

Case No.: 12-11076 (SHL)

RESPONSE TO TENTH OMNIBUS OBJECTION TO CLAIMS

TO: COUNSEL FOR ARCAPITA BANK B.S.C. (C), ET AL.:

COME NOW, creditors, McCall's Grading and Transport ("McCalls") and Panagakos Asphalt Paving Co., Inc. ("Panagakos") (collectively hereinafter "Creditors") and hereby respond to the Tenth Omnibus Objection to Claims filed by the Reorganized Debtors.

Reorganized Debtors allege that Creditors hold a no liability claim since their claims, Claim Nos. 51 and 136, respectively, are asserted against entities other than any of the Debtors and the Debtor's Book & Records do not indicate any basis for a Debtor's liability on any of them.

Both McCalls and Panagakos' claims result from their respective contracts with "ARC Pickens Leasing LLC in care of Arcapita, Inc." who was the tenant/sublandlord of certain real property located at 111 Kayaker Way, Easley, SC 29641. See **Exhibit A**: "ARC Pickens Leasing LLC in care of Arcapita, Inc."s sublease agreement. See **Exhibit B**: McCalls Invoices. See **Exhibit C**: Panagakos' Invoices. Furthermore, and contrary to the Reorganized Debtors' position that the Creditors' are asserted against entities other than any of the Debtors and the Debtor's Book & Records do not indicate any basis for a Debtor's liability on any of them, the Debtors have admitted:

- 1) During the course of their relationship, the Debtors and McCalls entered into numerous agreements, which are evidence by invoices, communications, and other documents;
- 2) The Debtors purchased goods and/or services from McCalls; and
- 3) Each payment to McCalls was made by “Arcapita Bank B.S.C. (c)”, the debtor transferor.

See **Exhibit D**: Reorganized Debtors’ Complaint to Avoid Transfers against Defendant McCalls, ¶ 21, 22, 23, and Exhibit A. Panagakos, similarly, was scheduled to be paid by Arcapita, Inc.

See **Exhibit E**: Email regarding payment from Arcapita, Inc.

For the foregoing reasons, Reorganized Debtors should be judicially estopped from taking the position that Creditors’ claims against “ARC Pickens Leasing LLC in care of Arcapita, Inc.” are not claims against the Debtors and judicially estopped from taking the positions that Debtor’s Book & Records do not indicate any basis for a Debtor’s liability to Creditors. Accordingly, Creditors’ claims should be allowed against the Debtors.

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CONCLUSION

WHEREFORE, McCalls and Panagakos respectfully request that their claims (Claim Nos. 51 and 136, respectively) be allowed and that the relief requested in the Tenth Omnibus Objection as it relates to McCalls and Panagakos be denied.

Respectfully submitted this 28th day of April, 2014,

McCall's Grading and Transport and Panagakos
Asphalt Paving Co., Inc.

By:



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Greenville, South Carolina

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In re:)	
)	CHAPTER 11
Arcapita Bank B.S.C. (c), et al.)	
)	Case No.: 12-11076 (SHL)
Reorganized Debtors.)	
)	

CERTIFICATE OF SERVICE

We do hereby certify that a copy of McCall's Grading and Transport and Panagakos Asphalt Paving Co., Inc. **Response to Tenth Omnibus Objection to Claims** was served upon the following:

Milbank, Tweek, Hadley & McCloy, LLP
Attn: Lena Mandel, Esq. and
Nicolas Kamphaus, Esq.
1 Chase Manhattan Plaza
New York, New York 10005
Counsel for the Reorganized Debtors

Office of the United States Trustee
for the Southern District of New York
Attn: Richard Morrissey, Esq.
33 Whitehall Street, 21st Floor
New York, New York 10004

By:



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STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

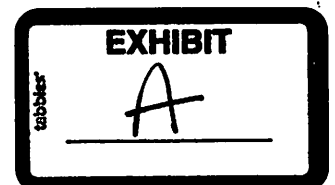
SUBLEASE AGREEMENT

(Manufacturing and Warehouse Property)

This SUBLEASE AGREEMENT (this "Sublease") is made this 7th day of November, 2011 (the "Effective Date"), between ARC PICKENS LEASING LLC, a Delaware limited liability company ("Sublandlord"), and the sub-Subtenant named below.

REFERENCE PROVISIONS. The following table contains reference provisions and definitions of terms used throughout this Sublease. It is not meant that these reference provisions be dispositive in respect of the substantive points contained herein; rather these reference provisions are for orientation and are supplemented by the more detailed contents and agreements of this Sublease.

Subtenant:	Kongsberg Actuation Systems II, Inc. , a Connecticut corporation
Subtenant Related Parties	Subtenant, its assignees, vendors, agents, contractors, employees, licensees, guests or invitees.
Subtenant Address, and Telephone:	Kongsberg Automotive 111 Kayaker Way Easley, SC 29641 Attn: Plant Manager With a copy to Kongsberg Automotive 27275 Haggerty Road Novi, Michigan 48377 Attn: Assistant General Counsel
Guarantors:	Kongsberg Automotive Holding ASA
Sublandlord:	ARC Pickens Leasing LLC In care of Arcapita, Inc. 75 Fourteenth Street 24 th Floor Atlanta GA, 30309 Attn: William C. Miller, Jr.
Sublandlord Broker:	CB Richard Ellis The Furman Co.
Sublandlord Related Parties:	Sublandlord, its principals, beneficiaries, members, partners, officers, directors, agents, employees and any mortgagee(s).
Premises:	That certain building containing approximately 82,930 rentable square feet as well as real property and improvements depicted and identified as the Premises on the attached and incorporated Exhibit A hereto together with all appurtenances necessary for the Permitted Use. The said Premises are more particularly described herein.
Building:	Building A, containing approximately 82,930 rentable square feet and having a physical address at 111 Kayaker Way, Easley, SC 29641.



Property: That certain parcel or tract of real property more particularly identified as Pickens County Tax Map Parcels 5038-11-56-7279, 5038-11-56-4569 and 5038-11-56-1878, it being acknowledged that the Property encompasses the Building and the Premises AS WELL AS the Common Facilities.

Common Facilities: All infrastructure improvements or amenities serving the Property as a whole and necessary for the intended use and operation of the Premises as contemplated by this Sublease.

Term: Beginning on the Commencement Date and ending on June 30, 2023 (the "Expiration Date").

Commencement Date: November 17, 2011 or such later date as set forth in Section 5.3 herein

Rent: All Base Rent and additional rent.

Additional Rent: All sums and charges payable by Subtenant to Sublandlord in addition to Base Rent shall be deemed to be "additional rent" under this Sublease whether or not the same shall be designated as such. Sublandlord shall have the same remedies for Subtenant's failure to pay additional rent as for Subtenant's failure to pay Base Rent.

Rent Commencement Date: Rent shall commence to accrue on and as of the date that Sublandlord delivers the Premises to Subtenant with Sublandlord's Work (as hereinafter defined) substantially completed. See Section 5.4 of this Sublease for further detail.

Monthly Base Rent: As set forth on Addendum 1

Sublandlord's Broker: CBRE/The Furman Co. (Trey Pennington/Brian Young) (for Sublandlord)

Subtenant's Broker: None

Estimate of Operating Expenses for First Lease Year: 14 cents per square foot (\$11,610 annually and \$968 monthly)

Addenda: 1. Base Rent Schedule; and 2 Move-Out Conditions

Exhibits: A. Premises Depiction;
B. Master Lease;
C. Master Landlord Consent to Sublease;
D-1. Decommissioning Report
D-2. Description of Sublandlord's Upfit (Exhibit A to Sublease Proposal dated September 15, 2011);
D-3. Statement of Acceptance;
D-4. Description of Subtenant's Work;
E. Listing of Hazardous Materials; (tenant supplied Hazardous MSDS information)
F. Executive Summary of Subtenant's Environmental Testing

1. GRANTING CLAUSE. In consideration of the obligation of Subtenant to pay Rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Sublandlord sub-leases to Subtenant, and Subtenant

takes and hires from Sublandlord, the Premises, TO HAVE AND TO HOLD unto the Subtenant for the Term hereof and subject to the terms, covenants and conditions of this Sublease.

2. RELATIONSHIP OF SUBLEASE TO MASTER LEASE. This is a sublease. More particularly, the Sublandlord's interest in the Premises is as a lessee under that certain Net Lease Agreement by and between William E. Masters (the "Master Landlord") and Perception, Inc. dated June 25, 1988 (as heretofore modified or amended, the "Master Lease"). A copy of the Master Lease (including all amendments, modifications and assignments or assumptions) is attached and incorporated as Exhibit B hereto. Except as explicitly provided, this Sublease is expressly made subject to the terms and conditions of the Master Lease. By way of clarification, but not as limitation, it is acknowledged that Subtenant is not bound by the rental obligations of the Master Lease nor does Subtenant acquire the right to use and occupy the full extent of Master Lease premises. Rather, the rent payment terms, expense provisions and premises definition of this Sublease shall control. Moreover, the premises-use limitations of the Master Lease are altered, and this Sublease is ratified, according to that certain Master Landlord Consent to Sublease attached and incorporated as Exhibit C hereto. In all other respects, Subtenant shall use the Premises in accordance with the terms of the Master Lease and shall not do or omit to do anything which would constitute a breach of the Master Lease. ~~If the Master Lease is terminated, this Sublease will terminate simultaneously, and any unearned rent paid in advance will be refunded to Subtenant, provided such termination is not due to a breach by Subtenant as to this Sublease.~~ Sublandlord agrees that it shall, when necessary and when requested by Subtenant, cause the Master Landlord to perform Master Landlord's obligations under the Master Lease. Further, Sublandlord covenants not to cause a breach of the Master Lease by or through its acts or omissions during the term of this Sublease. Sublandlord represents and warrants that the Master Lease is presently in full force and effect, that there is no ongoing breach of the Master Lease claimed by Sublandlord as against Master Landlord. Sublandlord further represents and warrants that it is not aware of any right of Master Landlord to claim a breach of the Master Lease and that Sublandlord has received no notice of breach of the Master Lease claimed by Master Landlord as against Sublandlord.

3. USE. The Premises shall be used only for the purpose of receiving, storing, shipping and distributing products and materials, for manufacture of Subtenant's products and for ancillary office use and for such other lawful purposes as may be incidental thereto (the "Permitted Use"). Additionally, Subtenant will use the Premises in a careful, safe and lawful manner and will not commit waste or take any action that would constitute a nuisance or that would disturb, unreasonably interfere with, or endanger Sublandlord, other subtenants at the Property or adjacent property owners.

4. COMPLIANCE WITH LAWS. Subtenant, at its sole expense, shall use and occupy the Premises in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises (collectively, "Legal Requirements").

5. UPFIT AND DELIVERY OF PREMISES.

5.1. Occupancy is Acceptance. By taking possession of the Premises, Subtenant is deemed to have (i) inspected the Premises and (ii) subject to completion of Sublandlord's Work described below, accepted the premises with no representation or warranty by or on behalf of Sublandlord as to the fitness or suitability of the Premises, for Subtenant's use thereof.

5.2. Sublandlord's Representations and Warranties of Condition. Sublandlord represents and warrants to Subtenant that (i) the plumbing, electrical, office HVAC and gas systems are all in good working order and condition, (ii) the roof is leak free and is in good condition, with all reasonable and customary maintenance issues addressed, (iii) the building is structurally sound, (iv) the exterior walls are in good repair (reasonable wear and tear excepted), (v) the wall and ceiling insulation is in good condition, (vi) the parking lot is in good condition, (vii) the fire suppression system is in good working condition and is in full compliance with all current fire codes, laws and regulation, (viii) the storm water drainage system is in good operating condition, (ix) the exterior grading is structurally sound, (x) the floor drains are cleaned and capped, the subgrade pits are filled in and the floors are properly reinstated, (xi) the interior floors are in good repair, and (xii) the access and perimeter roads on the Property are in good repair (collectively, the foregoing representations and warranties are hereinafter the "Baseline Condition Representation"). Sublandlord and Subtenant acknowledge and agree that Sublandlord has, as the basis for giving the Baseline Condition Representation, relied exclusively on that certain depiction and description of the Premises and Sublandlord's Work entitled "Decommission of

Buildings A, B and C, 111 Kayaker Way, Easley SC 29642" (hereinafter the "Decommissioning Report") which is attached and incorporated as Exhibit D-1 to this Sublease. It is acknowledged and agreed that the Decommissioning Report reflects improvements to be constructed or installed as part of Landlord's Work, and in this respect, the foregoing representation and warranty and reference to the Decommissioning Report constitutes a covenant of Sublandlord to deliver the Premises to Subtenant in a baseline condition. In the instance that Subtenant shall claim a breach of the Baseline Condition Representation, subject to the terms of Section 5.4 below in the event of failure to meet the Upfit Deadline, Subtenant's sole remedy shall be to require that Sublandlord cause the Premises to be brought into conformity with the Decommissioning Report.

5.3. Initial Access and Occupancy. It is acknowledged and understood that the Property is currently occupied by, and subleased to, Confluence Holdings Corp., a Delaware corporation ("Confluence") according to a sublease dated May 16, 2005 (as heretofore modified, amended or extended the "Confluence Sublease"). The term of the said Confluence Sublease expires on November 16, 2011; however, in acknowledgement of possible hold-over by Confluence, Sublandlord and Subtenant agree that Subtenant's initial access to the Premises is contingent on Confluence's vacating. In order to variously facilitate Subtenant's oversight of Premises upfit and to expedite Subtenant's ultimate use of the Premises, Sublandlord and Subtenant agree that Subtenant shall have the option of occupying portions of the Premises as they become available (i.e., after vacation by Confluence and prior to the substantial completion of Sublandlord's Work as set forth below) (the "Interim Occupancy"). Such Interim Occupancy shall be in all respects subject to the terms, covenants and provisions of this Sublease, but Subtenant shall not be obligated to pay Base Rent or Operating Expenses prior to the below-defined Rent Commencement Date. Further, in the event that Confluence fails to vacate the Premises and thereby prevents Subtenant from taking up Interim Occupancy of the Premises until after December 1, 2011 (the "Vacancy Deadline"), then Subtenant shall receive two (2) days of rent-free occupancy of the Premises for each day that Interim Occupancy is delayed due to a continued Confluence holdover. In other words and under such circumstances, the Rent Commencement Date shall be deferred beyond the date dictated by Section 5.4 of this Sublease for an interval equal to twice the number of days following the Vacancy Deadline and during which Confluence's holdover precludes Subtenant's Interim Occupancy.

5.4. Sublandlord's Work in Connection with Subtenant's Initial Occupancy. Sublandlord, at its sole cost and expense, shall design and construct certain improvements and perform work related to Subtenant's initial occupancy of the Premises as provided in the Decommissioning Report and as supplemented by that certain description of Sublandlord's Upfit attached and incorporated as Exhibit D-2 hereto (collectively "Sublandlord's Work"). Inasmuch as the Decommissioning Report constitutes plans and specifications for Sublandlord's Work, it shall be submitted to Subtenant for its approval, which shall not be unreasonably withheld, delayed or conditioned. Sublandlord's Work shall be completed (i) in a first-class, workmanlike manner, (ii) by duly qualified or licensed and insured persons. In any case, Sublandlord and Subtenant agree that Subtenant's obligation to pay Rent shall not begin until the date when Landlord's Work is substantially completed (the "Rent Commencement Date"). For purposes of this Sublease, Sublandlord's Work shall be deemed "substantially completed" if and when the following conditions are met: (i) Subtenant can reasonably access and occupy the entire Premises and commence Subtenant's Work (as defined below); (ii) the improvements contemplated and with the scope of Sublandlord's Work are physically in place and functioning according to their intended purposes; and (iii) Subtenant shall have executed a memorial evidencing substantial completion of Sublandlord's Work and Subtenant's acceptance of the Premises, subject only to punchlist items (the "Statement of Acceptance" in form attached and incorporated as Exhibit D-3). In the event that Sublandlord's Work is not substantially completed on or before March 31, 2012 (the "Upfit Deadline"), Subtenant shall have the following exclusive and alternative rights and remedies:

- 5.4.1. Self-Help Completion of Sublandlord's Work: Sublandlord and Subtenant agree that in the event Sublandlord fails to substantially complete Sublandlord's Work on or before the Upfit Deadline, Subtenant shall have the right, after twenty (20) days prior written notice, to complete Sublandlord's Work on account of Sublandlord, and Sublandlord shall reimburse Subtenant for the expense of such completion; OR
- 5.4.2. Rent Commencement Deferral from Sublandlord's Delay: Sublandlord and Subtenant agree that in the event Sublandlord fails to substantially complete Sublandlord's Work on or before the Upfit Deadline, Subtenant shall receive two (2) days of rent-free occupancy of the Premises for each day of Sublandlord's failure and delay, except to the extent such delay was directly and singularly caused by

the action or inaction of Subtenant. In other words and under such circumstances, the Rent Commencement Date shall be deferred beyond substantial completion of Sublandlord's Work for an interval equal to twice the number of days by which Sublandlord's substantial completion of Sublandlord's Work follows the Upfit Deadline.

5.5. Subtenant Improvements in Connection with Initial Occupancy. Subtenant, at its sole cost and expense (but subject to allowances paid by Sublandlord, if any), shall design and construct certain improvements and perform work related to Subtenant's initial occupancy of the Premises as generally described in the attached and incorporated Exhibit D-4 hereto ("Subtenant's Work"). More particularly and by way of expanding on Exhibit D-4, the "Subtenant's Work" shall mean and include, without limitation, all alterations, improvements, remodeling and construction required in connection with Subtenant's initial occupancy of the Premises which are not explicitly within the scope of Sublandlord's Work, together with all necessary modifications to the mechanical, plumbing, and electrical, signage, and lighting systems, fire protection systems and HVAC systems within the Premises or providing service to the Premises, as required by all applicable laws or necessary to accommodate the Subtenant's Work. Subtenant shall be solely responsible for causing Subtenant's Work to be in compliance with all applicable laws and building codes and for the quality and structural integrity of any such improvements.

5.6. Subtenant Alterations, Generally, and Trade Fixtures. Any and all improvements or alterations to the Premises required of, or otherwise undertaken by, Subtenant pursuant to this Sublease (the "Subtenant Improvements") including, without limitation, the Subtenant's Work, shall be performed (i) by Subtenant at Subtenant's sole cost and expense (but subject to allowances paid by Sublandlord, if any), (ii) in a first-class, workmanlike manner, (iii) by duly qualified or licensed and insured persons and (iv) without interference with the operations of other tenants of Sublandlord who share a right to use the Common Facilities. In addition to those Subtenant Improvements desired by Subtenant to accommodate its operations within the Premises, Subtenant shall cause and construct, at its sole expense, all Subtenant Improvements necessary to comply with insurance requirements and with Legal Requirements. Except to the extent required by the Master Lease, Subtenant may freely make alterations or improvements to the Premises without Sublandlord's consent or approval, but Subtenant shall be obligated to give Sublandlord notice prior to commencing any major alteration or improvement to the Premises. Prior to commencement of construction, Sublandlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. For purposes of this Section 5.6, a "major alteration" is defined as construction costing more than \$100,000 in labor and materials.

5.7. Ownership of Improvements. All present and future alterations, additions or improvements made in, on or to the Premises, by either Subtenant or Sublandlord, including, without limitation, all Subtenant's Improvements, improvements derived from Sublandlord's Work, non-trade equipment and non-trade fixtures (the "Leasehold Improvements") shall, at the conclusion of this Sublease, become the property of Master Landlord, and unless Sublandlord directs otherwise, shall remain upon and be surrendered with the Premises as part thereof in good order, condition and repair, ordinary wear and tear and damage due to casualty excepted, upon Subtenant's surrender, vacation or abandonment of the Premises. If Sublandlord directs, Subtenant shall remove all or a portion of the Leasehold Improvements from the Premises on or immediately prior to the Expiration Date or the termination of Subtenant's right to possession and shall restore the Premises to the same condition as existed prior to the installation of such improvements. All movable goods, inventory, furniture, trade fixtures (including those that may be affixed to the Premises) and other movable personal property belonging to Subtenant which are installed or stored in the Premises by Subtenant and are not permanently affixed to the Premises, shall remain Subtenant's property ("Subtenant's Property") and shall be removed by Subtenant on or prior to the Expiration Date (or the earlier termination of Subtenant's right to possession of the Premises) provided that Subtenant shall immediately repair any damage to the Premises caused by the removal of any of Subtenant's Property and restore the leased premises to the same condition as existed prior to the installation of such property.

5.8. Mechanic's liens. No mechanic's or other similar lien shall be allowed against the Premises or the estate of Sublandlord. If any mechanic's or other such lien shall at any time be filed against the Premises by reason of work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to or for the benefit of Subtenant or anyone claiming by, through or under Subtenant, Subtenant shall forthwith cause the same to be discharged of record or bonded to the satisfaction of Sublandlord. If Subtenant shall fail to cause such lien to be so discharged or bonded within thirty (30) days after notice of the filing thereof, then, in addition to any other right or remedy of

Sublandlord, Sublandlord may, but shall not be obligated to, discharge the same, by paying the amount claimed to be due without inquiring as to the validity of any such lien, and the amount so paid by Sublandlord, including attorneys' fees incurred by Sublandlord in connection therewith, shall be due and payable by Subtenant to Sublandlord upon demand as Additional Rent.

