

THE LAND ACT (No. 4, 1999)

**THE LAND REGISTRATION ACT
(CAP. 334)**

LEASE

BETWEEN

**CSI Electrical Limited
(LESSOR)**

AND

**TP Label Limited
(LESSEE)**

**LEASE OF PART PLOT 7/7A ON NELSON MANDELA ROAD,
DAR ES SALAAM, TANZANIA**

Certified true copy of the Original
Sign: *G. Gasper* Date: *24/01/201*
GEOFFREY GASPER
Advocate, Notary Public & Commissioner
for Oaths

CSI/TP Label (Tanzania)

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THIS LEASE AGREEMENT, (the "Lease") made and entered into on this the 1st day of JANUARY 2021 ~~2020~~, by and between:

CSI Electrical Limited a private company incorporated with limited liability in the United Republic of Tanzania with Company Number 58870 whose registered office is situated at Plot 7/7A Nelson Mandela Highway, of Post Office Box Number 38151, Dar es Salaam, Tanzania (the "**Lessor**"); and

TP Label Limited, (Company Number 133846), a private company incorporated with limited liability in the United Republic of Tanzania, and whose registered office is situated at Post Office Box Number 80677, Dar es Salaam, Tanzania (the "**Lessee**").

WITNESSETH:

In consideration of the mutual covenants set forth herein, Lessor and Lessee hereby agree as follows:

1. LEASED PREMISES

Subject to the terms and provisions hereinafter set forth, and in consideration of the Rent to be paid by the Lessee, the Lessor does hereby lease unto the Lessee, and the Lessee does hereby lease from the Lessor the following which are hereinafter collectively called the "**Leased Premises**":

- A. That certain real property located on part plot 7/7A Nelson Mandela Road, Dar es Salaam, Tanzania and described in Certificate of Title Number 47999 in the name of the Lessor. The Leased Premises to include overall plot of 5050 square meters including separate road access off Nelson Mandela, the office building including ground and first floor ("**Building**") and industrial sheds ("**Industrial**") to the rear of the office building together with all fittings and fixtures and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, together with all rights and interests appurtenant thereto, and located therein subject to any and all valid and subsisting covenants, conditions, restrictions, reservations and easements of record, including, without limitation, any oil, gas or other minerals on, in and under such property held by the Lessor, which have been retained or reserved by prior grantors in deeds of record; and
- B. All improvements and fixtures of any kind owned by the Lessor and attached to or used in connection with the ownership, maintenance, or operation of the real property or improvements located thereon (hereinafter collectively referred to as the "**Improvements**"), together with all rights, title and interest appurtenant thereto.
- C. Subject to the provisions of this Lease, the Lessor covenants that the Lessee on paying the rent and performing the covenants of this Lease on its part to be performed shall and may peacefully and quietly have, hold and enjoy the Leased Premises for the term of this Lease without any interruption from or by the Lessor or any person rightfully claiming through him.

2. TERM AND RENEWAL OPTION

2.1 The term ("**Initial Term**") of this Lease shall commence on 1st January 2021 and end on 31st December 2030 ~~1st August 2020~~ and end on 31st July 2030, unless terminated earlier as provided in this Lease.

2.2 Provided that the Lease has not been terminated or that the Lessee is not in default of any provision of this Lease, the Initial Term may be extended, at the option of the Lessee, for

CSI/TP Label (Tanzania)

an additional five (5) year term (an "**Extended Term**"). Notice of the exercise of such option to extend the Initial Term shall be given by the Lessee, in writing, to the Lessor not less than six (6) months prior to the expiration of the Initial Term. (The Initial Term and any Extended Term shall be referred to in the Lease as the "**Term**".)

- 2.3 Subject to clause 2.4 below, a Rent review to the open market value will be carried out after the second year of the Initial Term and every two (2) years thereafter during the Term in accordance with Exhibit B below
- 2.4 The Rent on any renewal will be the then market rate capped at ten per cent (10%) above the Rent for the immediately preceding period. Any dispute in determining the then open market value will be determined in accordance with Exhibit B below.