5.9. Construction Allowance. Notwithstanding anything to the contrary contained in this Section 5 or any of its subsections, subject to the provisions of this Section 5.9 and provided Subtenant is not then in default hereunder beyond any applicable notice and cure period specifically set forth herein, Sublandlord agrees to contribute an amount equal to the lesser of (i) \$300,000.00 or (ii) the actual amount of the hard costs (i.e., the cost and expense of labor and materials for the Subtenant's Work) (the "Construction Allowance") to reimburse Subtenant for the cost of Subtenant's Work, it being understood and agreed that if the cost thereof exceeds the Construction Allowance, then such excess amount shall be borne by Subtenant. Written requests for reimbursement (each a "Draw Request") shall not be submitted more frequently than once per calendar month. In order to be deemed valid, each Draw Request shall be accompanied by (i) original executed and notarized unconditional waivers of lien from each of Subtenant's contractors for the completed portion of Subtenant's Work undertaken by them and sought for reimbursement, and (ii) a certification from Subtenant's construction manager that the work represented by the subject Draw Request has been performed or materials included in the subject Draw Request have been incorporated into the Premises. In addition to the foregoing validity requirements, the final Draw Request shall be accompanied by (i) copies of all final certificates of occupancy and other licenses and permits required to be obtained by Subtenant in order to occupy and operate its business upon the Premises, and (ii) plans and specifications depicting Subtenant's Work actually performed, as certified to by Subtenant's construction manager. Sublandlord shall pay all valid Draw Requests within 21 days following their receipt.

6. **BASE RENT.** Subtenant shall pay Base Rent in the amount set forth in Addendum 1 hereto. The first month's Base Rent and the Security Deposit, if any, shall be due and payable on the Rent Commencement Date, and Subtenant promises to pay to Sublandlord in advance, without demand, deduction or set-off, except as specifically set forth herein, monthly installments of Base Rent on or before the first day of each calendar month following the Commencement Date. Payments of Base Rent for any fractional calendar month shall be prorated. All payments required to be made by Subtenant to Sublandlord hereunder (or to such other party as Sublandlord may from time to time specify in writing) shall be made BY ELECTRONIC TRANSFER to such account, within the continental United States, as Sublandlord may from time to time designate to Subtenant in writing. If Sublandlord has failed to specify an account or place for payment, Base Rent shall be delivered by Subtenant, payable to Sublandlord at the address specified herein for notices to Sublandlord. Subtenant shall have no right to abate, reduce or set-off any rent due hereunder except as may be expressly provided in this Sublease. If Subtenant is delinquent in any monthly installment of Base Rent or of estimated Operating Expenses (as hereinafter defined) for more than 20 days, Subtenant shall pay to Sublandlord on demand a late charge equal to ten percent 10% of such delinquent sum. The provision for such late charge shall be in addition to all of Sublandlord's other rights and remedies hereunder or at law and shall not be construed as a penalty; rather, such late charges are intended to offset Sublandlord's collections or opportunity costs presently difficult or impossible to ascertain. Notwithstanding the foregoing, Sublandlord shall waive the late charge two times in any eighteen (18) consecutive month period.

7. **SECURITY DEPOSIT.** None.

8. **OPERATING EXPENSE PAYMENTS.** During each month of the Term, on the same date that Base Rent is due, Subtenant shall pay Sublandlord (in the same manner as Base Rent is paid) an amount equal to 1/12 of the annual cost, as estimated by Sublandlord from time to time of Operating Expenses (as hereinafter defined) for the Premises. Payments thereof for any fractional calendar month shall be prorated.

8.1. Operating Expense Definition/Inclusions. The term "Operating Expenses" means all costs and expenses incurred by Sublandlord with respect to the maintenance and operation of the Premises, including, but not limited to, costs of: Taxes (hereinafter defined) and fees payable to tax consultants and attorneys for consultation and contesting Taxes if such contestation is initiated by or approved by Subtenant; insurance; utilities, if any, separately consumed by Sublandlord in operating the Premises; additions or alterations made by Sublandlord to the Premises or the Building in order to comply with Legal Requirements (other than those expressly required herein to be made by Subtenant); any costs incurred in connection with any corrective action, investigation of site conditions, cleanup, removal, remedial, or

restorative work required pursuant to complying with any health and safety laws including the Occupational Safety & Health Act (OSHA) or Environmental Laws, solely to the extent such costs resulted from an act or omission of Subtenant (it being noted that direct costs associated with making the Premises comply with Legal Requirements are subject to other explicit terms of this Sublease); and any maintenance and repair expenses allocated to, or undertaken by Sublandlord, according to this Sublease (and not expressly excluded from Operating Expenses according to Section 8.2 of this Sublease)—provided that the costs of any additions, alterations, repairs, replacements, maintenance or repair that are required to be capitalized for federal income tax purposes shall be amortized on a straight line basis over a period equal to the lesser of the useful life thereof for federal income tax purposes or 10 years. Only the annual amortized portion of such costs shall be included in the annualized calculus of Operating Expenses, and Subtenant shall not be responsible for any such costs amortizing after the Expiration Date. To the extent that any Operating Expenses are not attributable solely to the Premises (being instead attributable to the Property as a whole), Sublandlord shall make such reasonable and equitable allocation of such costs and shall detail such allocation in connection with true-up reporting requirements set forth in Section 8.3 of this Sublease. For avoidance of doubt, Subtenant will be directly responsible for the contracting of and the cost of snow and ice removal, security services, trash collection, sweeping and rubbish removal.

8.2. Operating Expense Carve-Outs/Exclusions. Operating Expenses do not include all cost of capital repairs and capital replacements directly related to infrastructure repair and replacement required to be made by Sublandlord under Section 12 of this Sublease in excess of two (2) cents per rentable square foot of Building area per year; debt service under mortgages or rent payable by Sublandlord under the Master Lease; costs of Premises restoration; leasing commissions; costs of additions, alterations, repairs, replacements, maintenance or repair expenses for tenants of the Property other than Subtenant, including Sublandlord funded up-fits for such other tenants; any cost or expenditure (or portion thereof) for which Sublandlord is reimbursed, whether by insurance proceeds or otherwise; any federal, state, or local income tax, and any franchise, gift, transfer, excise, or inheritance tax; attorneys' fees incurred by Sublandlord in connection with any act of negligence or tortious misconduct by Sublandlord or its employees, contractors or agents (all of which attorneys' fees shall be subject to other explicit terms of this Sublease); Sublandlord's advertising, marketing, and promotional expenses; expenditures for items actually covered by insurance; any fines, penalties, or costs incurred because Sublandlord, its employees, contractors, or agents violated any law or other authority, including any Environmental Laws; cost of any repair and replacement incurred in connection with any casualty or condemnation (such costs associated with repair or replacement necessitated by casualty or condemnation are also subject to other explicit terms of this Sublease); and any fines, penalties, late fees, or interest attributable to the act or omission of the Sublandlord, or its agents, employees, or contractors in failing to make prompt payments of any kind. In addition, Sublandlord shall be solely responsible for the maintenance of the roof, foundation, the structural soundness of the exterior walls of the Premises, and the storm water drainage system, and costs and expenses related to these items shall be excluded from Operating Expenses.

8.3. True-Up of Operating Expenses. If Subtenant's total payments of estimated Operating Expenses for any year are less than actual Operating Expenses for such year, then Subtenant shall pay the difference to Sublandlord within 30 days after demand, and if more, then Sublandlord shall retain such excess and credit it against Subtenant's next monthly payments until such amount is depleted, or, if the Lease has expired or been terminated, refund such overpayment amount to Subtenant within 30 days. For purposes of calculating annualized actual or estimated Operating Expenses, a year shall mean a calendar year. Sublandlord shall annually report the difference between estimated and actual Operating Expenses and the demand for payment of any deficit or disposition of any surplus on or before March 31 of each calendar year of the Term and within sixty (60) days following the Expiration Date. Subtenant, or Subtenant's agent shall have the right to inspect or audit the Sublandlord's books or accounting records related to Operating Expenses for a period of up to one year after receipt of Sublandlord's statement pertaining thereto. In the event that such inspection or audit reveals an error or errors resulting in Subtenant being overcharged, at Subtenant's election, Sublandlord shall promptly reimburse Subtenant the amount of such overcharge in the form of a check within 30 days.

9. UTILITIES. Subtenant shall pay for all water, gas, electricity, heat, light, power, telephone, sewer, sprinkler services, refuse and trash collection, and other utilities and services used by Subtenant in connection with occupancy of the Premises; all maintenance charges for utilities; and any storm water sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Subtenant's use of the Premises. To the extent that such utilities are separately metered to the Premises, they shall be transferred into Subtenant's name immediately following the Commencement Date. Pending such transfer,

Sublandlord shall submit any bills for utilities consumed solely by Subtenant with a proration calculation, if applicable, for direct payment by Subtenant. To the extent that such utilities are not separately metered and are consumed by third parties in common with Subtenant, they shall be equitably apportioned at Sublandlord's reasonable discretion until such time as separate meters are installed and billing transferred into Subtenant's name. Pending such separate metering and subsequent transfer of billing, Subtenant shall pay Sublandlord prorated, as applicable, and apportioned costs according to separate invoicing from Sublandlord and within 10 business days following receipt thereof. Invoices, costs and expenses for utility consumption by Subtenant are not considered Operating Expenses and are not included in Sublandlord's estimates thereof. Sublandlord shall provide Subtenant with reasonable prior notice of any planned delay, interruption, suspension, curtailment or stoppage of any utility, service, system, or access to the Premises or Building. Regardless of any fault or responsibility therefore, Sublandlord shall endeavor, in good faith and with best efforts, to restore or remedy any interruption as soon as possible.

10. TAXES. For orientation, it is acknowledged and agreed that the Premises consists of one primary tax map parcel numbered 5038-11-56-4569 (the "Primary Parcel") and portions of other tax map parcels making up the Property (the "Secondary Parcels"). Further, it is acknowledged that certain Common Facilities, as appurtenances of the Premises, are located on the Secondary Parcels. Subtenant shall, in the first instance and prior to delinquency, fine or penalty, pay all real property taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Primary Parcel during the Lease Term. To the extent possible, Sublandlord shall cooperate with Subtenant and the taxing authority to arrange that tax notices relative to the Primary Parcel shall be sent directly to Subtenant for payment. Unless Subtenant is lawfully contesting Taxes on the Primary Parcel, Sublandlord may, at any time after such Taxes become delinquent, give written notice to Subtenant declaring the delinquency, and if such delinquency persists for ten (10) days following such notice, then Sublandlord may pay the delinquent Taxes on the Primary Parcel. Subtenant agrees to reimburse Sublandlord, on demand, for any such delinquent Taxes on the Primary Parcel paid by Sublandlord together with interest at the default rate set forth in Section 36.9 of this Sublease. Sublandlord shall pay all Taxes that accrue against the Secondary Parcels during the Lease Term, and not more than two (2) cents per rentable square foot of Building area per year shall be included as part of the Operating Expenses charged to Subtenant as a pass-through and "net-out" of these Taxes paid by Sublandlord. Subtenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed in the Premises, whether levied or assessed against Sublandlord or Subtenant.

11. INSURANCE.

11.1. Sublandlord's Insurance. Sublandlord shall maintain all risk property insurance covering the full replacement cost of the Building and rent loss insurance to cover instances of rent abatement hereunder. Sublandlord may, but is not obligated to, maintain such other insurance and additional coverage as it may deem necessary, including, but not limited to, commercial liability insurance. Premiums for all such insurance maintained by Sublandlord and directly relating to the Premises in accordance with the terms of this Sublease shall be included as part of the Operating Expenses charged to Subtenant. The Premises or Building may be included in a blanket policy (in which case the cost of such insurance allocable to the Premises or Building will be determined by Sublandlord based upon the insurer's cost calculations). If any increase in the cost of any insurance on the Premises is caused by Subtenant's specific use or occupancy of the Premises, or the use of any assignee from or Subtenant to Subtenant, then Subtenant shall also pay the actual amount of such increase to Sublandlord as part of the Operating Expenses charged to Subtenant.

11.2. Subtenant's Insurance. Subtenant, at its expense, shall maintain during the Term: all risk property insurance covering any property and improvements installed or placed in the Premises by Subtenant at Subtenant's expense; business interruption insurance with a coverage period of not less than eighteen (18) months; worker's compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial liability insurance, with combined single limits of \$2,000,000 per occurrence and a minimum umbrella limit of \$5,000,000, for a total minimum combined general liability and umbrella limit of \$7,000,000 for property damage, personal injuries, or deaths of persons occurring in or about the Premises. Subtenant's commercial liability policies shall list Sublandlord as an additional insured as to the Premises, insure on an occurrence and not a claims-made basis, be issued by insurance companies which are authorized to do business in the state of the South Carolina and have a financial Best's rating of at least A-/VII, not be cancelable unless 30 days' prior written notice shall have been given to Sublandlord, and shall be primary and noncontributing to any insurance carried by Sublandlord.

Certificates of such policies shall be delivered to Sublandlord by Subtenant upon commencement of the Term and upon each renewal of said insurance.

11.3. Waiver of Subrogation. The all risk property insurance obtained by Sublandlord and Subtenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Sublandlord or Subtenant, their officers, directors, employees, managers, agents, invitees and contractors, in connection with any loss or damage thereby insured against. Neither party nor its officers, directors, employees, managers, agents, invitees or contractors shall be liable to the other for loss or damage caused by any risk coverable by all risk property insurance, and each party waives any claims against the other party, and its officers, directors, employees, managers, agents, invitees and contractors for such loss or damage. The failure of a party to insure its property shall not void this waiver. Notwithstanding the foregoing waivers, either party to this Sublease shall be entitled to recover their reasonable insurance deductibles (not to exceed \$25,000.00) according to the indemnity provisions of Section 19, hereinbelow.

12. **CAPITAL REPLACEMENTS AT SUBLANDLORD'S EXPENSE.** Sublandlord shall be responsible for the replacement, at its expense and upon a determination by Sublandlord of deterioration or depreciation of any capital components of the Premises, including any capital component of the roof and roofing system, the foundation, slab, exterior walls, load bearing walls or structural features of the Buildings, any retaining wall, or any capital component of the fire and life safety system. The term "walls" as used in this Section 12 shall not include windows, window seals, glass or plate glass, all of which shall be considered wear items subject to the normal maintenance and repair specifications of this Sublease. For purposes of this Section 12, a "capital component" shall be defined as any physical fixture, structure or improvement comprising a portion of the Building and having a useful or depreciable life of not less than (ten) 10 years. In order to assess the condition of all capital components and in connection with maintenance and repair rights and obligations set forth in Section 13 of this Sublease, Sublandlord shall be allowed to enter the Premises to perform routine inspections on all existing systems and equipment subject to the Subtenant's security requirements and 24 hours advance notice to Subtenant of Sublandlord's intent to access the Premises.

13. **REPAIRS AND MAINTENANCE.**

13.1. Subtenant's Obligation to Maintain the Premises. Subject to Section 8 of this Sublease, Subtenant, at its sole cost and expense, shall keep and maintain all physical elements of the Premises in good repair and condition. By way of explicit inclusion, and not by way of limitation, Subtenant's regular maintenance obligations shall extend to and include the parking areas, driveways, exterior lighting, fencing, surface water drains and landscaping serving the Premises; the HVAC system, mechanical, plumbing, electrical, sprinkler, emergency lighting and life safety systems serving the Premises; loading dock doors, dock bumpers, dock seals, dock plates or levelers; and interior walls, doors, floors, non-emergency lighting, windows and general Building fixtures. Subtenant, at its sole expense, shall additionally provide its own janitorial services, shall generally keep the Premises clean and arrange for trash collection, and shall repair and maintain in good condition the telecommunications wiring, data cabling, conduits supporting such wiring and cabling and telecommunications fixtures of the Building. By way of clarification, but not as limitation, it is the intent of this Section 13 that Subtenant shall be responsible for repair and maintenance of the Premises in all respects (to include replacement of Building and Premises improvements which are not "capital components" as defined in Section 12) and excluding only those items specifically enumerated as a Sublandlord obligations (which includes the roof, the foundation, and the structure and soundness of the exterior walls and the storm water drainage system) and that the cumulative costs of such repair and maintenance shall be Subtenant's direct responsibility.

13.2. Sublandlord's Self-help Right of Repair. If Subtenant fails to commence to perform its maintenance obligations set forth in this Sublease within ten (10) days after receipt of written notice of such failure, or fails to diligently pursue such performance to completion within a reasonable time, Sublandlord may at Sublandlord's option perform such maintenance on Subtenant's behalf, in which case Subtenant shall reimburse Sublandlord for the actual cost of such maintenance along with an administrative fee of four percent (4%) thereof, payable within 30 days following demand. Also, in the event of an emergency (any event that in Sublandlord's reasonable opinion poses an immediate threat to life and/or property), Sublandlord shall likewise have the right, but not the obligation, to make necessary and appropriate repairs, or to take the necessary appropriate action, on behalf of Subtenant and at Subtenant's expense. Sublandlord shall be obligated to make reasonable, good faith efforts to contact Subtenant and provide notice of such emergency, and Subtenant shall be provided reasonable opportunity to make the necessary and appropriate repairs itself. Notwithstanding anything to the contrary, Sublandlord may perform any maintenance activity otherwise specified as a

Subtenant performance obligation, if Subtenant and Sublandlord agree as to the time, manner, materials, expense allocation and general standards of performance applicable thereto.

14. SIGNS. Subtenant shall have the right to install appropriate signage, including, without limitation, Subtenant's logo and name, on the Building and at the Premises entrance. Subtenant shall obtain all applicable governmental permits and approvals for sign and exterior treatments. Upon surrender or vacation of the Premises, Subtenant shall have removed all signs and repair, paint, and/or replace the Building fascia surface to which the signs are attached.

15. PARKING. The parking area that services the Building is explicitly a part of the Premises. Sublandlord shall not be responsible for enforcing Subtenant's parking rights against any third parties.

16. CASUALTY RESTORATION.

16.1. Termination or Repair. If at any time during the Term, casualty damage or destruction of the Premises occurs which adversely affects fifteen percent (15%) or more of the Building area or materially impacts Subtenant's business operations ("Substantial Damage"), Subtenant shall give prompt written notice thereof to Sublandlord, if Sublandlord does not otherwise have actual knowledge thereof. In the instance of such a Substantial Damage event requiring reconstruction of the Building that is reasonably expected to take longer than 120 days to complete (as declared in the Time Estimate Notice, as defined below), Subtenant may, at its option, terminate this Sublease by notifying Sublandlord in writing of such termination within twenty (20) days after the date of the subject casualty. If Subtenant does not elect to terminate this Sublease, Sublandlord shall commence and proceed with reasonable diligence to restore the Building; except that Sublandlord's obligation to restore shall not require Sublandlord to spend for such work an amount in excess of the insurance proceeds actually received by Sublandlord as a result of the casualty. Notwithstanding anything to the contrary contained in this section, Sublandlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damage resulting from any casualty addressed in this Section 16.1 occurs during the last 12 months of the Term, in which case this Sublease shall terminate. For purposes hereof, a "Time Estimate Notice" shall be a notice delivered by Sublandlord to Subtenant, setting forth the time which will be needed to repair such damage, as determined by Sublandlord in its reasonable discretion. Such Time Estimate Notice will be delivered within 10 days after the date of the casualty. If at any time during the Term, casualty damage or destruction of the Premises occurs which does not reach the Substantial Damage threshold, Sublandlord shall diligently proceed to restore the Premises to the pre-casualty condition, except that Sublandlord's obligation to restore shall not require Sublandlord to spend for such work an amount in excess of the insurance proceeds actually received by Sublandlord as a result of the casualty.

16.2. Abatement of Rent. Sublandlord shall not be liable for any inconvenience or annoyance to Subtenant or injury to the business of Subtenant resulting in any way from such casualty damage or the repair thereof; except that, subject to the provisions of the next sentence, Sublandlord shall allow Subtenant a fair diminution of Rent during the time and to the extent the Premises are unfit for occupancy. If the Premises or any other portion of the Building or the Property is damaged by fire or other casualty resulting from the fault or negligence of Subtenant or any of Subtenant's agents, contractors, employees, or invitees, the Rent hereunder shall not be diminished during the repair of such damage, and Subtenant shall be liable to Sublandlord for the cost of the repair and restoration of the Building or Property caused thereby to the extent such cost and expense is not covered by insurance proceeds.

17. CONDEMNATION. If the entirety or any portion of the Premises should be taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by purchase in lieu thereof (a "Taking" or "Taken"), and the Taking would, in Subtenant's reasonable discretion, prevent or materially interfere with Subtenant's use of the Premises or would, in Sublandlord's sole discretion, materially impair Sublandlord's rights, estate or tenancy under the Master Lease, then upon written notice by either party to the other, this Sublease shall terminate and Base Rent shall be fully abated as of said date. If part of the Premises shall be Taken, and this Sublease is not terminated as provided above, the Base Rent payable hereunder during the unexpired Lease Term shall be reduced in the same proportion as the area of the Premises Taken bears to the total area of the Premises. Subtenant hereby waives, relinquishes and assigns to Sublandlord all right to any condemnation award on account of any interest in the Property. Subtenant shall, however, have the right, to the extent that exercise of such right shall not diminish or delay the condemnation award, to make a separate claim against the condemning authority (but not against Sublandlord) for such compensation as may be separately awarded or recoverable by Subtenant for moving expenses and damage to Subtenant's Trade Fixtures.

18. ASSIGNMENT AND SUBLETTING. Subtenant shall have no right to sublease all or any portion of the Premises or to assign, collaterally assign or hypothecate this Sublease, in whole or in part, without Sublandlord's prior consent, which consent may be withheld, conditioned or delayed by Sublandlord, in its sole discretion. Notwithstanding the foregoing, Subtenant shall not be required to obtain consent for an assignment or sublease to a subsidiary or affiliate of Subtenant or to any transferee resulting from a reorganization, merger, consolidation, transfer of assets or other restructuring of Subtenant, provided there is no material change in use of the Premises. Regardless of whether Sublandlord's approval has been obtained for any assignment or subletting, Subtenant and any guarantor or surety of Subtenant's obligations under this Sublease shall at all times remain fully responsible and liable for the payment of the Base Rent and additional rent and for compliance with all of Subtenant's other obligations under this Sublease.

19. INDEMNIFICATION. Except for the gross neglect or willful misconduct of Sublandlord, its agents, employees or contractors, breach by Sublandlord of this Sublease Agreement, and to the extent permitted by law, Subtenant agrees to indemnify, defend and hold harmless Sublandlord, Sublandlord Related Parties, and Sublandlord's agents, employees and contractors, from and against any and all losses, liabilities, damages, costs and expenses resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Property and arising from the use and occupancy of the Premises or from any activity, work, or thing done, permitted or suffered by Subtenant in or about the Property or due to any other act or omission of Subtenant, its Subtenants, assignees, employees, contractors and agents. In the event Sublandlord shall be made a party to a suit arising from any of the foregoing indemnified losses, Subtenant shall, at Subtenant's option, defend Sublandlord, employing counsel acceptable to Sublandlord, or pay all costs, expenses and reasonable attorney's fees incurred or paid by Sublandlord in connection with such litigation whether or not the litigation is contested or prosecuted to judgment. The furnishing of insurance required hereunder shall not be deemed to limit Subtenant's obligations or indemnities under this Section. Sublandlord agrees to indemnify, defend and hold harmless Subtenant, Subtenant's affiliates, and Subtenant's agents, employees and contractors, from and against any and all losses, liabilities, damages, costs and expenses resulting from claims by third parties for injuries to any person and damage to or theft or misappropriation or loss of property occurring in or about the Property and arising from Sublandlord's gross neglect or willful misconduct or Sublandlord's breach of this Sublease Agreement.

20. INSPECTION AND ACCESS. Subject to Subtenant's reasonable security practices and subject to 24 hours prior notice, Sublandlord and its agents, representatives, and contractors may enter the Premises at any reasonable time to inspect the Premises and to make such repairs as may be required or permitted pursuant to this Sublease and for any other reasonable business purpose.

21. QUIET ENJOYMENT. If Subtenant shall not be in default beyond any applicable notice and cure period, Subtenant shall, subject to the terms of this Sublease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Sublandlord.

22. SURRENDER. Upon expiration of the Term or earlier termination of Subtenant's right of possession, Subtenant shall surrender the Premises to Sublandlord in the same condition as received (with Sublandlord's Work and Subtenant's Improvements intact), broom clean, ordinary wear and tear, casualty loss and condemnation excepted. Any Trade Fixtures, Subtenant Improvements and property not removed by Subtenant as permitted or required herein within thirty (30) days following Sublandlord's notice, shall be deemed abandoned and may be stored, removed, and disposed of by Sublandlord at Subtenant's expense, and Subtenant waives all claims against Sublandlord for any damages resulting from Sublandlord's reasonable retention and disposition of such property. All obligations of Sublandlord and Subtenant hereunder not fully performed as of the termination of the Lease Term shall survive the termination of this Sublease, including without limitation, indemnity obligations and payment obligations with respect to Operating Expenses.

23. NO HOLDING OVER. Acknowledging that the Sublandlord has no right or intention to extend the Master Lease, Subtenant agrees that it shall have no right or privilege to hold over on the Premises.

24. EVENTS OF DEFAULT. Each of the following events shall be an event of default ("Event of Default") by Subtenant under this Sublease:

24.1. Failure to Pay. If Subtenant shall fail to pay any installment of Base Rent or any additional rent required herein when due and such failure shall continue for a period of more than 10 days from receipt of written notice from Sublandlord.

24.2. Insolvency Proceedings. If Subtenant or any guarantor or surety of Subtenant's obligations hereunder shall (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "proceeding for relief"); (C) become the subject of any proceeding for relief which is not dismissed within 60 days of its filing or entry; or (D) die or suffer a legal disability (if Subtenant, guarantor, or surety is an individual) or be dissolved or otherwise fail to maintain its legal existence (if Subtenant, guarantor or surety is a corporation, partnership or other entity).

24.3. Lapse of Insurance. If any insurance required to be maintained by Subtenant pursuant to this Sublease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Sublease.

24.4. Unauthorized Lien. If Subtenant shall fail to discharge or bond off any lien placed upon the Premises in violation of this Sublease within 30 days after any such lien or encumbrance is filed against the Premises.

24.5. General Performance Omissions. If Subtenant shall fail to comply with any provision of this Sublease other than those specifically referred to in this Section 24, and except as otherwise expressly provided herein, such failure shall continue for more than forty-five (45) days after Sublandlord shall have given Subtenant written notice of such default (unless a greater period is specifically stated in this Sublease), provided that if the nature of the default is such that it cannot reasonably be cured within forty-five (45) days, such failure shall not be an Event of Default so long as Subtenant commences such cure within such forty-five (45) day period and diligently pursues such cure to completion.

25. SUBLANDLORD'S REMEDIES.

25.1. General Description of Remedies. Upon each occurrence of an Event of Default and so long as such Event of Default shall be continuing, Sublandlord may at any time thereafter at its election: terminate this Sublease or Subtenant's right of possession, (but Subtenant shall remain liable as hereinafter provided) and/or pursue any other remedies at law or in equity. Upon the termination of this Sublease or termination of Subtenant's right of possession, it shall be lawful for Sublandlord, without formal demand or notice of any kind, to re-enter the Premises by summary dispossession proceedings or any other action or proceeding authorized by law and to remove Subtenant and all persons and property therefrom. If Sublandlord re-enters the Premises, Sublandlord shall have the right to keep in place and use, or remove and store, all of the furniture, fixtures and equipment at the Premises.

25.2. Monetary Recoveries. If Sublandlord terminates this Sublease, Sublandlord may recover from Subtenant the sum of: all Base Rent and all other amounts accrued hereunder to the date of such termination; the actual cost of reletting the whole or any part of the Premises, including without limitation reasonable brokerage fees and/or leasing commissions incurred by Sublandlord, and costs of removing and storing Subtenant's or any other occupant's property, repairing, altering, remodeling, or otherwise putting the Premises into condition acceptable to a new tenant or tenants, and all reasonable expenses incurred by Sublandlord in pursuing its remedies, including reasonable attorney fees and court costs; and the excess of the then present value of the Base Rent and other amounts payable by Subtenant under this Sublease as would otherwise have been required to be paid by Subtenant to Sublandlord during the period following the termination of this Sublease measured from the date of such termination to the expiration date stated in this Sublease, over the present value of any net amounts which Subtenant establishes Sublandlord can reasonably expect to recover by reletting the Premises for such period, taking into consideration the availability of acceptable tenants and other market conditions affecting leasing. Such present values shall be calculated at a discount rate equal to the 90-day U.S. Treasury bill rate at the date of such termination.

25.3. Reletting. If Sublandlord terminates Subtenant's right of possession (but not this Sublease), Sublandlord may, but shall be under no obligation to, relet the Premises for the account of Subtenant for such rent and upon such terms as

shall be satisfactory to Sublandlord without thereby releasing Subtenant from any liability hereunder and without demand or notice of any kind to Subtenant. For the purpose of such reletting Sublandlord is authorized to make any repairs, changes, alterations, or additions in or to the Premises as Sublandlord deems reasonably necessary or desirable. If the Premises are not relet, then Subtenant shall pay to Sublandlord as damages a sum equal to the amount of the rental reserved in this Sublease for such period or periods, plus the actual cost of recovering possession of the Premises (including reasonable attorneys' fees and costs of suit), the unpaid Base Rent and other amounts accrued hereunder at the time of repossession, and the actual costs incurred in any attempt by Sublandlord to relet the Premises. If the Premises are relet and a sufficient sum shall not be realized from such reletting (after first deducting therefrom, for retention by Sublandlord, the unpaid Base Rent and other amounts accrued hereunder at the time of reletting, the cost of recovering possession (including reasonable attorneys' fees and costs of suit), all of the costs and expense of repairs, changes, alterations, and additions, the expense of such reletting (including without limitation brokerage fees and leasing commissions) and the cost of collection of the rent accruing therefrom) to satisfy the rent provided for in this Sublease to be paid, then Subtenant shall satisfy and pay any such deficiency within thirty (30) days of receipt of invoice therefor. Any such payments due Sublandlord shall be made upon demand therefore from time to time and Subtenant agrees that Sublandlord may file suit to recover any sums falling due from time to time. Notwithstanding any reletting without termination, Sublandlord may at any time thereafter elect in writing to terminate this Sublease on account of Subtenant's default. Any reletting of the Premises shall be on such terms and conditions as Sublandlord in its reasonable and sole discretion may determine (including without limitation a term different than the remaining Sublease Term, rental concessions, alterations and repair of the Premises, lease of less than the entire Premises to any tenant and leasing any or all other portions of the Property before reletting the Premises). Sublandlord shall not be liable, nor shall Subtenant's obligations hereunder be diminished because of, Sublandlord's failure, after reasonable commercial efforts, to relet the Premises or collect rent due in respect of such reletting.

25.4. Termination Election in Writing/Waivers. Exercise by Sublandlord of any one or more remedies hereunder granted or otherwise available shall not be deemed to be an acceptance of surrender of the Premises and/or a termination of this Sublease by Sublandlord, whether by agreement or by operation of law, it being understood that such surrender and/or termination can be effected only by the written agreement of Sublandlord and Subtenant. Any law, usage, or custom to the contrary notwithstanding, Sublandlord shall have the right at all times to enforce the provisions of this Sublease in strict accordance with the terms hereof, and the failure of Sublandlord at any time to enforce its rights under this Sublease strictly in accordance with same shall not be construed as having created a custom in any way or manner contrary to the specific terms, provisions, and covenants of this Sublease or as having modified the same. Subtenant and Sublandlord further agree that forbearance or waiver by Sublandlord to enforce its rights pursuant to this Sublease or at law or in equity shall not be a waiver of Sublandlord's right to enforce one or more of its rights in connection with any subsequent default. A receipt by Sublandlord of rent or other payment with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Sublandlord of any provision of this Sublease shall be deemed to have been made unless expressed in writing and signed by Sublandlord. To the greatest extent permitted by law, Subtenant waives the service of notice of Sublandlord's intention to re-enter as provided for in any statute, or to institute legal proceedings to that end, and also waives all right of redemption in case Subtenant shall be dispossessed by a judgment or by warrant of any court or judge.

26. SUBLANDLORD'S EVENTS OF DEFAULT AND SUBTENANT'S REMEDIES

26.1. Breach of Sublease Agreement. Each of the following events shall be an event of default ("Sublandlord Event of Default") by Sublandlord under this Sublease:

- 26.1.1. If Sublandlord materially breaches the terms of this Agreement and such breach shall continue for more than forty-five (45) days after Subtenant shall have given Sublandlord written notice of such breach, provided that if the nature of the breach is such that it cannot reasonably be cured within forty-five (45) days, the failure to cure shall not be a Sublandlord Event of Default so long as Sublandlord commences such cure within such forty-five (45) day period and diligently pursues cure to completion.
- 26.1.2. If the Master Lease Agreement is terminated for any reason not directly caused by a breach of this Sublease Agreement by Subtenant.

26.2. Subtenant's Remedies. Upon each occurrence of a Sublandlord Event of Default and so long as such Sublandlord Event of Default shall be continuing, Subtenant may at any time thereafter at its election: terminate this

Sublease without any further liability hereunder (except for any rent and Operating Expenses that may be due and accruing up through the termination date) and/or pursue any other remedies at law or in equity.

27. WAIVER OF JURY TRIAL. Subtenant AND Sublandlord WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN Sublandlord AND Subtenant ARISING OUT OF THIS SUBLEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED HERETO.

28. MECHANIC'S LIENS. Subtenant has no express or implied authority to create or place any lien or encumbrance of any kind upon, or in any manner to bind the interests of Sublandlord or Master Landlord as to the Premises or to charge the rentals payable hereunder for any claim in favor of any person dealing with Subtenant, including those who may furnish materials or perform labor for any construction or repairs.

29. ESTOPPEL CERTIFICATES. Subtenant agrees, from time to time, within 30 days after request of Sublandlord, to execute and deliver to Sublandlord, or Sublandlord's designee, any estoppel certificate requested by Sublandlord, stating that this Sublease is in full force and effect, the date through which rent has been paid, that Sublandlord is not in default hereunder (or specifying in detail the nature of Sublandlord's default), the Expiration Date of this Sublease and such other factual matters pertaining to this Sublease as may be reasonably requested by Sublandlord. Subtenant's obligation to furnish each estoppel certificates in a timely fashion is a material inducement for Sublandlord's execution of this Sublease.

30. ENVIRONMENTAL REQUIREMENTS.

30.1. Prohibition on Hazardous Materials. Except for Hazardous Material required to be used by Subtenant in the manufacture of its products, otherwise contained in Subtenant's products, or used by Subtenant in de minimis quantities for ordinary cleaning and office purposes, Subtenant shall not permit or cause any party to bring any Hazardous Material upon the Premises or transport, store, use, generate, manufacture or release any Hazardous Material in or about the Premises without Sublandlord's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Sublandlord's consent to Subtenant's handling, use, transportation and storage of the Hazardous Materials listed on Exhibit E to this Sublease (the "Acknowledged Hazmat") is deemed given with execution hereof. By way of disclosure, rather than consent, the Acknowledged Hazmat listing attached as Exhibit E shall also include those Hazardous Materials used by Subtenant in the manufacture of its products or otherwise contained in Subtenant's products. Subtenant, at its sole cost and expense, shall operate its business in the Premises (including but not limited to the handling, use, transportation of the Acknowledged Hazmat) in compliance with all Environmental Requirements and shall remediate in a manner required by law any Hazardous Materials released on or from the Premises by Subtenant, its agents, employees, contractors, authorized guests, or Subtenants. The term "Environmental Requirements" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any governmental authority or agency regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued there under. The term "Hazardous Materials" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Subtenant is and shall be deemed to be the "operator" of Subtenant's "facility" and the "owner" of all Hazardous Materials brought on the Premises by Subtenant, its agents, employees, contractors or authorized guests, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

30.2. Environmental Indemnity. Subtenant shall indemnify, defend, and hold Sublandlord harmless from and against any and all losses (including, without limitation, diminution in value of the Property or the Premises and loss of rental income from the Premises), claims, demands, actions, suits, actual damages, expenses (including, without limitation, remediation, removal, repair, corrective action, or cleanup expenses), and costs (including, without limitation, actual attorneys' fees, consultant fees or expert fees and including, without limitation, removal or management of any Hazardous Materials brought onto the Property by Subtenant or otherwise released or handled in breach of the

requirements of this Section 30) which are brought or recoverable against, or suffered or incurred by Sublandlord as a result of any release of Hazardous Materials by Subtenant for which Subtenant is obligated to remediate as provided above or any other breach of the requirements under this Section 30 by Subtenant, its agents, employees, contractors, Subtenants, assignees or authorized guests, regardless of whether Subtenant had knowledge of such noncompliance.

30.3. Access for Environmental Inspection. Subject to Subtenant's reasonable security practices Sublandlord shall have access to, and a right to perform inspections and tests of, the Premises to determine Subtenant's compliance with Environmental Requirements, its obligations under this Section 30, or the environmental condition of the Premises. Access shall be granted to Sublandlord upon Sublandlord's prior notice to Subtenant and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Subtenant's Permitted Use. Such inspections and tests shall be conducted at Sublandlord's expense, unless such inspections or tests reveal that Subtenant has not complied with any Environmental Requirement, in which case Subtenant shall reimburse Sublandlord for the reasonable cost of such inspection and tests. Sublandlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Sublandlord holds against Subtenant.

Baseline Condition of Property. Sublandlord represents and warrants that, to the best of Sublandlord's knowledge and except as disclosed by that certain Phase I Environmental Site Assessment performed by United Consulting and dated September 20, 2011 (the "Phase I") an executive summary of which is attached and incorporated as Exhibit F to this Sublease), no material Environmental Conditions exist on the Property. Prior to the date of Subtenant's possession of the Property, Sublandlord will obtain, at Sublandlord's expense, a Phase II Environmental Site Assessment specifically addressing the "Recognized Environmental Conditions" delineated in the Baseline Phase I (the "Baseline Phase II"). For purposes of this Section 29 "Environmental Conditions" means any regulated condition under Environmental Laws including, but not limited to, the presence of PCBs, asbestos and asbestos containing materials, radon, underground storage tanks, mold or poor air quality, including, without limitation, the presence of chlorofluorocarbons. A material Environmental Condition means the presence of an Environmental Condition in excess of legally permitted maximum thresholds or for which some type of notification, investigation or remediation is required under any environmental laws. Upon receipt and review of the Baseline Phase II, if the Baseline Phase II is reasonably satisfactory to Subtenant, Subtenant will acknowledge review and satisfaction with the Phase I and the Baseline Phase II which shall thereafter serve as record of Property condition for purposes of measuring compliance with this Section 30.

30.4. Environmental Permitting. If required, Subtenant, at its sole cost and expense, shall obtain and maintain any necessary environmental permits, licenses, and/or registrations.

30.5. Survival. The obligations of Subtenant under this Section 30 shall survive any expiration, termination and/or transfer of this Sublease unless, upon such expiration, termination and/or transfer of the Sublease, Subtenant obtains, at Subtenant's expense, a Phase II Environmental Site Assessment (a "Termination Phase II") specifically addressing the conditions of the Baseline Phase II, and any other conditions that may be merited by Subtenant's use of the Property. The scope of the Termination Phase II shall be approved and agreed to by Sublandlord, in its reasonable discretion, and Sublandlord will cooperate with Subtenant and permit such Termination Phase II to be performed. If Subtenant obtains such Termination Phase II, the obligations of Subtenant under this Section 30 shall expire on that date which is 12 months after the expiration, termination and/or transfer of this Sublease.

31. **SECURITY SERVICE.** Subtenant acknowledges and agrees that Sublandlord will provide no security services in protection of the Premises. Sublandlord shall not be liable to Subtenant for, and Subtenant waives any claim against Sublandlord with respect to, any loss by theft or any other damage suffered by Subtenant in connection with any unauthorized entry or any other breach of security with respect to the Premises.

32. **FORCE MAJEURE.** Sublandlord and Subtenant shall not be held responsible for delays in the performance of their respective obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond their reasonable control ("Force Majeure"), provided, that this Paragraph shall not excuse Subtenant from the prompt payment of any Base Rent or additional rent payable by Subtenant hereunder.

33. **ENTIRE AGREEMENT.** This Sublease constitutes the complete agreement of Sublandlord and Subtenant with respect to the subject matter hereof. No representations, inducements, promises or agreements, oral or written, have been made by Sublandlord or Subtenant, or anyone acting on behalf of Sublandlord or Subtenant, which are not contained herein, and any prior agreements, promises, negotiations, or representations are superseded by this Sublease. This Sublease may not be amended except by an instrument in writing signed by both parties hereto.

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

35. **BROKERS AND COMMISSIONS.** Sublandlord and Subtenant represent and warrant that they have dealt with no broker, agent or other person in connection with this Sublease other than the brokers set forth in the Reference Provisions of this Sublease, and the parties agree to indemnify and hold each other harmless from and against any claims by any additional or other brokers, agents or other persons claiming a commission or other form of compensation by virtue of their having dealt with Sublandlord or Subtenant regard to this subleasing transaction.

36. **MISCELLANEOUS.**

36.1. **Additional Rent.** Any payments or charges due from Subtenant to Sublandlord hereunder shall be considered rent for all purposes of this Sublease.

36.2. **Multiple Subtenant Parties.** If and when included within the term "Subtenant," as used in this instrument, there is more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Subtenant.

36.3. **Notices.** All notices required or permitted to be given under this Sublease shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable national overnight courier service, postage prepaid, addressed to the parties at their addresses set forth on the signature page of this Sublease. Either party may by notice given aforesaid change its address for all subsequent notices. Except where otherwise expressly provided to the contrary, notice shall be deemed given upon receipt or refusal thereof.

36.4. **Reasonable Consents.** Whenever Sublandlord's or Subtenant's consent is required pursuant to this Sublease, except as otherwise expressly provided, such consent shall not be unreasonably withheld, conditioned, or delayed.

36.5. **Recordation.** This Sublease shall not be recorded in any public record; rather, Sublandlord shall upon the request of Subtenant, prepare and record a memorandum of this Sublease, reflecting only the mutually agreeable and fundamental terms hereof.

36.6. **No Contra Proferentem.** The normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Sublease or any exhibits or amendments hereto.

36.7. **Full Execution Required.** The submission by Sublandlord to Subtenant of this Sublease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Sublease by both parties.

36.8. **Captions and General Construction.** Words of any gender used in this Sublease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Sublease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Sublease, or any provision hereof, or in any way affect the interpretation of this Sublease.

36.9. Default Rate of Interest. Unless a default rate of interest is explicitly stated elsewhere in this Sublease, any amount not paid by Subtenant within 10 days after notice of it being due in accordance with the terms of this Sublease shall bear interest from such due date until paid in full at the greater of the post-judgment legal rate law or the prime rate (as published by the Wall Street Journal and as in effect on the due date) plus five percent (5%). It is expressly the intent of Sublandlord and Subtenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Sublease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Sublease, or contracted for, charged, taken, reserved, or received with respect to this Sublease, then it is Sublandlord's and Subtenant's express intent that all excess amounts theretofore collected by Sublandlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Subtenant), and the provisions of this Sublease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

36.10. Governing Law. Construction and interpretation of this Sublease shall be governed by the laws of the State of South Carolina, without regard to conflicts of laws principles thereof.

36.11. Time of the Essence. Time is of the essence as to the performance of all obligations under this Sublease.

36.12. Integration of Exhibits and Addenda. All exhibits and addenda attached hereto are hereby incorporated into this Sublease and made a part hereof. In the event of any conflict between such exhibits or addenda and the terms of this Sublease, such exhibits or addenda shall control.

36.13. Legal Fees. In the event either party hereto initiates litigation to enforce the terms and provisions of this Sublease, the non-prevailing party in such action shall reimburse the prevailing party for its reasonable attorney's fees, filing fees, and court costs.