3. RENT PAYABLE

- 3.1 Lessee agrees to pay the Lessor a monthly rent of **Twenty One Thousand Nine Hundred and Sixty Six United States Dollars (US\$ 21,966)** payable quarterly in advance on or before the first day of each and every quarter during the Term. The Rent amount to be reviewed every two (2) years in accordance with clause 2.3 above.
- 3.2 Rent shall be payable to the Lessor at the Lessor's address as provided in clause 14 herein in advance, beginning the day the lease begins, and on the first day of the quarter and on the first day on each of the following quarters. Rent payments not received within ten (10) days after the due date, interest shall be due and payable from the due date at the annual rate of the eight percent per annum (8%).
- 3.3 As used in this Lease Agreement "**Rent**" shall mean all amounts provided for in this Lease Agreement to be paid by the Lessee, all of which shall constitute Rent in consideration for the leasing of the Leased Premises. Rent shall be paid at the times and in the amounts provided for herein in legal tender of the United States of America. The Rent shall be paid without notice, demand, abatement, deduction or offset except as may be expressly set forth in this Lease Agreement.

4. UTILITIES

In addition to said Rent, the Lessee agrees to pay to the utility companies or municipalities all utility deposits and monthly payments for electrical, water, sewer, telephone and gas service to the Leased Premises.

5. USE OF PREMISES

- 5.1 The Lessee's use of the Leased Premises under this Lease shall be the Lessee's normal and usual activities in connection with the Lessee's business. The Lessee also agrees that it will not use, or suffer or permit any person to use the said Leased Premises or any portion or portions thereof for any use or purpose in violation of the laws of the United Republic of Tanzania or other governmental subdivision having jurisdiction with respect to the Leased Premises, and neither suffer nor permit nuisances upon the said Leased Premises.
- 5.2 The Lessor acknowledges that the Lessee's operations and use of the Leased Premises may involve the use, storage and handling of certain Hazardous Materials. The Lessee shall use, store and handle any Hazardous Materials in compliance with all environmental laws that are applicable to the Lessee's operations. Notwithstanding the foregoing, the Lessor shall remain responsible for complying with all environmental laws applicable to the Lessor's ownership or use of the Leased Premises.

6. SUBLETTING

The Lessee shall neither sublet the Leased Premises nor assign the Lease, or any part thereof, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the above, the Lessee's parent company, subsidiaries or affiliated entities may use the Leased Premises without the necessity of a sublease or assignment.

7. REAL ESTATE TAXES AND SPECIAL ASSESSMENTS

- 7.1 The Lessor agrees to pay directly to the taxing authorities all ad valorem taxes, assessments or other charges (the "Assessments") levied or assessed on the Leased Premises during the term hereof, including applicable Stamp duty on this agreement and any extensions or renewals thereof. The Lessee shall pay personal property taxes on its inventory and equipment during any term of this Lease.
- 7.2 Withholding taxes shall be withheld from remittances made by Lessee under this Lease in accordance with Sec 82 & the First Schedule, Art 4(b)(ii) of the Tanzanian Income Tax Act. An appropriate withholding tax receipt shall be provided to Lessor as soon as practically possible after receipt thereof from the appropriate revenue authority. Any withholding tax receipts provided shall be considered as sufficient evidence of settlement of such obligations under this Lease.
- 7.3 Lessor shall provide Lessee with a copy of its VAT registration certificate issued by the Tanzanian Revenue Authority indicating the VAT registration number. VAT shall be charged in addition to the rental amount indicated in Art 3.1 above and recorded separately on a Tax Invoice presented to the Lessee for settlement, in the manner prescribed by the relevant VAT legislation.