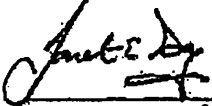
36.14. Guaranty Requirement. As a condition precedent to the effectiveness of this Sublease, Guarantor agrees to execute a Sublease Guaranty in the form attached hereto as Exhibit G contemporaneously with the execution of this Sublease.

[remainder of this page blank; signatures appear on the following page]

IN TESTIMONY WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the day and year first above written.

Subtenant:
Kongsberg Actuation Systems II, Inc.

By:

Its: 
Name: JONATHAN DOH
Title: EYP - FLUID TRANSFER SYSTEMS

Notice Address:

Sublandlord:
ARC Pickens Leasing LLC

By:

Its: _____
Name: _____
Title: _____

Notice Address:

With Copy to the Premises and To:

Kongsberg Automotive
Attn: Assistant General Counsel
27275 Haggerty Road
Novi, Michigan 48377

With Copy To:

Smith Moore Leatherwood, LLP
Attn: William Swent
300 E. McBee Avenue, Suite 500
Greenville, South Carolina 29601

IN TESTIMONY WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the day and year first above written.

Subtenant:

Kongsberg Actuation Systems II, Inc.

By:

Its:

Name:

Title:

Notice Address:

With Copy to the Premises and To:

Kongsberg Automotive
Attn: Assistant General Counsel
27275 Haggerty Road
Novi, Michigan 48377

Sublandlord:

ARC Pickens Leasing LLC

By:

William C. Miller

Its: Manager

Name: William C. Miller, Jr.

Title: Director, Arcapita Inc.

Notice Address:

ARC Pickens Leasing LLC
In care of Arcapita Inc.
75 Fourteenth Street
24th Floor
Atlanta GA, 30309
Attn: William C. Miller, Jr.

With Copy To:

Smith Moore Leatherwood, LLP
Attn: William Swent
300 E. McBee Avenue, Suite 500
Greenville, South Carolina 29601

ADDENDUM 1

BASE RENT SCHEUDLE

ATTACHED TO AND A PART OF THE SUBLEASE BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

Base Rent shall equal the following amounts for the respective periods set forth below:

<u>Period</u>			<u>Base Rent</u>
Rent Commencement Date	to	11/30/2012	\$240,497 annually, paid in \$20,041.42 monthly installments
12/1/2012	to	11/30/2013	\$245,307 annually, paid in \$20,442.25 monthly installments
12/1/2013	to	11/30/2014	\$250,213 annually, paid in \$20,851.08 monthly installments
12/1/2014	to	11/30/2015	\$255,217 annually, paid in \$21,268.08 monthly installments
12/1/2015	to	11/30/2016	\$260,322 annually, paid in \$21,693.50 monthly installments
12/1/2016	to	11/30/2017	\$265,528 annually, paid in \$22,127.33 monthly installments
12/1/2017	to	11/30/2018	\$270,839 annually, paid in \$22,569.92 monthly installments
12/1/2018	to	11/30/2019	\$276,255 annually, paid in \$23,021.25 monthly installments
12/1/2019	to	11/30/2020	\$281,781 annually, paid in \$23,481.75 monthly installments

12/1/2020	to	11/30/2021	\$287,416 annually, paid in \$23,951.33 monthly installments
12/1/2021	to	11/30/2022	\$293,165 annually, paid in \$24,430.42 monthly installments
12/1/2022	to	6/30/2023	\$174,433 for seven (7) mos., paid in \$24,919.00 monthly installments

ADDENDUM 2

MOVE-OUT CONDITIONS

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

In accordance with Section 22, Subtenant is obligated to check and address prior to surrender or redelivery of the Premises the below-listed items. Sublandlord expects to receive the Premises in a well-maintained condition, with normal wear and tear and damage by casualty excepted. The following list is designed to assist Subtenant in the move-out procedures but is not intended to be all-inclusive.

1. All holes in the sheet rock walls should be repaired prior to move-out.
2. The carpets and vinyl tiles should be in a clean condition and should not have any holes or chips in them. Sublandlord will accept normal wear on these items provided they appear to be in a maintained condition.
3. Facilities should be returned in a clean condition, which would include cleaning of the coffee bar, restroom areas, windows, and other portions of the space.
4. The warehouse should be in broom clean condition with all inventory and racking removed. There should be no protrusion of anchors from the warehouse floor and all holes should be appropriately patched. If machinery/equipment is removed, the electrical lines should be properly terminated at the nearest junction box.
5. All exterior windows with cracks or breakage should be replaced.
6. The Subtenant shall provide keys for all locks on the Premises, including front doors, rear doors, and interior doors.
7. Items that have been added by the Subtenant and affixed to the Building will remain the property of Sublandlord, unless agreed otherwise. This would include but is not limited to mini-blinds, air conditioners, electrical, water heaters, cabinets, flooring, etc.
8. All dock bumpers must be left in place and well secured.
9. [reserved]

EXHIBIT A

PREMISES DESCRIPTION

ATTACHED TO AND A PART OF THIS SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

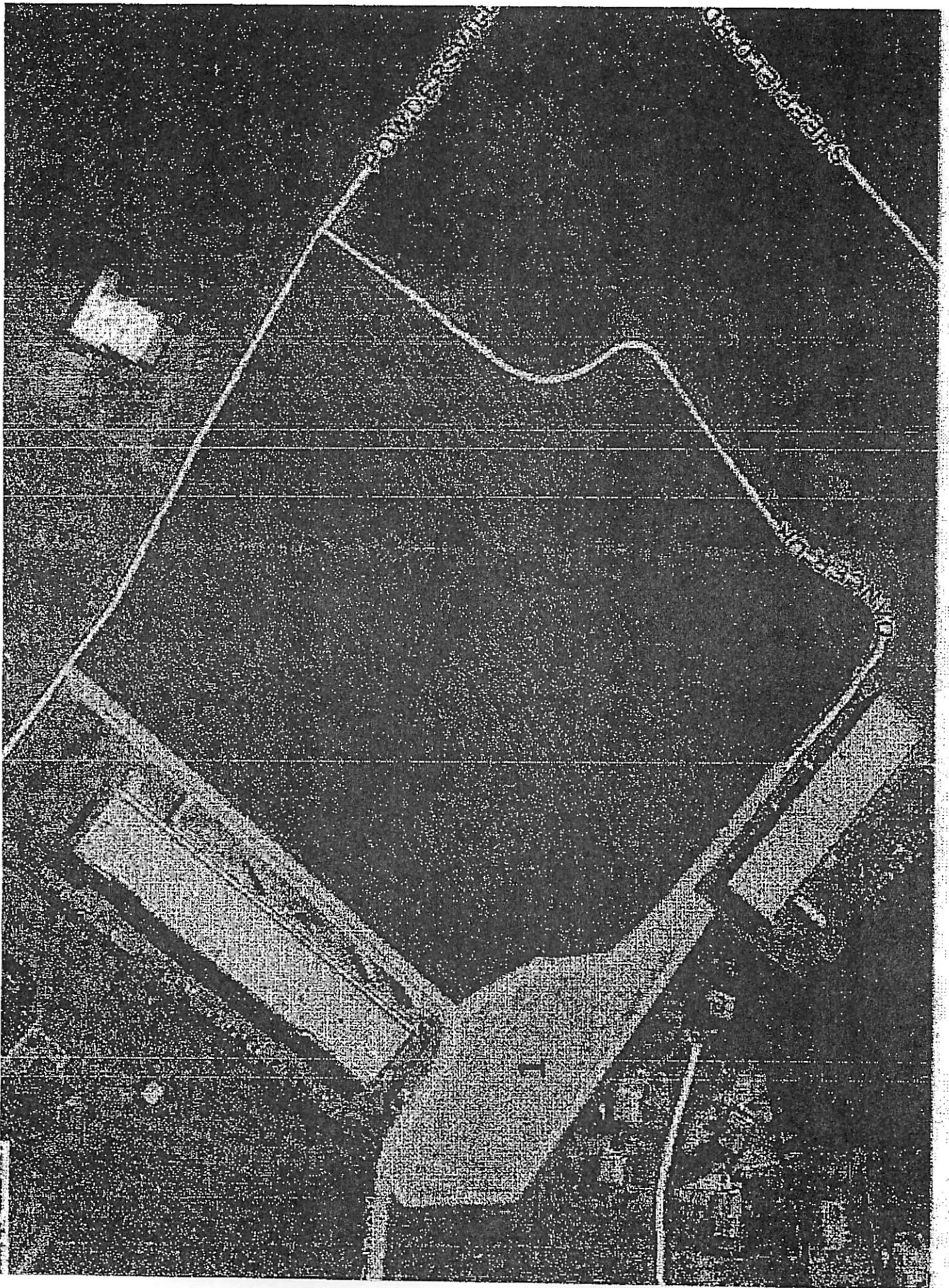


EXHIBIT B

MASTER LEASE

ATTACHED TO AND A PART OF THIS SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

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STATE OF SOUTH CAROLINA)

COUNTY OF PICKENS)

000004030
 RECORDED 02/24/1999 03:52:10PM
 Bk: D0470 Pg: 00172 Pages: 23
 Fee: 29.00 State: 0.00
 County: 0.00 Exempt: _____
 Pickens County, SC
 Register of Deeds

NET LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of June 25, 1998, by and between WILLIAM E. MASTERS, a resident of the State of South Carolina ("Landlord") and PERCEPTION, INC., a South Carolina corporation ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of certain real estate located in Easley, South Carolina; and

WHEREAS, Tenant desires to lease said premises from Landlord on the terms and conditions stated hereinbelow.

NOW, THEREFORE, in consideration of the premises recited above, the mutual covenants expressed below, the receipt and sufficiency of which are acknowledged, Landlord and Tenant hereby agree as follows:

1. **LEASE OF PROPERTY.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord certain real property located in Easley, South Carolina, as more particularly described on Exhibit A attached hereto, less and except that certain real property described on Exhibit B attached hereto, together with all of the appurtenances, privileges and easements pertaining thereto and also together with all improvements located thereon (the "Leased Property"); provided, however, that from and after the third (3rd) Lease Year (as hereinafter defined) the definition of "Leased Property" shall no longer include the property described on Exhibit C attached hereto.
2. **CONDITION OF LEASED PROPERTY.** The Leased Property is let to Tenant subject to all zoning regulations, restrictions, rules, ordinances, building restrictions and other laws and regulations now in effect or hereafter adopted by any governmental authority having jurisdiction over the Leased Property. Those improvements which are a part of the Leased Property are let to Tenant in their condition as of the commencement of the term of this Lease, without representation or warranty by Landlord other than (a) representations and warranties contained herein and (b) those representations and warranties in that certain Stock Purchase Agreement by and among Landlord Tenant and Perception Group, Inc. dated as of the date hereof (the "Stock Purchase Agreement").
3. **USE OF LEASED PREMISES.** The Leased Property shall be used for the development and manufacture of canoes and kayaks and canoe, kayak and paddlesport related products and

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for warehousing, office, sales use and other uses relating thereto. Tenant shall comply with all laws, ordinances, orders, restrictive covenants, rules, regulations and requirements of governmental authorities regulating the use by Tenant of the Leased Property. Tenant shall have the right and option, but not the obligation, to construct additional improvements on and make additions to the Leased Premises in accordance with the Expansion Plan (the "Expansion Plan") attached hereto as Exhibit D, without the necessity of obtaining any consents or approvals from Landlord. ~~Tenant shall not make any additional improvements on and additions to the Leased Premises not reflected on the Expansion Plan without the prior consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed.~~

4. TERM OF LEASE. The initial term of this lease (the "Initial Term") and the Tenant's obligation to pay rent hereunder shall commence on the date hereof and shall terminate on the last day of the twenty fifth (25th) full "Lease Year" (as hereinafter defined). The term "Lease Year" as used herein shall mean a period of twelve (12) consecutive full calendar months. The first Lease Year shall begin on the date of the commencement of the term hereof, if such date is the first day of a calendar month. If the date of the commencement of the term is not the first day of a calendar month, then the first Lease Year shall begin on the first day of the calendar month next following the date of the commencement of the term hereof. Each succeeding Lease Year shall commence upon the anniversary date of the first Lease Year. As used throughout this Lease all references to the term of this Lease shall be construed to include all extensions and renewals of the Lease.

5. RENTAL. Tenant shall pay all rental and other charges to be paid by Tenant hereunder to the Landlord at 100 Bent Creek Court, Easley, South Carolina 29642 or to such other individual, firm or corporation and at such other place as may be designated by Landlord. All rental shall be paid in equal monthly installments on the first day of each calendar month payable in advance. If the date of the commencement of the term is not the first day of a calendar month, the first monthly installment of the rental shall include a proportionate amount of the rental payable hereunder for the period of time from the date of the commencement of the term to the first day of the first Lease Year.

(a) Initial Term. The Tenant shall pay to the Landlord an annual rental of Three Hundred Seventy-Four Thousand Three Hundred Four Dollars (\$374,304) per year for the first four (4) Lease Years of the Initial Term. From and after the first (1st) day of the fifth Lease Year, Tenant shall pay to Landlord an annual rent equal to Market Rent (as defined in Paragraph 5(b) hereof) (the "Base Rental") per year. On the first day of each of (i) the ninth Lease Year and the thirteenth Lease Year and (ii) the seventeenth and the twenty-first Lease Year, the annual rental payable for the subsequent four (4) Lease Years shall be adjusted to an amount equal to the sum of (i) the Base Rental plus (ii) the percentage increase, if any, in the U.S. Department of Labor's Bureau of Labor Statistics, Consumer Price Index (all Urban Consumers, all Items (1982-1984 = 100)) or the successor to that index (the "CPI") during the period extending from the first day of the fifth Lease Year to the last day of the eighth Lease Year, the twelfth Lease Year, the ninth Lease Year or the twentieth Lease Year, as applicable. In the event that the CPI is discontinued, Landlord and Tenant shall mutually agree upon a similar index to use in its stead.

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(b) Market Rent. Landlord shall, within ninety (90) days prior to the end of the Fourth (4th) Lease Year, notify Tenant of its determination of Market Rent. If Tenant does not agree with the Landlord's determination of the Market Rent, then the parties shall negotiate in good faith for a period of up to thirty (30) days in an attempt to agree on the Market Rent. In the event they are unable to do so, Tenant shall notify Landlord that Tenant elects to have the Market Rent determined by appraisal conducted in accordance with the provisions contained in Exhibit E attached hereto and incorporated herein by reference.

6. NET LEASE PROVISION.

(a) Tenant's Obligation. The rent provided in Paragraph 5 hereof shall be net to Landlord. Accordingly, Tenant shall pay, as additional rent, all real estate taxes and assessments (as provided in Paragraph 7), insurance (as provided in Paragraph 8), repairs and maintenance (as provided in Paragraph 9(b)) and utilities (as provided in Paragraph 10).

(b) Apportionment During Partial Lease Year. All amounts which Tenant assumes and agrees to pay pursuant to this Lease which become due and payable for and during the last year of the term of this Lease, or any partial Lease Year, shall be apportioned pro rata between Landlord and Tenant in accordance with the respective number of months of such year during which this Lease is in effect. All amounts payable by the Tenant under this Lease shall be referred to as "Rent".

7. TAXES AND ASSESSMENTS.

(a) Payment by Tenant. Tenant shall pay to the public officers charged with the collection thereof, as the same may become due and payable and before any fine, penalty, interest or other charge may be added thereto for nonpayment thereof, all taxes, license and permit fees, charges for public utilities of every kind, and obligations for any and all governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including but not limited to assessments for sidewalks, streets, sewers, water and other public improvements and any other improvements or benefits which shall during the term hereof be made, assessed, levied or imposed upon, or become due and payable in connection with, or a lien upon, the Leased Property or upon this Lease; provided, however, that Tenant may elect to pay in installments any such assessments which shall be so payable without penalty. Taxes for the last year of the term hereof shall be prorated between the Landlord and Tenant. Upon request therefor by Landlord, Tenant covenants to furnish to Landlord, within thirty (30) days after the dates upon which such taxes, assessments and other charges are payable, official receipts of the proper taxing or other authority or other proof satisfactory to Landlord, evidencing the full payment thereof. Landlord shall promptly send to Tenant copies of any notices for any such taxes, assessments or other charges if such notices are received by Landlord.

(b) Tenant's Right to Contest. Tenant may, if it disputes the amount or validity of any liens, taxes, assessments, charges, penalties or claims upon the Leased Property, contest and defend

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against the same, and in good faith diligently conduct any necessary proceedings to prevent and avoid the same in the name of Landlord; provided, however, that any such contest shall be prosecuted to a final conclusion as speedily as possible; and provided, further, that Tenant shall fully indemnify and save Landlord harmless for all loss, cost, damages and expense incurred by or to be incurred or suffered by Landlord resulting from any such proceeding. Any rebate made on account of any taxes or charges paid by Tenant shall belong to and be paid to Tenant. Landlord agrees to render Tenant all reasonable assistance, at no expense to Landlord, in contesting the validity or amount of any such taxes, assessments or charges, including joining in the signing of any reasonable protests or pleadings which Tenant may reasonably deem advisable to file. During any such contest, Tenant shall (by the payment of such disputed taxes, assessments or charges if necessary) prevent any public sale, foreclosure or any divesting thereby of Landlord's title, reversion or other interests in or to the Leased Property.

(c) Notice of Contest. Tenant shall notify Landlord of any such proceedings within twenty (20) days after the commencement thereof and shall describe such proceedings in reasonable detail. Tenant, shall promptly after the final determination of any permitted contest, pay and discharge all amounts which shall be determined to be payable therein.

(d) Exceptions to Tenant's Obligation. Nothing contained in this Lease shall require Tenant to pay any franchise, income, estate, inheritance, succession, capital levy, or transfer tax of Landlord; provided, however, that if, at any time during the term of the Lease, there shall be levied, assessed or imposed upon Landlord a capital levy, gross receipts, ad valorem or other tax directly on the rents received hereunder then such tax shall be deemed to be included within the amount which Tenant is required to pay hereunder.

8. INSURANCE. Tenant shall procure and continue in force throughout the term of this Lease, at its own cost and expense, in the names of Landlord and Tenant, general liability, property and casualty insurance against any and all claims for injuries to persons and property occurring in, upon, about or from the Leased Property, including all damage from signs, glass, awnings, fixtures or other appurtenances now or hereafter erected upon the Leased Property. Such insurance shall at all times be in an amount and with coverages deemed to be adequate in the reasonable opinion of Landlord or Landlord's insurance adviser.

9. REPAIRS AND MAINTENANCE. Tenant shall, at its own expense, keep and maintain in a good and safe condition the Leased Property, including, without limitation, all roofs, walls, foundations, structural members, windows, doors, floor covering, plumbing, heating, electrical, air conditioning, equipment, appurtenances, utility systems, driveways, parking areas and paving, and landscaping. The term "repairs" as used herein, shall include all necessary replacements, renewals, alterations, additions and betterments. Tenant shall, at its own expense, maintain all portions of the Leased Property in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions. Upon the expiration or termination of this Lease, Tenant will surrender to Landlord the Leased Property in as good condition and repair as the same shall be at the commencement of the term of this Lease, ordinary wear and tear, damage from fire or other casualty excepted.

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10. UTILITIES. Tenant shall furnish, at its own expense, all utilities of every type and nature required by it in its use of the Leased Property and shall pay or cause to be paid, before any interest or penalty shall be added thereto, all bills for water, sewage, heat, gas, electricity and other utilities, if any, used on, in connection with, or chargeable against the Leased Property until the termination of this Lease.

11. INDEMNITY BY TENANT. Tenant covenants and agrees that it will protect, save and keep Landlord forever harmless and indemnified against and from:

(a) Any penalty, damage or charges, including reasonable attorneys' fees and court costs, imposed for any violation of any laws or ordinances occurring during the term hereof for which Tenant is responsible under the terms of this Lease;

(b) Any and all claims, loss, costs, damage or expense, including reasonable attorneys' fees and court costs, arising during the term hereof out of or from any accident or other occurrence in, on or about the Leased Property causing injury to any person or property whomsoever or whatsoever unless caused by the gross negligence or wilful misconduct of Landlord; and

(c) Any and all claims, loss, cost, damage or expense, including reasonable attorneys' fees and court costs, arising out of any failure of Tenant in any respect to comply with and perform all the requirements and provisions of this Lease.

12. FIRE AND CASUALTY. In the event any building constituting a portion of the Leased Property shall be damaged or destroyed by fire or other casualty, Tenant shall proceed with diligence to restore such building to the substantial condition in which it existed immediately prior to such casualty. Tenant's obligation to pay rent shall not abate as a result of any such damage or destruction.

13. EMINENT DOMAIN.

(a) Entitlement to Award. In the event that (i) all or substantially all of the Leased Property shall be appropriated or taken under the power of eminent domain, or by purchase in lieu thereof or (ii) a part of the Leased Property is so taken with the result that Tenant is unable reasonably to continue its business on the Leased Property, this lease shall terminate and expire as of the date of such taking, and Landlord and Tenant will be relieved of any further liability hereunder. The amount of the award or purchase price for the Leased Property allocated to the land and the buildings constituting a portion of the Leased Property shall be paid to Landlord. The balance of the award or purchase price for the Leased Property shall be allocated between Landlord and Tenant in accordance with their interests in the Leased Property. Nothing contained herein shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority in such condemnation proceedings for damage to, or cost of removal of, or for the value of trade fixtures, furniture and other personal property belonging to Tenant; provided, however, that no such claim shall diminish or otherwise adversely affect Landlord's award or the award of the holder of any mortgage or deed of trust upon the real estate to which this Lease

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is subordinate.

(b) Partial Taking. In the event that a part of the Leased Property shall be appropriated or taken under the power of eminent domain, or by purchase in lieu thereof, but enough of the Leased Property remains for Tenant reasonably to continue operation of its business, after reasonable alterations and reconstruction, if necessary, Tenant in its discretion may elect at its expense to restore as promptly as practicable the remaining portion of the Leased Property to a satisfactory condition so that Tenant shall be able to continue its operations as nearly as possible in the same manner as before such taking, and in such event the award or purchase price shall be applied to reimburse Tenant for the cost of restoration. If there is any excess, such excess shall be paid to Landlord.

(c) Option to Terminate. If the whole of the Leased Property shall be taken for any public or any quasi-public use under any statute or by right of eminent domain, or by private purchase in lieu thereof, then this Lease shall automatically terminate as of the date that title shall be taken. If any part of the Leased Property shall be so taken as to render the remainder thereof substantially suitable for the purposes for which the Leased Property is then used, then Landlord and Tenant shall each have the right to terminate this Lease on thirty (30) days written notice to the other given within ninety (90) days from the date of such taking.

(d) Reduction of Rent. If any part of the Leased Property shall be so taken and this Lease shall not terminate or be terminated under the provisions of Paragraph 13(a) above, then the rental shall be equitably apportioned according to the space so taken.

14. TENANT'S TRADE FIXTURES.

Treatment of Fixtures. Landlord recognizes that, from time to time throughout the term of this Lease, Tenant will place upon the Leased Property, and within the building located thereon, machinery, equipment, fixtures and trade fixtures (collectively, the "Tenant's Trade Fixtures"), which may be the subject of a conditional sales agreement, mortgage or other security interest. Tenant's Trade Fixtures shall not at any time be deemed a part of the realty. As used herein and hereinafter, the term "Tenant's Trade Fixtures" shall not include or be deemed to include any item now or hereafter installed in or on the Leased Property that is an integral part of the building, including, without limitation, any heating, ventilating, and air conditioning plant or system, electrical and plumbing fixtures or systems and other like equipment and fixtures, if any.

(b) Removal by Tenant. Nothing in this Agreement shall be construed to provide that Tenant's Trade Fixtures may not be removed from the Leased Property by Tenant, or its secured party, at any time before the termination of this Lease, provided that all terms, conditions and covenants of this Lease have been complied with by Tenant and also provided that Tenant, or its said secured party, shall repair any damage caused by such removal.

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15. ALTERATIONS AND IMPROVEMENTS. Tenant shall have the right to make changes or alterations to the building constituting a part of the Leased Property, subject to the following conditions:

(a) No change or alteration shall at any time be made which shall impair the structural soundness of the building or which shall diminish the value of the Leased Property;

(b) Except in the case of minor changes or alterations, before commencing any change or alteration, Tenant shall procure and deliver to Landlord the written consent of the holder of any mortgage or deed of trust covering the Leased Property;

(c) All work in connection with any change or alteration shall be done in a good and workmanlike manner and in accordance with any building and zoning or other laws, ordinances, orders, rules, regulations and requirements of appropriate governmental authorities having jurisdiction over the Leased Property;

(d) All improvements and additions to the Leased Property shall adhere thereto and become the property of Landlord, with the exception of Tenant's Trade Fixtures; and

(e) In connection with any change or alteration made by Tenant, Tenant shall pay, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialman, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Leased Property or any part thereof, or on the revenues, rents, income or profits arising therefrom. In the event Tenant fails to make payment of such claims and demands, Landlord may, but shall not be obligated to, make payments thereof, and Tenant shall, on demand, reimburse Landlord for all sums so expended. Notwithstanding the foregoing, Tenant may bond or otherwise discharge any such claim or demand which is contested, in form and substance satisfactory to Landlord.

16. ASSIGNMENT/SUBLEASE. Each and every transfer or assignment of this Lease, or any interest therein, and each and every sublease of the Leased Property, or any part thereof, shall be null and void unless the prior written consent of Landlord thereto is obtained, which consent shall not be unreasonably withheld; provided, however, that no further consent to assignment and subletting shall be required for Tenant to assign this lease or sublet the Leased Property to a parent, an affiliate or a subsidiary of Tenant or to any transferee which may, as the result of a reorganization, merger, consolidation or sale of assets, succeed to the business carried on by Tenant, including, without limitation, any transferee resulting from such reorganization, merger, consolidation, transfer of assets or other restructuring of Tenant or any transfer of assets in connection with or for the purpose of facilitating a public offering of securities of Tenant or of any entity resulting from any such reorganization, merger, consolidation, transfer of assets or other restructuring; provided, further that Landlord may withhold his consent if the credit risk of Landlord is increased by any such assignment or sublease. Consent by Landlord to any such mortgage, assignment or subletting shall not constitute a waiver of the necessity of such consent to any subsequent mortgage, assignment or

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subletting. Any such assignment or sublease made by Tenant as herein provided shall not relieve Tenant from any liability hereunder. The parties acknowledge that the current Sublease Agreement between Harmony, Inc. and the Tenant shall continue in full force and effect.

17. EVENTS OF DEFAULT. Upon the happening of any one or more of the following events, Landlord shall have any and all of the rights and remedies set forth in Paragraph 19:

(a) In the event Tenant should fail to pay any one or more of said monthly installments of rent, or any other sums required to be paid hereunder, as and when the same become due, and such default continues for ten (10) days after written demand for the payment thereof is made by Landlord upon Tenant;

(b) In the event a case in bankruptcy under the U.S. Bankruptcy Code, Title 11, United States Code, is filed by or against Tenant and such case is not dismissed within sixty (60) days from the filing thereof, or in the event of the insolvency of Tenant;

(c) In the event an assignment for the benefit of creditors is made by Tenant;

(d) In the event an execution or other legal process is levied upon the goods, furniture, effects or other property of Landlord on the Leased Property, upon the interest of Tenant in this Lease or upon the Leased Property by a lien claimant as described in Paragraph 15(e) hereof, and the same is not satisfied, dismissed or removed within thirty (30) days from Tenant's receipt of notice of such levy;

(e) In the event Tenant violates any other terms, conditions or covenants on the part of Tenant herein contained, and Tenant fails to remedy the same within sixty (60) days after written notice thereof is given by Landlord to Tenant.

18. HAZARDOUS SUBSTANCES.

(a) Tenant Covenants. During the term of the Lease, Tenant shall not: (i) release, spill, leak, store, generate or accumulate any Hazardous Substances in, on or under the Leased Property (except that Tenant may store ordinary and necessary quantities of cleaning, office and pest control supplies stored in a safe and lawful manner and immaterial quantities of petroleum products may be discharged from the operation of motor vehicles on the Leased Property); (ii) install any underground storage tanks in, on or under the Leased Property; (iii) accumulate tires, spent batteries, mining spoil, debris or other solid waste (except for rubbish in containers for normal scheduled disposal in compliance with all applicable laws); or (iv) drain, fill or modify wetlands on the Leased Property (except in compliance with all applicable laws).

(b) Tenant's Duty to Notify. Tenant shall notify Landlord immediately upon Tenant's learning during the term of this Lease that: (i) any duty in Paragraph 18(a) has been violated; (ii) there has been a release, discharge or disposal of any Hazardous Substance on any property contiguous to the Leased Property such that contamination of the Leased Property is possible;

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or (iii) the Leased Property are the subject of any third party claim or action, because of any environmental condition on or originated from the Leased Property. Tenant shall promptly provide Landlord with copies of all correspondence to or from third parties, including, but not limited to, governmental agencies, regarding environmental conditions on or originating from the Leased Property.

(c) Tenant Indemnification. Tenant shall indemnify and agrees to hold Landlord harmless from and against all costs, liability and damages suffered by the Landlord as a result of a breach of Tenant's duties under this Paragraph 18.

(d) Right to Terminate. If any Hazardous Substances (as hereinafter defined), underground storage tanks, accumulated tires, spent batteries, mining spoil, debris or other solid waste (except for rubbish and containers for normal scheduled disposal in compliance with all applicable laws) or petroleum products, other than de minimis quantities in connection with the operation of motor vehicles are discovered at the Leased Property or if any asbestos or asbestos containing material is discovered in the Leased Property, and removal, encapsulation or other remediation is required by applicable laws, Tenant may (unless such substances or materials were introduced by Tenant, its agents, employees, invitees or other parties under Tenant's control), upon Tenant's reasonable determination that the quantity of such substances or materials is material, terminate this Lease by written notice to Landlord which notice shall be effective on Landlord's receipt thereof.

(e) Hazardous Substances Defined. As used herein "Hazardous Substances" means all "hazardous substances" (as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. paragraph 9601 et seq. and the regulations promulgated pursuant thereto, as amended (the "Act"); any other toxic or hazardous waste, material or substance as defined under any other federal, state or local law, rule, regulation or ordinance; petroleum products and any other pollutant or environmental contaminant.

(f) Survival. The obligations of Landlord and Tenant under this Paragraph 18 shall survive the expiration or earlier termination of this Lease and any extensions hereof.

19. LANDLORD'S RIGHTS AND REMEDIES.

(a) Option to Terminate. In the event of such default or breach, Landlord shall have the right, at its option, to terminate this Lease upon ten (10) days written notice to Tenant, and to thereupon reenter and take possession of the Leased Property, with or without legal process.

(b) Option to Relet. In the event of any such default or breach, Landlord shall have the right, at its option, from time to time, without terminating this Lease, to reenter and relet the Leased Property, or any part thereof, with or without legal process, as agent for, and for the account of Tenant, upon such terms and conditions as Landlord may deem advisable or satisfactory. In such event the rents received on such reletting shall be applied first to the expenses of such reletting and collection, including, without limitation, necessary renovation and

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alterations of the Leased Property, reasonable attorneys' fees and any real estate commissions paid. Such rents shall thereafter be applied toward payment of all sums due or to become due Landlord hereunder. If a sufficient sum shall not be thus realized or secured to pay such sums due Landlord and other charges:

- (i) at Landlord's option, Tenant shall pay Landlord any deficiency monthly, notwithstanding Landlord may have received rental in excess of the rental stipulated in this Lease in previous or subsequent months, and Landlord may bring an action therefor as such monthly deficiency shall arise; or
- (ii) at Landlord's option, the entire deficiency which is subject to ascertainment for the remaining term of this Lease shall be immediately due and payable by Tenant.

Nothing herein, however, shall be construed to require Landlord to reenter and relet in any event. Landlord shall nor, in any event, be required to pay Tenant any surplus of any sums received by Landlord on a reletting of the Leased Property at a rental in excess of the rent provided in this Lease.

(c) Acceleration of Rent. In the event of any such default or breach, Landlord shall have the right, at its option, to declare immediately due and payable (i) the rents for the entire remaining term and (ii) any other indebtedness of Tenant to Landlord, without regard to whether or not possession shall have been surrendered to or taken by Landlord, and may commence action immediately thereupon and recover judgment therefor.

(d) Removal of Tenant's Property. Landlord, in addition to other rights and remedies it may have, shall have the right to remove all or any part of Tenant's property from the Leased Property. Any property so removed may be stored in any public warehouse, or elsewhere, at the cost of, and for the account of Tenant; Landlord shall not be responsible for the care or safekeeping thereof, and Tenant hereby waives any and all claims against Landlord in connection with any loss, destruction or damage or injury which may be occasioned by any of the aforesaid acts.

(e) Effect of Reentry. No such reentry or taking possession of the said Leased Property by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. Notwithstanding any such reletting without termination, Landlord may, at any time thereafter, elect to terminate this Lease for such previous default or breach. Any such reentry shall be allowed by Tenant without hindrance, and Landlord shall not be liable in damages for any such reentry, nor guilty of trespass or of forcible entry on account thereof.

(f) Easements. Landlord may, with the prior written consent of Tenant, such consent not to be unreasonably withheld, conditioned or delayed, grant easements to public utilities companies over, under and across the Leased Property for the benefit of (i) any adjacent property owned by Landlord or (ii) any property owned by Landlord that is directly across any

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public right of way adjacent to the Leased Property.

(g) Cumulative Nature. Any and all rights, remedies and options given in this Lease to Landlord shall be cumulative, in addition to and without waiver of, or in derogation of, any right or remedy given to it under any law now or hereafter in effect.

20. WAIVER. The failure of Landlord to insist, in any one or more instances, upon the strict performance of any of the covenants of this Lease shall not be construed as a waiver, or as a relinquishment for the future, of such covenant, and any such covenant shall continue and remain in full force and effect. The receipt by Landlord of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach and no waiver by Landlord of any provision hereof shall be deemed to have been made unless the same shall be expressed in writing and signed by Landlord.

21. ATTORNEYS' FEES AND COSTS. In the event of the employment by Landlord of any agent to collect any rents or sums due hereunder by Tenant, to enforce the performance of any obligation hereunder, or on account of the breach by Tenant of any of the terms, conditions or covenants hereof, Tenant will pay all costs and expenses thereof, including reasonable attorneys' fees.

22. QUIET ENJOYMENT. Landlord covenants and agrees with Tenant that, upon Tenant paying the rent herein provided and performing all the covenants and conditions hereof, Tenant may peaceably and quietly have, hold and enjoy the Leased Property hereby demised for the entire term hereof; provided, however, that Landlord's liabilities under this Lease shall be only for the period during which it shall be the owner of the Leased Property.

23. SUBORDINATION TO MORTGAGE. This Lease and the interest of Tenant hereunder is and shall be subordinate to any mortgage which now or hereafter affects the Leased Property, and to any renewals, modifications or extensions of any such mortgage. Tenant shall execute and deliver such instruments subordinating this Lease or confirming or evidencing such subordination; provided, however, that the holder of any such mortgage shall execute an agreement providing that, so long as Tenant shall faithfully discharge its obligations under this Lease, its tenancy will not be disturbed, or this Lease otherwise affected, by any default under such mortgage and shall also provide that in the event of a sale of the Leased Property in foreclosure, or in the event of any sale, transfer or conveyance in lieu thereof, the Leased Property will be sold, transferred or conveyed subject to this Lease and subject to such agreement.

24. ACCESS TO PREMISES. Landlord, and any agents, employees, and representatives of Landlord, shall have access to the Leased Property at all reasonable times for the purpose of examining and inspecting such property.

25. WAIVER OF SUBROGATION. Landlord and Tenant each hereby waive any causes of action either may have or acquire against the other which are occasioned by the negligence of

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either of them, their employees or agents, resulting in the destruction of or damage to real or personal property belonging to the other and located on or in the Leased Property and which are caused by fire and/or the hazards insured against in an extended coverage endorsement to a standard fire insurance policy. Each party further agrees to cause an insurance policy covering destruction of or damage to such real or personal property from fire and/or the hazards covered under the such extended coverage endorsement to contain a waiver of subrogation or endorsement under which the insurance company waives its right of subrogation against any party to this Agreement in case of destruction of or damage to the aforementioned real or personal property of either such party.

26. **INVALIDITY.** If any term or provision of this Lease, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby. Each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

27. **NOTICES.** Any notice required or permitted to be given hereunder shall be deemed to have been given when personally delivered or deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid and addressed to the respective party to whom such notice relates at the following addresses:

Landlord: WILLIAM E. MASTERS
100 Bent Creek Court
Easley, South Carolina 29642

Tenant: PERCEPTION, INC.
111 Kayaker Way
Easley, South Carolina 29641

or at such alternate addresses as shall be specified by notice given in the manner herein provided.

28. **CAPTIONS OR TITLES.** The captions or titles used throughout this Lease are for general reference and convenience only and shall in no way define, limit or describe the scope or intent of this Lease.

29. **BINDING EFFECT.** This Lease, and all terms, conditions and covenants herein contained, shall, subject to the provisions of Paragraph 16 as to assignment, apply to bind the parties hereto and their respective heirs, administrators, successors and assigns.

30. **GOVERNING LAW.** This lease shall be construed and enforceable in accordance with, and be governed by, the internal laws of the State of South Carolina without regard to the principles of conflicts of law.

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day
and year first written above.

Thomas O. Roll

Witness

Witness

LANDLORD:

William E. Masters
William E. Masters

Thomas O. Roll

Witness

Witness

TENANT:

PERCEPTION, INC.

By:
Its

[Signature]
[Signature]

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STATE OF GEORGIA)

FULTON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that William E. Masters, whose name is signed to the foregoing Net Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Net Lease Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand this 25th day of June, 1998.

Susan J. Foster
Notary Public
My Commission Expires: 2/1/2002

STATE OF GEORGIA)

FULTON COUNTY)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that William E. Masters, whose name as President of Perception, Inc., a South Carolina corporation, is signed to the foregoing Net Lease Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the Net Lease Agreement, he, in his capacity as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand this the 25th day of June, 1998.

Susan J. Foster
Notary Public
My Commission Expires: 2/1/2002

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EXHIBIT A

[description of real property]

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EXHIBIT A-1

All those pieces, parcels or tracts of land situate, lying and being in the State of South Carolina, County of Pickens, near the City of Easley, being known and designated as Tract A containing 10.74 acres, more or less, and Tract B containing 4.60 acres, more or less, as shown on plat prepared by Robert R. Spearman, Surveyor, for William E. Masters, dated September 25, 1984 and recorded in Plat Book 26 at Page 807 in the Office of the Clerk of Court for Pickens County, South Carolina, and according to said plat being more particularly described as a unitary tract as follows, to-wit:

BEGINNING at a point on the South side of Old Powdersville Road (SC Hwy, S-39-28) thence running along the common line of the herein described tracts and property now or formerly of Hugh Smith South 38-15 West 900.0 feet to a point; thence running along the common line of the herein described tract and property now or formerly of Hugh Smith and Lloyd H. Smith, Jr. North 35-02 West 668.05 feet to a point; thence continuing North 00-15 West 147.98 feet to a point; thence continuing North 82-20 West 267.09 feet to a point on the East side of Rock Springs Road; thence continuing along the East side of Rock Springs Road North 04-37 West 60.0 feet to a point; thence running South 82-20 East 315.50 feet to a point; thence continuing North 38-58 East 681.50 to a point on the South side of Old Powdersville Road; thence running along the South side of Old Powdersville Road South 51-02 East 210.45 feet to a point; thence continuing South 55-24 East 128.28 feet to a point; thence continuing South 59-47 East 183.02 feet to a point; thence continuing South 62-07 East 235.06 feet to the point of BEGINNING.

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EXHIBIT A-2

All those certain pieces, parcels or tracts of land situate, lying and being in the State of South Carolina, County of Pickens, being shown and designated as Tract No. 1 containing 7.5573 acres, more or less, including all rights of way, and Tract No. 2 containing 1.835 acres, more or less, on a plat prepared by Robert R. Spearman, Surveyor, dated 8/13/92 and recorded in Plat Book 53, at Page 171-B in the Office of the Clerk of Court for Pickens County, South Carolina, reference to said plat is being hereby made for a more complete and accurate description thereof.

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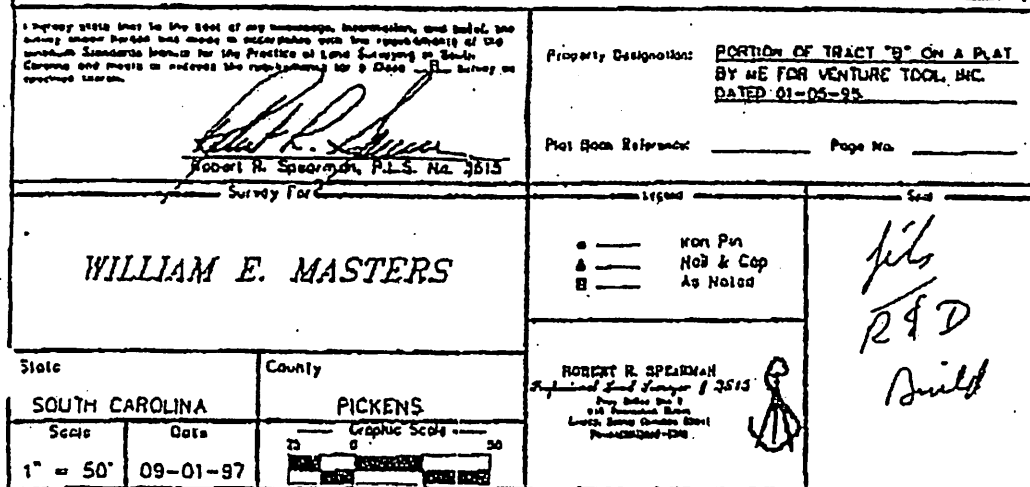
EXHIBIT A-3

All those certain pieces, parcels or tracts of land situate, lying and being in the State of South Carolina, County of Pickens being shown and designated as Tract "A" containing 0.983 acres, and Tract "A-1" containing 0.178 acres as shown on a plat prepared by Robert R. Spearman, Surveyor, dated 9-20-93 and recorded in Plat Book 46, at Page 689 in the Office of the Clerk of Court for Pickens County, reference to said plat is being hereby made for a more complete and accurate description thereof.

ALSO: A non-exclusive and perpetual easement and right of way being twenty (20') feet in width and running from the southwestern corner of Tract "A" referred to above across Tract "B" as shown on the above referred to plat, which right of way and easement shall be used by grantee and his heirs and assigns to install, access, utilize and maintain a sewer line connecting to the "Lift Station" shown on the above referred to plat.