8. INDEMNITY

- 8.1 Lessor shall release, defend, indemnify and hold harmless Lessee from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, expenses and other costs, including without limitation reasonable attorneys' fees and reasonable consultants' fees ("Claims"): (a) to the extent such Claims arise out of or relate to the negligence or willful misconduct of Lessor, or its employees, contractors, agents or invitees; and/or (b) arising from or related to Lessor's their respective employees', contractors', agents' or invitees' ownership or use of the Leased Premises, all whether before, during or after any term of this Lease.
- 8.2 Lessee shall release, defend, indemnify and hold harmless Lessor from and against any and all claims, demands, causes of action, losses, damages, fines, penalties, expenses and other costs, including without limitation reasonable attorneys' fees and reasonable consultants' fees ("Claims"): to the extent such Claims arise out of or relate to the negligence or willful misconduct of Lessee, or its employees, contractors, agents or invitees.
- 8.3 Neither party shall be liable to the other or its affiliates in any action or claim loss of profit, loss of product, loss of use, delays, or for indirect, consequential or special damages, even if advised of the possibility of such damages. The foregoing shall be applicable even if the liability asserted is based on negligence (whether active or passive) or other fault or strict liability, and regardless of whether the action or claim is based in contract, tort, statute or otherwise.

9. **INSURANCE**

The Lessor will be required to insure the Building against fire and other usual commercial risks (to be listed in the Lease) including terrorism. The Building must be insured to its full reinstatement value and against loss of rent and the Lessor shall be obliged to use any insurance monies to reinstate the Building should it be destroyed or damaged. Rent will be suspended if the Leased Premises cannot be accessed and ultimately the Lessee shall be able to terminate the Lease.

10. **INSPECTION**

The Lessor may enter the Leased Premises at reasonable times to inspect the same, upon forty eight (48) hours prior written notice to Lessee (except in emergencies). The Lessee may accompany the Lessor or the Lessor's agents or employees during such inspections.

11. **DEFAULT**

11.1 Default of the terms of this Lease by the Lessee;

- (a) The Lessee shall be in Default of the terms of this Lease if the Rent payable under this Lease, or any part thereof, shall be due for payment for more than ten (10) days after the Lessee's receipt of a written notice of such default;
- (b) The Lessee shall be in Default of the terms of this Lease if the Lessee fail to perform or keep any of the non-monetary terms, covenants and conditions herein contained for which the Lessee is responsible under this Lease, and such failure continues to be uncured for a period of thirty (30) days after the date the Lessee receives a written notice, or if such default is a default which cannot be cured within thirty (30) days period, the Lessee fails to commence to correct the same within said thirty (30) days period and thereafter the Lessee fails to cure the same to its completion with reasonable diligence to the satisfaction of the Lessor;
- (c) Upon the occurrence of an event of default in terms of clause 11.1(a) and (b) herein above, the Lessor may terminate the Lessee's right to possession under this Lease, and at the expiration of ten (10) days from the date of service of a written notice to that effect, the Lessor shall be entitled to the possession of the Leased Premises. If the Lessee shall refuse to surrender and deliver up the possession of the Leased Premises after the service of the said notice, then and in that event, the Lessor may, without further notice or demand, enter into and upon the Leased Premises, or any part thereof, and take possession thereof in accordance with the law.
- (d) Taking of possession by the Lessor, or the Lessor's service of an eviction demand shall not constitute an election by Lessor to terminate this Lease, unless expressly so stated in writing.

11.2 Default of the terms of this Lease by the Lessor:

- (a) The Lessor shall be in Default of the terms of this Lease if the Lessor fails to perform any of the Lessor's obligations and/or breaches any of the Lessor's representations and or warranties contained herein (such failure to perform and or breach of Lessor's representations and or warranties hereinafter collectively referred to as "Lessor's Default") and such Lessor's Default shall continue to be not cured for a period of

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thirty (30) days after receipt of written notice from Lessee specifying the nature of Lessor's Default.

- (b) Provided however, that if the nature of Lessor's Default is such that more than thirty (30) days are required for it to be cured, the Lessor shall not be deemed in default if Lessor has commenced to cure such Lessor's Default within thirty (30) days and thereafter diligently pursues the same to completion. In any event if the Lessor's Default is not cured within ninety (90) days after the receipt of a written notice from the Lessee, the Lessee may terminate this Lease by a written notice and have no further obligations under this Lease.
- (c) If the Lessor is in default, the Lessee may exercise any of its rights provided in law or at equity and shall have the right, but not the obligation, to cure any Lessor's Default and to deduct the costs incurred by the Lessee to cure such Lessor's Default, including legal fees and expenses, from the Rent next due and owing under the Lease.

12. REPAIRS

- (a) The Lessee shall maintain and keep the Leased Premises in a good state of repair.
- (b) The Lessee agrees to surrender the Leased Premises at the termination of this Lease in substantially as good a condition as when received, except for damage by the Lessor or Lessor's employees or agents, and ordinary wear and tear, damage by fire, hurricane, tornado, flooding, other casualties and the elements, and natural decay or deterioration.
- (c) The Lessor shall, at its own expense, be responsible for the prompt repair and maintenance of the foundation, structural walls, exterior roof and sub-flooring and utilities to the property (including electrical and communications cabling, gas, water and sewerage) serving all buildings and improvements at the Leased Premises, provided such repairs are not necessitated due to the negligence or willful misconduct of the Lessee. Such repairs should be concluded within thirty (30) days of Lessee's written notice to Lessor.

13. ALTERATIONS, ADDITIONS AND IMPROVEMENTS

The Lessee agrees not to make any permanent alterations, additions or improvements to the Leased Premises without the written consent of the Lessor, which consent shall not be unreasonably withheld, delayed or conditioned. Such approved alterations, additions or improvements may remain with the Leased Premises at the sole discretion of the Lessee.

14. NOTICES

- (a) Any notice or communication which either party desires or is required to give to the other party shall be given by private courier service, overnight delivery service or certified mail (return receipt requested), postage paid and addressed to the party for whom intended at such party's address specified below or to such other address as may be substituted by proper notice.
- (b) Any such notice shall conclusively be deemed delivered when delivery is indicated on the receipt or other indicia of delivery by the private messenger service or overnight courier service (in the case of delivery by certified mail, return receipt requested) or when the intended recipient of any such notice refuses any such notice as indicated on the receipt or other indicia of delivery by the private messenger service or overnight courier service.

Lessor:

CSI Electrical Limited
Plot 7/7A Nelson Mandela Highway,
Post Office Box Number 38151,
Dar es Salaam,
Tanzania

Lessee:

TP Label Limited,
Post Office Box Number 80677,
Dar es Salaam,
Tanzania

Attention: Chris Glasson

Attention: Mark Harvey

15. BINDING OF SUCCESSORS

This Lease shall be binding upon the parties hereto, their heirs, devisees, personal representatives, successors and assigns, from and after the date hereof.

16. CONFIDENTIALITY

Both parties agree that they will not during the term of the Lease or at any time hereafter without the consent of the other disclose the terms of the Lease to any person or company and wording to that effect will be included in the Lease. The Lessee requires right to disclose to their consultants information pertinent to their role as consultants on any fit out works.

17. SIGNAGE

Rights to display external signage on the exterior of the Building will not be withheld. Statutory licenses and compliance remain the responsibility of the Lessee.

18. REINSTATEMENT

At the expiration or sooner determination of the Term, the Lessee shall be required to reinstate, remove or make good any alterations or additions made to the Leased Premises during the Term or remove any fixtures, fittings or signs and shall be required to yield up the Leased Premises to the Lessor in compliance with its covenants contained at the repair clause in the Lease.

19. FEES AND COSTS

Each party is responsible for its own fees and costs in relation to this Lease.

20. LESSOR'S WORKS

The Lessor will be required at his sole cost to carry out the following works:

- Insulated cladding to existing workshop building including stormwater drainage, vehicular and pedestrian access- Insulated double skinned cladding, size extended to 39m (L) X 31m (W) X 7m (H).
- Uninsulated storage building 37m x 17m x 5m (eaves height) complete with 1 No roller access door and 1 No pedestrian access door
- Provision of dividing wall between buildings
- Separation of overall plot electrical services to facilitate individual billing
- Removal of all Lessors plant equipment and containers

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- Lessors Works will be considered complete following the inspection and approval in writing by the Lessee.
- Air conditioning installation consisting of two chillers and two AHU producing circa 230kW of cooling. Ducted at high level with return air filtration

21. OPTION TO LEASE ALL OR PART OF REMAINDER OF PLOT

Lessee to have the right during the Term to serve on the Lessor six (6) months prior written notice of their wish to lease at a rent to be agreed additional space on the plot known as Plot 7/7A Nelson Mandela Dar Es Salaam and described in Certificate of Title Number 47999. Lessors consent not to be unreasonably withheld.