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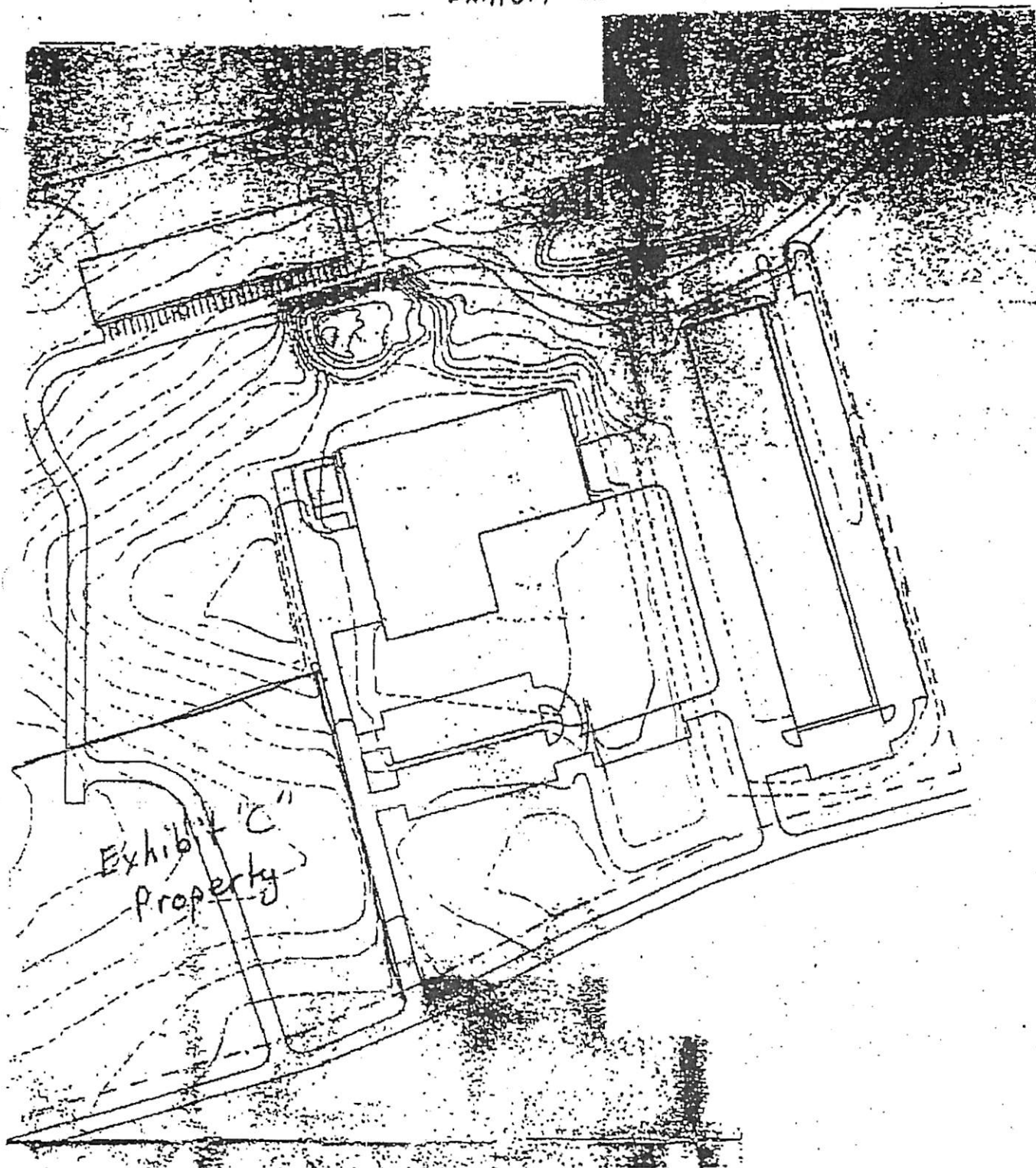
2052508404 -> Watermark; Page 22

03-20-00 09:36am From:BERKOWITZ LEFKOVITS ISOM KUSHNER

2052598404

T-880 P.22/24 F-161

Exhibit "C"



Received: 3/20/00 10:32AM;

2052508404 -> Watermark: Page 23

03-23-00 09:36am From:BERKOWITZ LEFKOVITS ISOM KUSHNER

2052508404

T-990 P.23/24 F-151

EXHIBIT "D"

Expansion Plan

**[that certain site plan, dated January 21, 1998 (Project #97138), prepared by
Justice Stubbs Architects for Perception, Inc. is incorporated herein by
reference]**

03-20-00 09:37am From-BERKOWITZ LEFKOVITS ISOM KUSHNER

2052503404

T-989 P.24/24 F-151

EXHIBIT E

Landlord and Tenant by notice to the other shall each designate an appraiser with an M.A.I. designation (individually, a "Partisan Appraiser", collectively, the "Partisan Appraisers"). The two (2) Partisan Appraisers so selected shall in turn, within ten (10) days, select a third appraiser (the "Independent Appraiser"). Within forty five (45) days the Independent Appraiser shall prepare a statement setting forth the fair market rental value of the Leased Property and shall deliver such statement to Landlord and Tenant. The resulting valuation shall be the conclusive and binding determination of the fair market rental value of the Leased Property. Landlord and Tenant shall each bear the cost of their respective appraisers and shall equally bear the cost of the Independent Appraiser.

314272.7
034344000003

B-1

EXHIBIT C

MASTER LANDLORD'S CONSENT TO SUBLEASE

ATTACHED TO AND A PART OF THIS SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

MASTER LANDLORD'S CONSENT TO SUBLEASE AND LICENSE TO USE ADJACENT PROPERTY

ATTACHED TO AND A PART OF THIS SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

WHEREAS: On June 25, 1998, William E. Masters ("Master Landlord") and Perception Inc. entered into that certain Net Lease Agreement dated June 25, 1998 (the "Master Lease"), as to certain premises known as Buildings A, B and C located at 111 Kayaker Way, Easley SC 29641 (the "Property"). Through a series of corporate name changes or mergers and acquisition transactions, the tenant's leasehold estate created by the Master Lease was assigned and transferred from Perception, Inc. to Watermark Paddlesports, Inc. to Yakima Products, Inc. to 3L Company Ltd., and finally to ARC Pickens Leasing LLC, a Delaware limited liability company (the "Sublandlord")

1. Master Landlord Consent. For One Dollar (\$1.00) and other valuable consideration the receipt and sufficiency of which is hereby acknowledged, Master Landlord hereby consents to the Sublease Agreement (the "Sublease") to which this Consent is attached between Sublandlord and Kongsberg Actuation Systems II, Inc., a Connecticut corporation ("Subtenant"), provided however that this Consent shall not be deemed to be a release of Sublandlord (nor any entity in the foregoing chain of assignment) from all or any part of the obligations under the Master Lease, nor shall it be deemed to be a waiver in the future of the requirement that Sublandlord obtain the prior written consent of Master Landlord to any assignment or sublease as provided in the Master Lease.

2. Master Lease Termination/Surrender and Subtenant Attornment. In the event of (i) the termination of the Master Lease caused by the default thereunder by Sublandlord, or (ii) the voluntary surrender and cancellation of the Master Lease by Master Landlord and Sublandlord, Master Landlord agrees to accept Subtenant as its tenant for a period equal to the full and unexpired portion of the terms of the Sublease to Subtenant, and upon the same covenants and conditions as are contained in the Sublease, provided Subtenant is not in default of the terms of the Sublease at the time of such termination or cancellation of the Master Lease. In consideration thereof, Subtenant shall make full and complete attornment to Master Landlord for the balance of the term of the Sublease to establish direct privity of estate and contract between Master Landlord and Subtenant and with the same force and effect as though the Sublease was originally made directly from the Master Landlord to the Subtenant. Thereafter, provided the Master Lease to Sublandlord has been terminated or cancelled, the Subtenant shall make all rental payments directly to Master Landlord. It is understood by the parties hereto that this paragraph shall not apply to termination of the Master Lease by reason of fire or other casualty or eminent domain pursuant to the terms of the Master Lease.

3. Right of First Offer. At Subtenant's option, Master Landlord hereby agrees to negotiate with Subtenant in good faith, prior to advertising, marketing, or offering the Premises to any third party, the terms of a direct lease between Master Landlord and Subtenant that shall begin upon expiration of the Sublease. Such terms shall be upon "market" conditions. The negotiation shall begin no later than 24 months prior to the expiration of the term of the Sublease. In the case that Master Landlord and Subtenant agree to terms and enter into a direct lease upon the expiration of the Sublease, there shall be no commissions due from Master Landlord to any third party as a result of that direct lease.

4. Master Landlord Representations as to Master Lease Status. The Master Landlord hereby represents, warrants and confirms (i) that the Master Lease is in full force and effect; (ii) that Sublandlord is vested with rights of tenancy under the Master Lease; (iii) that there is no current circumstance that, with notice or the passage of time, would constitute a default by Sublandlord according to the terms of the Master Lease; and (iv) that there is no ongoing breach of the Master Lease claimed by Master Landlord as against Sublandlord. Master Landlord covenants not to cause a breach of the Master Lease by or through its acts or omissions during the term of this Sublease.



5. Sublandlord's Representations as to Master Lease Status. The Sublandlord hereby represents, warrants and confirms to the Master Landlord (i) that the Master Lease is in full force and effect; (ii) that there is no current circumstance that, with notice or the passage of time, would constitute a default by Master Landlord according to the terms of the Master Lease; and (iii) that there is no ongoing breach of the Master Lease claimed by Sublandlord as against Master Landlord. Sublandlord covenants not to cause a breach of the Master Lease by or through its acts or omissions during the term of this Sublease. Sublandlord acknowledges that failure by Subtenant to pay rent to Sublandlord does not, of itself, excuse Sublandlord from timely paying the rent due to Master Landlord under the terms of the Master Lease.

6. License to Use Adjoining Property. In further consideration of the benefits to Master Landlord arising by virtue of the Sublease, Master Landlord grants to Subtenant a license (the "Limited Use License") to use certain real property adjacent to the Master Lease Premises (the "Adjacent Tract"), which Adjacent Tract is more particularly identified and depicted on Exhibit C to the Master Lease. The Limited Use License shall entitle Subtenant to egress and ingress to and from the Subleased Premises by vehicular and pedestrian travel over and upon that portion of the Adjacent Tract identified in tax mapping and generally referred to as Dancer Road. The Limited Use License shall endure for a contemporaneous term and shall otherwise be coterminous with the Sublease. Subtenant shall be responsible for mowing the grassed portion of the Adjacent Tract and Subtenant's and Sublandlord's general liability insurance responsibilities under the Master Lease and the Sublease shall extend to the Adjacent Tract, but otherwise no separate license fee shall be payable in exchange for the Limited Use License.

7. Additional Insured. Sublandlord shall cause Master Landlord to be made an additional insured on all insurance policies required to be maintained in effect by Sublandlord or Subtenant under the Master Lease or the Sublease and under which Master Landlord would have an insurable interest.

Executed this 10 day of Nov, 2011.

MASTER LANDLORD:


William E. Masters

SUBLANDLORD:

ARC Pickets Leasing LLC

By: 

SUBTENANT:

Kongsberg Actuation Systems II, Inc.

By: 

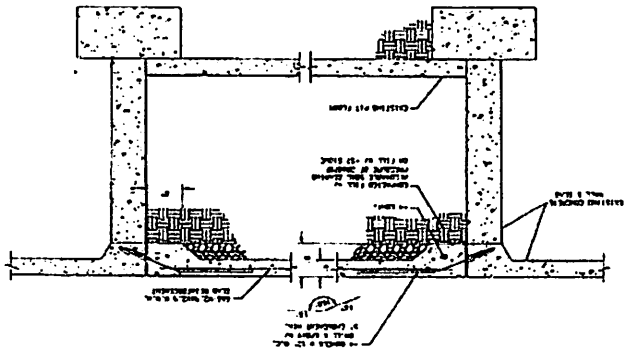
EXHIBIT D-1

DECOMMISSIONING REPORT

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

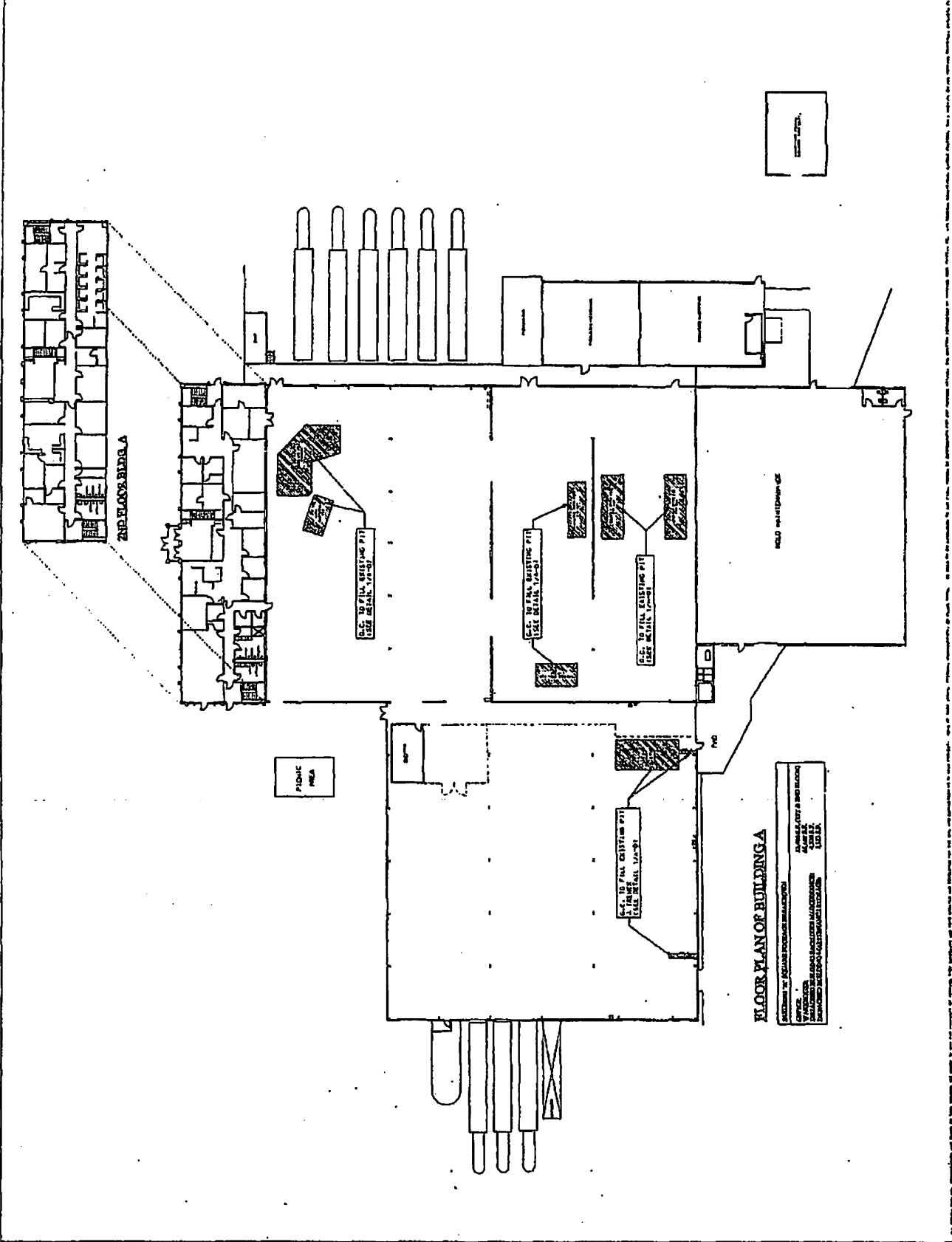
herring troy associates, pc



CONSTRUCTION NOTES REQUIRED BY LANDLORD

ENCLOSURE

herring troy associates, pc



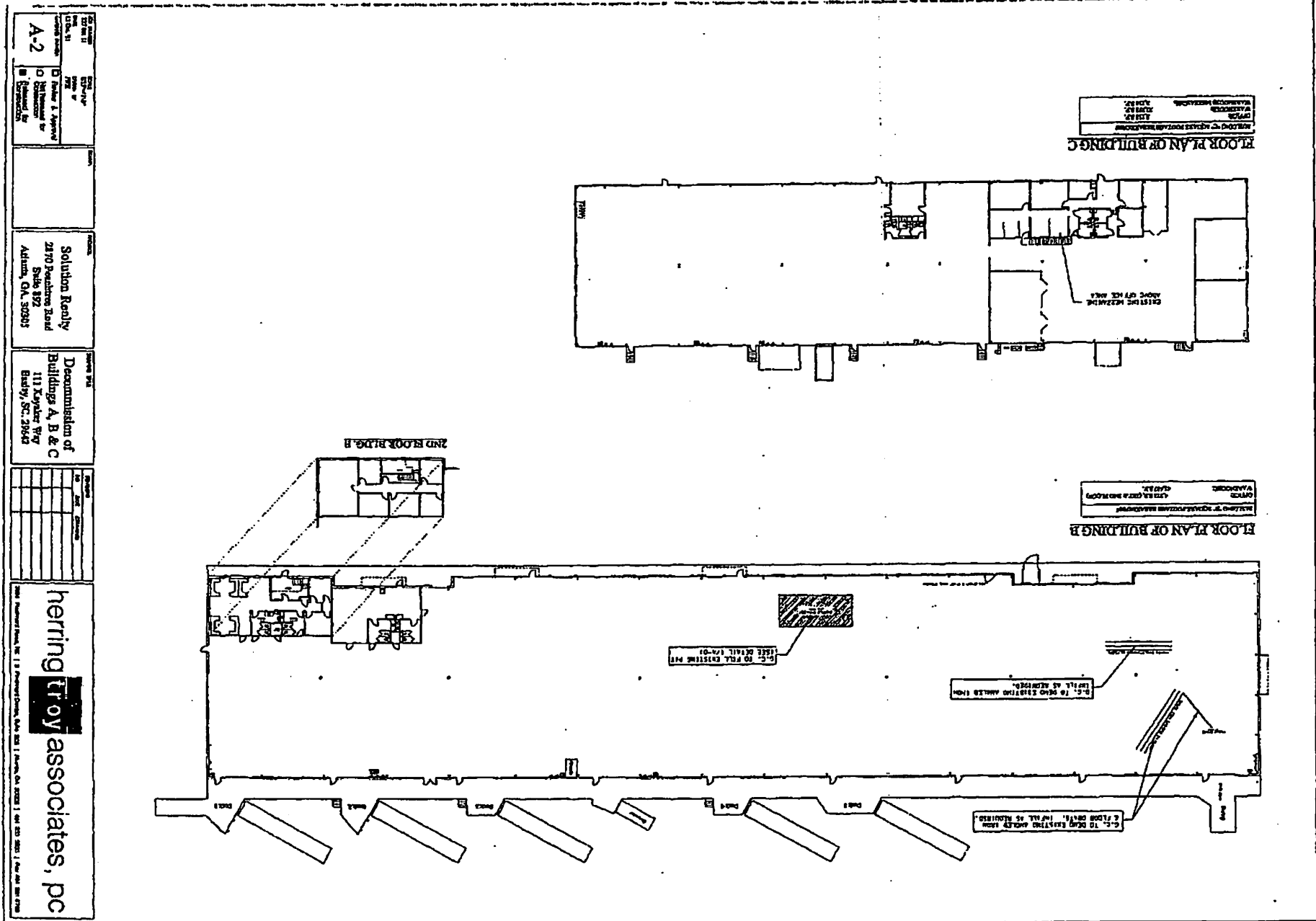


EXHIBIT D-2

DESCRIPTION OF SUBLANDLORD'S UPFIT WORK

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

The following improvements to the Premises shall be performed and the expense thereof paid for by Sublandlord as part of Sublandlord's Work:

- Paint offices;
- Replace carpet and ceiling tiles in offices;
- Repair or replace insulation on walls and ceiling;
- Fill in and repair any holes left in the floor of the manufacturing area;
- Have manufacturing floors cleaned/painted lines removed;
- Provide the manufacturing area in "broom clean" condition;
- Address any leaks or deferred maintenance of the roof;
- Check all systems and deliver in good working order (plumbing, electrical, office HVAC, gas); and
- Repair parking lot as needed.

EXHIBIT D-3

STATEMENT OF ACCEPTANCE

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

Date Lease Signed: November 7, 2011

Term of Lease: 11 years and 6 months

Address of Leased Premises: 111 Kayaker Way, Easley SC 29642

Rent Commencement Date: _____ (Date of Premises Acceptance with Sublandlord's Work substantially completed).

Sublease Expiration Date: June 30, 2023

Statement of Acceptance: This _____ day of _____, 20____, the above-described Premises are hereby accepted by Subtenant as suitable for the purposes for which they were leased. The Sublease Expiration Date and Rent Commencement Date are accurately stated above. Sublandlord's Work is accepted subject to the completion of the final punchlist items; provided, however, the completion of final punchlist items shall not negate or diminish from the conclusion that Sublandlord's Work has been substantially completed (nor shall completion of the final punchlist items defer Rent Commencement) a copy of the said final punchlist is attached and made a part hereof.

Declared:

**SUBTENANT:
Kongsberg Actuation Systems II, Inc.**

**By: _____
Its: _____**

Acknowledged:

**SUBLANDLORD:
ARC Pickens Leasing LLC**

**By: _____
Its: _____**

EXHIBIT D-4

DESCRIPTION OF SUBTENANT'S WORK

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

Exhibit D-4

Description of Subtenant Work

Replacement of carpet throughout office areas
Installation of tile in foyer, lobby and cafeteria
Movement of communications wiring and equipment to outside wall (AT&T)
Replacement of plate glass window
Refurbishment of bathrooms including new fixtures
Rewiring of electrical system to ensure to code
Grinding of shop floors
Installation of air lines

EXHIBIT E

LISTING OF HAZARDOUS MATERIALS

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

**Hazardous materials: MATERIAL SAFETY DATA SHEETS (MSDS) are attached by
Subtenant.**

EXHIBIT F

EXECUTIVE SUMMARY OF SUBTENANT'S ENVIRONMENTAL TESTING

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

**ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.**

[to be attached]

EXECUTIVE SUMMARY

United Consulting has completed a Phase II Environmental Assessment on the Former Confluence Watersports site, located at 111 Kayaker Way in Easley, Pickens County, South Carolina. This property is hereafter referred to in this report as the Project Site. This assessment was conducted to ascertain the status of the Project Site with respect to historic mold injection activities that were conducted on site. The location and layout of the Project Site are shown on Figures 1 and 2, respectively. The results from this investigation are briefly summarized below. The text of the report should be reviewed for a discussion of these items.

1. Five direct push borings (designated TMW-1 thru TMW-5) were advanced on the Project Site. Samples collected from borings TMW-1, TMW-3, TMW-4, and TMW-5 were analyzed for volatile organic compounds (VOCs). Samples collected from boring TMW-2 were analyzed for polyaromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs).
2. One hand auger boring, HA-1, was placed near a floor drain in the warehouse area. A shallow soil sample was collected from this location and was submitted to the laboratory for VOC analysis.
3. During the drilling process, United Consulting recovered soil samples for field testing using a portable organic vapor monitoring instrument. Organic vapors were not detected in the soil samples we screened.
4. Groundwater samples were collected from two of the borings advanced (TMW-1 and TMW-2) on the Project Site. The groundwater sample from TMW-1 was analyzed for VOCs, while the groundwater sample from TMW-2 was analyzed for PAHs and PCBs. Auger refusal, without evidence of water, was encountered at the remaining sample locations. At sample locations where groundwater was not present, soil samples were collected in from above the groundwater table for laboratory analysis.
5. One quality control (QC) sample, a trip blank, was submitted for laboratory analysis of VOCs. No VOC constituents were detected in the QC sample or the laboratory prepared trip blank. Laboratory QC samples were within specifications and no VOCs were in the associated method blanks.
6. No VOC, PAH or PCB constituents were detected in the soil or the groundwater samples collected from the Project Site. Based on the results of this investigation, United Consulting does not believe the Project Site has been chemically impacted by the historic plastic injection manufacturing processes.

EXHIBIT G

FORM OF SUBLEASE GUARANTY

ATTACHED TO AND A PART OF THE SUBLEASE AGREEMENT BETWEEN

ARC Pickens Leasing LLC
and
Kongsberg Actuation Systems II, Inc.

GUARANTY OF SUBLEASE

In order to induce ARC Pickens Leasing LLC, a Delaware limited liability company ("Sublandlord") to execute that certain Sublease (the "Sublease") dated _____, 2011, with Kongsberg Actuation Systems II, Inc., a Connecticut corporation, ("Subtenant"), the undersigned (if more than one, jointly and severally), do hereby absolutely and unconditionally guarantee (i) the full performance and observance of all the covenants, conditions and agreements provided to be performed and observed by Subtenant including, without limitation, the prompt payment of the Rent and all other amounts provided in the Sublease to be paid by Subtenant (collectively, the "Guaranty Obligations") and (ii) the payment of all Enforcement Costs (as hereinafter defined).

The undersigned hereby waives notice of non-payment, non-performance or non-observance, and all other notices and all proofs or demands. The undersigned agrees that it shall subordinate its rights to the rights of Sublandlord under this Guaranty of Sublease (this "Guaranty") and if Sublandlord's claim against Subtenant is reduced or capped under the Federal Bankruptcy Code or any other law or for any other purpose such reduction or cap shall not affect Sublandlord's claim against the undersigned under this Guaranty, the undersigned and Sublandlord acknowledging that the total liability of the undersigned shall be as stated in this Guaranty.

Further, the undersigned expressly agrees that its obligations hereunder shall not be terminated, affected or impaired by reason of the granting by Sublandlord of any indulgences to Subtenant or by reason of the assertion against Subtenant of any of the rights or remedies reserved to Sublandlord pursuant to the provisions of the Sublease or by the release of Subtenant (or any other guarantor) from any of Subtenant's obligations under the Sublease by operation of law, the undersigned hereby waiving all suretyship defenses. The undersigned further covenants and agrees that this Guaranty shall remain and continue in full force and effect as to any renewal, modification or extension of the Sublease whether or not the undersigned shall have received any notice of or consented to such renewal, modification or extension.

It is agreed that the failure of Sublandlord to insist in any one or more instances upon strict performance or observance of any of the terms, provisions or covenants of the Sublease or to exercise any right therein contained shall not be construed or deemed to be a waiver or relinquishment for the future of such term, provisions, covenant or right, but the same shall continue and remain in full force and effect. Receipt by Sublandlord of Rent or other payments with knowledge of the breach of any provision of the Sublease shall not be deemed a waiver of such breach.

No assignment or other transfer of the Sublease, or any interest therein, shall operate to extinguish or diminish the liability of the undersigned hereunder.

This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time any whole or partial payment of the Guaranty Obligations is or is sought to be rescinded or must otherwise be disgorged, restored or returned by Sublandlord upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Subtenant or the undersigned (or any other guarantor) or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Subtenant or the undersigned (or any other guarantor) or of or for any substantial part of the property owned by Subtenant, all as though such payments or performance, to the extent so rescinded or otherwise disgorged, restored or returned, had not been made.

If this Guaranty is placed in the hands of one or more attorneys for collection or is collected through any legal proceedings, or if one or more attorneys is retained to represent Sublandlord in any other proceedings whatsoever in

connection with this Guaranty, and if Sublandlord prevails in such proceedings, then the undersigned shall pay to Sublandlord, promptly upon demand, all reasonable attorneys' fees, costs and expenses, including, without limitation, court costs and filing fees, incurred in connection therewith (all of which are referred to herein as "Enforcement Costs"), in addition to all other amounts due hereunder.

This Guaranty shall be governed by the laws of the State of South Carolina without regard to conflicts of laws principles thereof.

The undersigned hereby submits to jurisdiction in the State of South Carolina for the enforcement of this Guaranty and waives any and all rights to object to such jurisdiction for the purposes of litigation to enforce this Guaranty. The undersigned hereby consents to the jurisdiction of any Circuit Court in such State designated by Sublandlord, in any action, suit or proceeding which Sublandlord may wish to file at any time in connection with this Guaranty or any related matter. The undersigned hereby agrees that an action, suit or proceeding to enforce this Guaranty may be brought in any Circuit of the State, state or federal court in the State of South Carolina and hereby waives any objection which the undersigned may have to the laying of the venue of any such action, suit or proceeding in any such court; provided, however, that the provisions of this paragraph shall not be deemed to preclude Sublandlord from filing any such action, suit or proceeding in any other appropriate forum.

IN WITNESS WHEREOF, this Guaranty is executed this ____ day of _____
2011.

Witnesses:

GUARANTORS:

By: _____
Name: _____
Title: _____

Amendment to Sublease

This Amendment to Sublease (this "Amendment") which is effective as of May 1, 2012, amends that Sublease Agreement effective as of November 7, 2011 (the "Sublease") by and between ARC PICKENS LEASING LLC ("Sublandlord") and Kongsberg Actuation Systems II, Inc. ("Subtenant").

1. Sublandlord acknowledges that Subtenant is entitled to the payment of \$245,712.01 (the "Reimbursement Entitlement") in accordance with the Draw Request submitted by Subtenant to Sublandlord, for payment of a portion of the Construction Allowance pursuant to Section 5.9 of the Sublease.
2. Sublandlord agrees that, notwithstanding any language to the contrary in the Sublease, Sublandlord agrees that Subtenant may withhold payment of rents owed by Subtenant to Sublandlord under the Sublease, by way of setoff against the Reimbursement Entitlement. More particularly, Subtenant's occupancy of the Premises without payment of rent shall setoff against the Reimbursement Entitlement at a monthly rate equal to a) the monthly rate of Base Rent set forth in Addendum 1 of the Sublease, plus b) the monthly rate of estimated Operating Expense, plus or minus, as the case may be, c) any Operating Expense true-up resulting from the reconciliation set forth in Section 8.3 of the Sublease (collectively, the rental and Operating Expense sum derived from aggregating a), b) and c) is hereinafter referred to as the "Rental Charges")
3. Subtenant's right to setoff the Rental Charges against the Reimbursement Entitlement shall end upon the first to occur of the following:
 - a. Full retirement and satisfaction of the Reimbursement Entitlement through setoff rights contemplated herein, by payment or otherwise; or
 - b. An Event of Default of the Sublandlord under the Master Lease leading to Master Landlord and Subtenant reaching a mutually agreeable Attornment Agreement or Master Landlord otherwise exercising its remedies according to the Master Landlord's Consent to Sublease and License to Adjacent Property attached to and made a part of the Sublease as Exhibit C thereto.
4. Terms used and not defined herein shall have the meanings set forth in the Sublease.
5. The Sublease, as amended hereby, shall remain in full force and effect.

[remainder of this page intentionally blank; signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the
effective date set forth above.

ARC PICKENS LEASING LLC

Kongsberg Actuation Systems II, Inc.

By: [Signature]

By: [Signature]

Title: Authorized Agent

Title: President

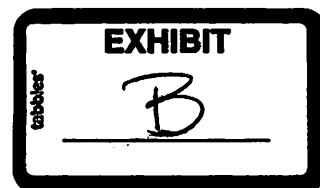
Invoice 100

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 12/02/2011

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Building A- Fill in all pits and floor drains with #57 stone. Tamp And vibrate for settlement. Saw Cut and remove concrete, floor Drains and electrical and around T 1 Burner. #4 smooth bar 1 foot On center with 5 inch inbed with epoxy in existing concrete, 1 foot on center rebarb blanket. 6 inches 4500 psi concrete throughout building A. Certified letter from engineer on work that is being performed and results of Concrete test. Take up extra concrete around T 1 burner that is cracked. All stone and concrete will be hauled inside building with Skid steer And Georgia buggles.		
		Total	\$60,000.00
THANK YOU FOR YOUR BUSINESS!			



Invoice 101

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 12/28/2011

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Take down wall inside building A and Hauling off.		\$3,000.00
	Total		\$3,000.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 102

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/02/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Building A—Grade from front parking lot to road. Straw matting with grass seed.		
		Total	\$4,675.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 105

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/23/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Concrete repairs made to building A. Drain clean outs capped off and repoured with 4500 Psi concrete with a 1 foot rebar blanket.		
		Total	\$20,000.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 106

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Tie-in down spouts on back side of building A And plant grass & put straw out.		
		Total	\$1,045.71
THANK YOU FOR YOUR BUSINESS!			

Invoice 107

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Concrete flume at storm pipe and driveway.		
		Total	\$825.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 108

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	18 ton of Rip Rap, skid loader work. Putting rock out and Hauling off 3 loads of brush and dead pine trees at building A Retention pond area. Planting grass and putting out straw.		
		Total	\$2,200.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 109

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	20 Yards of Mulch hauled in.		
		Total	\$480.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 110

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Replace metal wall on one side of small building Beside building A.		
		Total	\$2,475.00
THANK YOU FOR YOUR BUSINESS!			

Invoice 111

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/27/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Complete 4 X 8 wall and repair more area in building A And cracks in back wall.		
		Total	\$1,265.00
THANK YOU FOR YOUR BUSINESS!			

Not
Paid

Invoice 103

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/02/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Building A—Cleaning dirt and mud around shipping and Receiving and backside of building A on road. Geo fabric and 180 yards of single ground Mulch beside and behind building A on banks.		
		Total	\$8,600.00
THANK YOU FOR YOUR BUSINESS!			

Not
Paid

Invoice 104

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 01/02/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Building A—Demolition of Septic Tank around flag pole. Hauling off concrete and having tank pumped Out. Hauling in and tamping dirt to prevent Settlement. Adding grass and straw around arca.		
		Total	\$3,200.00
THANK YOU FOR YOUR BUSINESS!			

Not
paid

Invoice 111

MCCALL'S GRADING & TRANSPORT
MCCALL'S LLC OF EASLEY, SC
JOHN MCCALL
2107 SALUDA DAM RD
EASLEY, SC 29640
864-430-8550

DATE: 03/02/2012

CUSTOMER: ARC Pickens Leasing LLC
In Care of Arcapita, Inc
75 Fourteenth St., 24th Floor, Atlanta, GA 30309

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Job—Kayaker Way 111 Kayaker Way, Easley, SC 29642		
	Saw cut five drain holes—jackhammer concrete out And pour concrete back.		
		Total	\$1,500.00
THANK YOU FOR YOUR BUSINESS!			

Invoice

Reference
Old Confluence Building Powdersville Road

Conclusion



ATTORNEYS AT LAW

Gary D. Underdahl, Esq.

Direct Line 651 289 3857 | gunderdahl@askllp.com
2600 Eagan Woods Drive, Suite 400 | St. Paul, Minnesota | 55121
phone 651 406 9665 | fax 651 406 9676 | www.askllp.com

March 24, 2014

John A. McCall, Owner
John A. McCall dba McCall's Grading & Transportation
2107 Saluda Dam Road
Easley, SC 29640

NOTE: ANY SUPPORTING ANALYSES CONTAINED HEREIN, WHICH WERE PREPARED BY OUR OFFICE FOR SETTLEMENT PURPOSES, ARE PRIVILEGED SETTLEMENT COMMUNICATIONS AND PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE ARE NOT ADMISSIBLE.

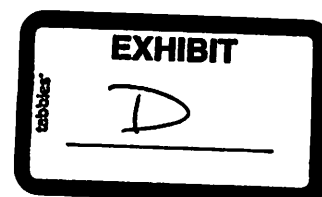
Re: Arcapita Bank B.S.C.(c), et al.
Chapter 11, Bankruptcy Case No. 12-11076 (SHL)
Filed March 19, 2012
Arcapita Bank B.S.C.(c), et al. v. John A. McCall dba McCall's Grading & Transportation
Adversary Number 14-01893 (SHL)

Dear Defendant:

This firm has been retained by Arcapita Bank B.S.C.(c), et al. (the "Debtors"). Accordingly, on behalf of the Debtors, we filed the enclosed complaint on March 17, 2014 to recover \$95,965.71 of payments made to John A. McCall dba McCall's Grading & Transportation within the ninety (90) day period before the Debtors filed their respective bankruptcy petitions (the "Preference Period") and/or unauthorized post-petition payments. The Preference Period covers all transfers that cleared the Debtors' bank account(s) between December 20, 2011 and March 19, 2012.

The documents enclosed herewith include the Summons and Complaint and **constitute service upon you in accordance with Rule 7004 of the Federal Rules of Bankruptcy Procedure and Rule 4 of the Federal Rules of Civil Procedure.**

The Debtors have a fiduciary obligation to recover assets of the estate. These duties include the analysis and recovery of avoidable transfers made during the Preference Period. Sections 547, 548, and 550 of the Bankruptcy Code require such transfers to be returned to the bankruptcy estate. These laws further the primary bankruptcy policy of equality of treatment between creditors. The return of avoidable transfers increases the assets available to satisfy the claims of all creditors in accordance with Bankruptcy Code priorities.



ask | ATTORNEYS AT LAW
March 24, 2014
Page 2

We are enclosing the following Pleadings and Documents:

1. **Complaint to Avoid and Recover Transfers of Property and the Summons.**

The balance of this letter:

- (i) sets forth the preference statute and explains the underlying policy reasons for its existence;
- (ii) explains the basis of the preference claims; and
- (iii) explains what to do if you believe that the preference claims can be refuted under one of the exceptions set forth in 11 U.S.C. § 547(c).

The Statutory and Policy Framework

The preference laws are intended to further the bankruptcy policy of equality of treatment between creditors. Within the ninety (90) day Preference Period some creditors received payments, but many did not. By forcing the return of transfers made during the Preference Period, the assets of the bankruptcy estates are increased. The asset "pie" is then distributed to creditors on a *pro rata* basis in accordance with the distribution priorities set forth in the Bankruptcy Code. In this manner, creditors that were not "preferred" have a better chance to recover a percentage of their claims.

11 U.S.C. § 547(b) of the United States Bankruptcy Code states that:

(b) Except as provided in subsection (c) of this section, the Debtors may avoid any transfer of an interest of the debtor in property –

- (1) to or for the benefit of a creditor;
- (2) for or on account of an antecedent debt owed by the debtor before such transfer was made;
- (3) made while the debtor was insolvent;
- (4) made –
 - (A) on or within 90 days before the date of the filing of the petition; or
 - (B) between 90 days and one year before the date of the filing of the petition, if such creditor at the time of such transfer was an insider; and
- (5) that enables such creditor to receive more than such creditor would receive if –
 - (A) the case were a case under chapter 7 of this title;
 - (B) the transfer had not been made; and

ask- | ATTORNEY AT LAW
March 24, 2014
Page 3

(C) such creditor received payment of such debt to the extent provided by the provisions of [the Bankruptcy Code].

[Emphasis Added]

The Basis of the Avoidance Claim

1. Payments were made to your company by the Debtors within the Preference Period and are identified on Exhibit "A" to the Complaint, attached hereto. These payments were made from the Debtors' bank accounts and constitute transfers of "an interest of the debtor in property." Therefore 11 U.S.C. § 547(b)(4) is satisfied. If you contend that you did not receive one or more of these checks and/or wire transfer, please notify us immediately.
2. Because you had a claim (*i.e.*, a right to payment) against the Debtors when the Transfers occurred, you were a "creditor" as the term is used in 11 U.S.C. § 101(10)(A). Therefore, the Transfers were "to or for the benefit" of a creditor and 11 U.S.C. § 547(b)(1) is satisfied.
3. Because each Transfer was in payment of an obligation that was due before the Transfers were made, each transfer was for or on account of an antecedent debt. Therefore, 11 U.S.C. § 547(b)(2) is satisfied.
4. The Debtors were insolvent throughout the Preference Period within the meaning of the Bankruptcy Code, in that the sum of their debts was greater than the fair value of their assets. *See* 11 U.S.C. § 101(32)(A). Also, while rebuttable by competent evidence, a debtor is presumed to have been insolvent during the Preference Period. *See* 11 U.S.C. § 547(f). Therefore 11 U.S.C. § 547(b)(3) is satisfied.
5. 11 U.S.C. § 547(b)(5) is satisfied in all cases where, as here, creditors will not receive a dividend of 100% of their allowed claims. An illustrative example follows:

Example of Application of 11 U.S.C. § 547(b)(5)

	Transfer Made	Transfer Not Made
Pre-Transfer Claim (Debt)	\$50,000	\$50,000
Preference Period Transfer ("A")	\$40,000	--
Creditor's Claim at Bankruptcy	\$10,000	\$50,000
Dividend Percentage	10%	10%
Dividend on Claim ("B")	\$1,000	\$5,000
Total Recovery on Debt	\$41,000 (A+B)	\$5,000

ask- | ATTORNEYS AT LAW
March 24, 2014
Page 4

If the \$40,000 preference payment is returned and the creditor's claim is increased by an equal amount, the allowed claim would be \$50,000 (*i.e.*, the same as if the transfer had not occurred). But, the dividend would only be \$5,000. As is apparent from this example, the preference payment improved the creditor's position by \$36,000.

Potential Defenses To The Preference Claim

In certain cases there may be a defense to liability with respect to a preference claim based on 11 U.S.C. § 547(c). The common defenses are that (i) the payments were part of a contemporaneous exchange transaction (*i.e.*, COD), (ii) the payments were made in a manner consistent with the prior course of dealings between your company and the Debtors or that your course of dealing was ordinary in relation to an objective industry standard (the "Ordinary Course of Business" or "OCB" defense), or (iii) your company provided subsequent credit or "new value" to the Debtors, which under certain circumstances may qualify to reduce the preference claim.

We anticipate that after your further review of the enclosed documents you may choose to settle rather than litigate and incur legal expenses and potential liability for the entire claim. If you elect to discuss settlement or wish to discuss this matter, **please contact me** at 651-289-3857, or via e-mail at gunderdahl@askllp.com.

Sincerely,

ASK LLP


Gary D. Underdahl, Esq.
Special Counsel for Arcapita Bank B.S.C.(c), et al.

Encl: As noted on page 2

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

In re: Arcapita Bank B.S.C.(C), et al. and Arcapita Bank B.S.C.(c) et al Bankruptcy Case No.: 12-11076-shl

Arcapita Bank B.S.C. (c), et al.,

Plaintiff(s),

—against—

Adversary Proceeding No. 14-01893-shl

John A. McCall
dba McCall's Grading & Transportation

Defendant(s)

**SUMMONS AND NOTICE OF PRETRIAL CONFERENCE
IN AN ADVERSARY PROCEEDING**

YOU ARE SUMMONED and required to submit a motion or answer to the complaint which is attached to this summons to the clerk of the bankruptcy court within 30 days after the date of issuance of this summons, except that the United States and its offices and agencies shall submit a motion or answer to the complaint within 35 days, to:

Address of Clerk:

Clerk of the Court
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

At the same time, you must also serve a copy of the motion or answer upon the plaintiff's attorney.

**Name and Address of
Plaintiff's Attorney:**

Brigette McGrath
ASK LLP
151 West 46th Street
4th Floor
New York, NY 10036

If you make a motion, your time to answer is governed by Fed. R. Bankr. P. 7012.

YOU ARE NOTIFIED that a pretrial conference of the proceeding commenced by the filing of the complaint will be held at the following time and place:

United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

Room: Courtroom 701, One Bowling Green,
New York, NY 10004-1408

Date and Time: 5/14/14 at 03:00 PM

IF YOU FAIL TO RESPOND TO THIS SUMMONS, YOUR FAILURE WILL BE DEEMED TO BE YOUR CONSENT TO ENTRY OF A JUDGMENT BY THE BANKRUPTCY COURT AND JUDGMENT BY DEFAULT MAY BE TAKEN AGAINST YOU FOR THE RELIEF DEMANDED IN THE COMPLAINT.

Dated: 3/21/14

Vito Genna

Clerk of the Court

By: /s/ Kenishia Braithwaite

Deputy Clerk

ASK LLP

Joseph L. Steinfeld, Jr., Esq.

(Pro Hac Vice Pending)

2600 Eagan Woods Drive, Suite 400

St. Paul, MN 55121

Telephone: (651) 406-9665 **Fax** (651) 406-9676

Edward E. Neiger, Esq.

Brigette G. McGrath, Esq.

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New York, NY 10036

Telephone: (212) 267-7342 **Fax** (212) 918-3427

e-mail: bmcgrath@askllp.com

Attorneys for Plaintiffs, Arcapita Bank B.S.C.(c), et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Arcapita Bank B.S.C.(c), et al.¹

Reorganized Debtors.

Arcapita Bank B.S.C.(c), et al.,

Plaintiffs,

vs.

John A. McCall dba McCall's Grading &
Transportation,

Defendant.

Case No. 12-11076 (SHL)

Chapter 11

Adv. No. **Refer to Summons**

**COMPLAINT TO AVOID TRANSFERS
PURSUANT TO 11 U.S.C. §§ 547, 548, AND 502 AND TO RECOVER
PROPERTY TRANSFERRED PURSUANT TO 11 U.S.C. § 550**

Arcapita Bank B.S.C.(c), et al. (the "Debtors"), the Reorganized Debtors (the "Plaintiffs"), by and through their undersigned counsel, file this complaint (the "Complaint") to

¹ The "Reorganized Debtors" in these chapter 11 cases and, prior to the Confirmation Order and Falcon Confirmation Order (as defined below), the "Debtors," are: Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, Windturbine Holdings Limited, AEID II Holdings Limited, Railinvest Holdings Limited, and Falcon Gas Storage Company, Inc.

avoid and recover transfers against John A. McCall dba McCall's Grading & Transportation (the "Defendant"), and in support thereof allege upon information and belief that:

NATURE OF THE CASE

1. Plaintiffs seek to avoid and recover from Defendant, or from any other person or entity for whose benefit the transfers were made, all preferential transfers of property that occurred during the ninety (90) day period prior to the commencement of the Debtors' bankruptcy proceedings pursuant to 11 U.S.C. §§ 547 and 550. Subject to proof, Plaintiffs also seek to recover all fraudulent conveyances pursuant to 11 U.S.C. § 548. To the extent that Defendant filed a proof of claim or has a claim listed on the Debtors' schedules as undisputed, liquidated, and not contingent, or has otherwise requested payment from the Debtors or the Debtors' chapter 11 estate, (collectively, the "Claims"), this Complaint is not intended to be, nor should it be construed as, a waiver of Plaintiffs' right to object to such Claims for any reason including, but not limited to, 11 U.S.C. § 502 (a) through (j), and such rights are expressly reserved. Notwithstanding this reservation of rights, certain relief pursuant to section 502 may be sought by Plaintiffs herein as further stated below.

JURISDICTION AND VENUE

2. This court has subject matter jurisdiction over this adversary proceeding, which arises under title 11, arises in, and relates to cases under title 11, in the United States Bankruptcy Court for the Southern District of New York, Manhattan Division (the "Court"), Case No. 12-11076 (SHL), pursuant to 28 U.S.C. §§ 157 and 1334(b).

3. The statutory and legal predicates for the relief sought herein are sections 502, 547, 548, and 550 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code")

and Rules 3007 and 7001 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

4. This adversary proceeding is a “core” proceeding to be heard and determined by the Court pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter final orders for matters contained herein.

5. Pursuant to Local Bankruptcy Rule 7008-1, Plaintiffs state that they consent to the entry of final orders or judgments by the Court if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

6. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. §§ 1408 and 1409.

PROCEDURAL BACKGROUND

7. On March 19, 2012 (the “Petition Date”), the Debtors, other than Falcon Gas Storage Company, Inc. (“Falcon”), each commenced a case by filing a voluntary petition for relief in this Court under chapter 11 of the Bankruptcy Code. On April 30, 2012, Debtor Falcon commenced a case by filing a voluntary petition for relief in this Court under chapter 11 of the Bankruptcy Code.

8. On March 22, 2012, the Court entered an order authorizing the joint administration of the chapter 11 cases for procedural purposes pursuant to Bankruptcy Rule 1015(b) [Docket No. 16].² On June 12, 2012, the Court entered an order, among other things,

² All docket items referenced are from Case No. 12-11076, under which the bankruptcy cases are jointly administered.

authorizing the joint administration of the Falcon chapter 11 case with those of the other Debtors [Docket No. 239].

9. On June 11, 2013, the Debtors filed the *Debtors' Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code (With First Technical Modifications)* [Docket No. 1251] (the "Plan"). On June 17, 2013, the Court confirmed the Plan and entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors With Respect to Each Debtor Other Than Falcon Gas Storage Company, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 1262] (the "Confirmation Order"). On January 31, 2014, the Court entered the *Order Confirming the Second Amended Joint Plan of Reorganization as to Falcon Gas Storage Company Under Chapter 11 of the Bankruptcy Code* [Docket No. 1759] (the "Falcon Confirmation Order").

THE PARTIES

10. Prior to the Petition Date, the Debtors and their non-debtor affiliates (the "Non-Debtor Affiliates," and collectively, with the Debtors, the "Arcapita Group") were leading global managers of Shari'ah-compliant alternative investments and operated collectively as an investment bank. The Arcapita Group's principal activities included investing on its own account and providing investment opportunities to third-party investors in conformity with Islamic Shari'ah rules and principles.

11. At all relevant times, Arcapita Bank B.S.C.(c) ("Arcapita Bank") was the corporate parent of the Debtors and the Non-Debtor Affiliates. Arcapita Bank was headquartered in Bahrain and regulated under an Islamic wholesale banking license issued by the

Central Bank of Bahrain. In addition to the Bahrain headquarters, the Arcapita Group had offices in Atlanta, London, Hong Kong, and Singapore.

12. Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, Windturbine Holdings Limited, AEID II Holdings Limited, and Railinvest Holdings Limited are Cayman Islands exempted companies.

13. Falcon Gas Storage Company, Inc. is a Delaware corporation, and its principal place of business is located at 75 14th Street, 24th Floor, Atlanta, Georgia 30309.

14. Upon information and belief, at all relevant times, Defendant is a transportation company. Upon further information and belief, Defendant's principal place of business is located at 2107 Saluda Dam Road, Easley, SC 29640. Upon information and belief, Defendant is an individual residing in and subject to the laws of the State of South Carolina.

FACTUAL BACKGROUND

15. Prior to the Petition Date, the Arcapita Group, as an investment bank, maintained business relationships with various business entities, through which the Arcapita Group regularly purchased goods and services.

16. As an investment bank, the Arcapita Group regularly purchased goods from various entities including vendors, creditors, suppliers, and distributors. The Arcapita Group, as an investment bank, also regularly paid for services used to facilitate its banking activities.

17. The Arcapita Group maintained an integrated cash management system pursuant to which the collection of funds generated by, and disbursements to cover expenses of, the Debtors and Non-Debtor Affiliates were centralized in a master collection/disbursement account at JPMorgan Chase Bank in the name of Arcapita Bank (the "Master Account"). In addition to the Master Account, the Arcapita Group maintained bank accounts throughout the world for the

purpose of facilitating the payment of the Debtors' and Non-Debtor Affiliates' expenses in foreign currencies, and certain subsidiaries maintained their own separate bank accounts for various business purposes (collectively, the "Local Disbursement Accounts"). Typically, all cash generated by the Debtors and Non-Debtor Affiliates flowed to the Master Account, and all expenses of the Debtors and Non-Debtor Affiliates, including payroll and rent, were paid from the Master Account, either directly to the ultimate recipient or through the Local Disbursement Accounts. Arcapita Group accurately recorded in its books and records any receipts and/or disbursements made on behalf of the Debtors and Non-Debtor Affiliates as intercompany transactions.

18. During the ninety (90) days prior to the Petition Date (the "Preference Period"), the Debtors continued to operate their business affairs, including the transfer of property, either by checks, cashier checks, wire transfers, ACH transfers, direct deposits, or otherwise to certain entities, including the Defendant.

19. Plaintiffs have determined that the Debtors made transfer(s) of an interest in the Debtors' property to or for the benefit of Defendant during the Preference Period through payments aggregating an amount not less than \$95,965.71 (the "Transfer" and/or "Transfers"). The details of each of the Transfers are set forth on the Statement of Account, which is attached hereto and incorporated by reference as Exhibit "A." Such details include "Check Number," "Check Amount," "Check Clear Date," "Debtor Transferor(s)."

CLAIMS FOR RELIEF

COUNT I

(Avoidance of Preference Period Transfers – 11 U.S.C. § 547)

20. Plaintiff incorporates all preceding paragraphs as if fully re-alleged herein.

21. During the course of their relationship, the Debtors and Defendant entered into numerous agreements, which are evidenced by invoices, communications, and other documents (collectively, the "Agreements").

22. As identified in the Agreements, the Debtors purchased goods and/or services from Defendant.

23. Each Transfer was made to Defendant by the Debtor(s) identified on Exhibit "A" under the column heading "Debtor Transferor(s)." The Debtor Transferor(s) directed Arcapita Bank to make payments on their behalf, and each payment was recorded as an intercompany claim due and owing from the Debtor Transferor(s) to Arcapita Bank.

24. Each Transfer was paid from the Master Account or Local Disbursement Accounts described *supra*.

25. Each Transfer constituted a transfer of an interest in property of the Debtors as identified on Exhibit "A."

26. During the Preference Period, Defendant was a creditor at the time of each Transfer by virtue of supplying goods and/or services identified in the Agreements to the Debtors identified on Exhibit "A" under the column heading "Debtor Incurring Antecedent Debt" for which the identified Debtors were obligated to pay following delivery in accordance with the Agreements. See Exhibit "A."

27. Each Transfer was to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because each Transfer either reduced or fully satisfied a debt or debts then owed by the Debtors.

28. Each Transfer was made for, or on account of, an antecedent debt or debts owed by the Debtors to Defendant before such Transfer was made, as asserted by Defendant and

memorialized in the Agreements, each of which constituted a “debt” or “claim” (as those terms are defined in the Bankruptcy Code) of Defendant prior to being paid by the Debtors. See Exhibit “A.”

29. Each Transfer was made while the Debtors were insolvent. Plaintiffs are entitled to the presumption of insolvency for each Transfer made during the Preference Period pursuant to 11 U.S.C. § 547(f).

30. Each Transfer was made during the Preference Period. See Exhibit “A.”

31. As a result of each Transfer, Defendant received more than Defendant would have received if: (i) the Debtors’ cases were under chapter 7 of the Bankruptcy Code; (ii) the Transfer had not been made; and (iii) Defendant received payments of its debts under the provisions of the Bankruptcy Code. As evidenced by the Debtors’ schedules filed in the underlying bankruptcy case as well as the proofs of claim that have been received to date, the Debtors’ liabilities exceed their assets to the point the unsecured creditors will not receive a full payout of their claims from the Debtors’ bankruptcy estates.

32. In accordance with the foregoing, each Transfer is avoidable pursuant to 11 U.S.C. § 547(b).

COUNT II

(Alternatively, To Avoid Fraudulent Conveyances Pursuant to 11 U.S.C. § 548(a)(1)(B))

33. Plaintiffs incorporate Paragraphs 1 through 19 as if fully re-alleged herein.

34. The global economic downturn and, in particular, the Eurozone debt crisis adversely impacted the Debtors and rendered them insolvent. Specifically, these events hampered the Debtors’ ability to obtain liquidity from capital markets, reduced the Debtors’

assets values, and rendered the Debtors unable to pay various debts as they came due, including the Debtors' \$1.1 billion syndicated facility, which came due on March 28, 2012.

35. Within two years preceding the Petition Date, the Defendant received or was the beneficiary of the Transfers (the "Fraudulent Transfers") identified on Exhibit "A."

36. Each Fraudulent Transfer constituted a transfer of the Debtors' interests in property.

37. The Debtors' did not receive reasonably equivalent value in exchange for each Fraudulent Transfer because the Fraudulent Transfers paid for goods and/or services provided to the Non-Debtor Affiliates.

38. At the time of each Fraudulent Transfer, the Debtors (a) were insolvent or became insolvent as a result of the Fraudulent Transfer(s); (b) were engaged in business or a transaction, or were about to engage in business or a transaction, for which any property remaining with the Debtors was an unreasonably small capital; and/or (c) intended to incur, or believed that they would incur, debts that would be beyond their ability to pay as such debts matured.

39. In accordance with the foregoing, each Fraudulent Transfer is avoidable pursuant to 11 U.S.C. § 548(a)(1)(B).

COUNT III

(Recovery of Avoided Transfers and Fraudulent Transfers – 11 U.S.C. § 550)

40. Plaintiffs incorporate all preceding paragraphs as if fully re-alleged herein.

41. Plaintiffs are entitled to avoid the Transfer(s) pursuant to 11 U.S.C. § 547(b) and Fraudulent Transfers pursuant to 11 U.S.C. § 548. The Transfers and Fraudulent Transfers are collectively referred to herein as "All Avoided Transfers."

42. Defendant was the initial transferee of All Avoided Transfers or the immediate or mediate transferee of such initial transferee or the entity for whose benefit All Avoided Transfers were made.

43. Pursuant to 11 U.S.C. § 550(a), Plaintiffs are entitled to recover from Defendant All Avoided Transfers, plus interest thereon to the date of payment and the costs of this action.

COUNT IV

(Disallowance of all Claims – 11 U.S.C. § 502(d) and (j))

44. Plaintiffs incorporate all preceding paragraphs as if fully re-alleged herein.

45. Defendant is an entity from which property is recoverable under 11 U.S.C. § 550.

46. Defendant is a transferee of All Avoided Transfers avoidable under 11 U.S.C. §§ 547 and/or 548.

47. Defendant has not paid the amount of All Avoided Transfers, or turned over such property, for which Defendant is liable under 11 U.S.C. § 550.

48. Pursuant to 11 U.S.C. § 502(d), any and all Claims of Defendant and/or its assignee, against the Debtors' chapter 11 estates or Plaintiffs must be disallowed until such time as Defendant pays to Plaintiffs an amount equal to the aggregate amount of All Avoided Transfers, plus interest thereon and costs.

49. Pursuant to 11 U.S.C. § 502(j), any and all Claims of Defendant, and/or its assignee, against the Debtors' chapter 11 estates or Plaintiffs previously allowed by the Debtors or Plaintiffs, must be reconsidered and disallowed until such time as Defendant pays to Plaintiffs an amount equal to the aggregate amount of All Avoided Transfers.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that this Court grant them the following relief against Defendant:

As to Counts I through IV, that the Court enter a judgment against Defendant:

- A. That All Avoided Transfers avoidable under 11 U.S.C. §§ 547 and/or 548 in the total aggregate amount of not less than \$95,965.71 as identified on Exhibit "A" be avoided;
- B. That All Avoided Transfers, to the extent that they are avoided pursuant to 11 U.S.C. §§ 547 and/or 548, be recovered by Plaintiffs pursuant to 11 U.S.C. § 550;
- C. Disallowing, in accordance with 11 U.S.C. § 502(d), and Claims held by Defendant and/or its assignee until Defendant satisfies the judgment;
- D. Disallowing, in accordance with 11 U.S.C. § 502(j), any Claims held by Defendant and/or its assignee until Defendant satisfies the judgment;
- E. Awarding pre-judgment interest at the maximum legal rate running from the date of the Complaint to the date of judgment herein;
- F. Awarding post judgment interest at the maximum legal rate running from the date of judgment herein until the date the judgment is paid in full, plus costs;
- G. Requiring Defendant to pay forthwith the judgment amount awarded in favor of Plaintiffs; and
- H. Granting Plaintiffs such other and further relief as the Court deems just and proper.

Dated: March 17, 2014

By: ASK LLP

/s/ Brigitte G. McGrath
Edward E. Neiger, Esq.
Brigitte G. McGrath, Esq.
151 West 46th Street, 4th Fl.
New York, NY 10036
Telephone: (212) 267-7342
Fax: (212) 918-3427
e-mail: bmcgrath@askllp.com

and

Joseph L. Steinfeld, Jr., Esq., MN SBN
0266292
Gary D. Underdahl, Esq., MN SBN 0301693
2600 Eagan Woods Drive, Suite 400
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Fax: (651) 406-9676
e-mail: gunderdahl@askllp.com

Attorneys for Plaintiffs, Arcapita Bank B.S.C.(c), et al.



ATTORNEYS AT LAW

2600 Eagan Woods Dr, Suite 400
St. Paul, MN 55121
651-406-9665

151 West 46th Street, 4th Floor
New York, NY 10036
212-267-7342

Defendant: **John A. McCall dba McCall's Grading & Transportion**

Bankruptcy Case: **Arcapita Bank B.S.C.(C), et al.**

Preference Period: **Dec 20, 2011 - Mar 19, 2012**

Transfers During Preference Period

Debtor Transferor(s)	Debtor(s) Incurring Antecedent Debt	Check Number	Check Amt	Clear Date	Invoice Number	Invoice Date	Invoice Amt
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012b	1/27/2012	\$825.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:12/7/2011	12/7/2011	\$60,000.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012f	1/27/2012	\$480.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012e	1/27/2012	\$2,200.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012c	1/27/2012	\$2,475.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012a	1/27/2012	\$1,265.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/23/2012	1/23/2012	\$20,000.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/2/2012	1/2/2012	\$4,675.00
Arcapita Bank B.S.C.(c)	N/A	Wire:40950	\$59,000.00	1/5/2012	O/A:Wire:40950		\$3,000.00
Arcapita Bank B.S.C.(c)	N/A	Wire:40950	\$59,000.00	1/5/2012	Inv:12/7/2011	12/7/2011	\$60,000.00
Arcapita Bank B.S.C.(c)	N/A	Wire:41477	\$36,965.71	2/27/2012	Inv:1/27/2012d	1/27/2012	\$1,045.71

Totals: 2 transfer(s), \$95,965.71

IN RE: ARCAPITA BANK B.S.C.(C), ET AL.
CASE NO. 12-11076 (SHL) ADV. NO.: 14-01893
JOHN A. MCCALL DBA MCCALL'S GRADING & TRANSPORTION

PROOF OF SERVICE

STATE OF MINNESOTA, COUNTY OF DAKOTA

I am a resident of the County aforesaid. I am over the age of 18 years and not a party to the within entitled action. My business employment address is

2600 Eagan Wood Drive, Suite 400, St. Paul, Minnesota 55121

On the date indicated immediately above my signature below, I served the foregoing documents described as:

- 1) COMPLAINT; and
- 2) SUMMONS.

on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at St. Paul, Minnesota, addressed as follows:

Defendant [via Regular Mail]

John A. McCall, Owner
John A. McCall dba McCall's Grading & Transportation
2107 Saluda Dam Road
Easley, SC 29640

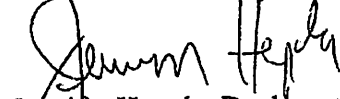
☒ By Regular Mail - I caused such envelope with first class postage thereon, fully prepaid to be placed in the United States mail.

☐ Certified Mail (return receipt requested) with first class postage thereon, to be mailed in the United States mail.

I declare that I am an employee in the offices of a member of the State Bar of this Court at whose direction the service was made.

I declare under penalty of perjury under the laws of the State of Minnesota that the foregoing is true and correct.

Executed at St. Paul, Minnesota on March 24, 2014.



Jennifer Hepola, Declarant
Bethany Sibenaller, Declarant

No. ARCMCC001 Stat: - Answ: /*

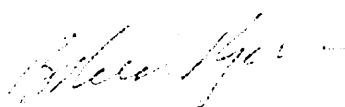
Erica Hawthorne

From: Reed Rogers [reed@panagakospaving.com]
Sent: Wednesday, April 04, 2012 5:48 PM
To: Erica Hawthorne
Cc: 'Jane McCall'
Subject: FW: Invoice from Panagakos Asphalt Paving Co., Inc.
Attachments: Inv_12015_from_Panagakos_As.pdf

Erica,

Attached is the invoice for the work we did at 111 Kayaker Way in Easley, SC. The contact info for the owner is below. Please file lien ASAP.

Thanks,



B. Reed Rogers



Panagakos Asphalt Paving, Inc.
Ph. 864-277-7860
Fax 864-422-8749

From: Nathan Schroeder [mailto:nathan@inspiredrealestateconsulting.com]
Sent: Wednesday, April 04, 2012 5:34 PM
To: 'Reed Rogers'
Cc: 'Bill Miller'; 'Machelle Moody'
Subject: FW: Invoice from Panagakos Asphalt Paving Co., Inc.

Reed,

Please contact Bill Miller and/or Machelle Moody about payment status. I have approved this invoice for payment. Their contact information is listed below.

Machelle Moody
Corporate Management
Arcapita Inc. | Four Seasons Tower| 24th Floor
75 Fourteenth Street | Atlanta | Georgia 30309

Tel: + 404 920 9000 | Dir: + 404 920 9034
Mob: + 404 274 5000| Fax: + 404 920 9011
mmoody@arcapita.com

William Miller
w: 404.920.9018 | c: 678.592.5847
bmiller@arcapita.com



Let me know if you have any questions. Thanks again for your excellent work.

Nathan Schroeder

From: Jane McCall [<mailto:jane@panagakospaving.com>]
Sent: Thursday, January 05, 2012 7:58 AM
To: nathan@inspiredrealestateconsulting.com
Subject: Invoice from Panagakos Asphalt Paving Co., Inc.

Nathan :

Your revised invoice is attached. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,
Jane McCall
Panagakos Asphalt Paving Co., Inc.

Panagakos Asphalt Paving Co., Inc.

P. O. Box 25187
Greenville, SC 29616

Telephone (864) 277-7860
Fax (864) 422-8749

Bill To:

ARC Pickens Leasing LLC
In Care of Arcapita, Inc.
75 Fourteen St., 24th Floor
Atlanta, GA 30309

Invoice

Date	Invoice #
1/4/2012	12015

Reference
Old Confluence Building Powdersville Road

P.O. No.	Project/Job	Terms

Line #	Description	Amount
1 \\	Pavement work including perma flex, topping, seal coating and striping complete	31,552.85

Total \$31,552.85

Payments/Credits \$0.00

Balance Due \$31,552.85

Thank you for your business.