22. DESTRUCTION AND CONDEMNATION

Destruction:

- if any building situated at the Leased Premises should be damaged or destroyed by fire, tornado, any other casualty, or by the elements, Lessee shall give immediate notice thereof to Lessor;
- if the Building(s) or any other improvement necessary for Lessee's operations should be so damaged in such a way that rebuilding or repair cannot be completed by the Lessor within ninety (90) days after the date the Lessor becomes aware or is notified by Lessee of such damage or destruction, the Lessee shall have the option to terminate this Lease and the Rent shall be abated effective from the date of such damage or destruction.
- In the event of a partial destruction or damage, the Rent shall abate in proportion to the extent that the Leased Premises are rendered untenable for the Lessee's operations until repairs are completed. The Lessor shall use best efforts to timely complete the repairs, in the event that such repairs cannot be completed within ninety (90) days from the date the Lessor becomes aware or of being notified of the destruction, the Lessee, at its option, may terminate this Lease.

Condemnation:

- If there is any taking by eminent domain that materially affects the Lessee's use of the Leased Premises, the Lessee may terminate this Lease with written notice.
- Upon termination of the Lease, the Rent shall be apportioned as of the date of such notice. In the event the Lessee has paid any Rent for a period beyond that date, such prepaid and subsequently abated Rent shall be refunded, and paid by the Lessor, to the Lessee within thirty (30) days after the date of termination.
- If there is a taking by eminent domain and the Lessee does not elect to terminate this Lease as provided hereinabove, the Rent shall abate in proportion to the portion of the Leased Premises that is taken.

23. ATTORNMENT

- In the event of a transfer of the Lessor's ownership or right to possession of the Leased Premises consequent to the Lessor's liability of a lien, mortgage or security interest upon the Leased Premises, such action shall not result in either a termination of this Lease, or a diminution or impairment of any of the rights granted to Lessee under this Lease.

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- (b) The Lessee agrees that it will attorn to any such new owner, provided that such new owner:
 - (i) notifies the Lessee in writing of its acquisition of ownership or right of possession of the Leased Premises;
 - (ii) accepts and performs the obligations of Lessor; and
 - (iii) acknowledges and recognizes all of Lessee's rights under this Lease.
- (c) Upon request by the Lessor, a current or proposed mortgage or lien-holder agrees to execute, within a reasonable time, a subordination and non-disturbance agreement, in a form reasonably acceptable to the Lessee, provided that such agreement shall provide that:
 - (i) the new owner shall assume all obligations of Lessor under this Lease;
 - (ii) that none of the Lessee's rights under this Lease shall be disturbed or diminished; and
 - (iii) any amounts due and owing by the Lessor to the Lessee or any other person or entity pursuant to the Lessor's obligations under this Lease shall be paid by the new owner, or may be paid by the Lessee and deducted from the Rent.

2.4. REPRESENTATIONS AND COMPLIANCE WITH LAW

- 24.1 The Lessor represents to Lessee that the Lessor has full authority to enter into this Lease, that Lessor has a title to the Leased Premises, and the Lease Premises are free and clear of encumbrances except for the legal mortgage to all buildings, improvements and the land which constitute the Leased Premises and that the Leased Premises shall be vacant and in broom clean conditions on the first date of the initial term.
- 24.2 The Lessor represents that it has no knowledge of any defect at the Leased Premises and that the Leased Premises conforms to all laws, ordinances, restrictions, zoning regulations and requirements of all governmental authorities or agencies and that there is legal access to the Leased Premises, adequate for Lessee's intended use of the Leased Premises.
- 24.3 The Lessor represents that the Leased Premises is not in violation of any Laws, Rules or Regulations relating to environmental conditions or Hazardous Materials on, under or about the Leased Premises, including, but not limited to, soil and ground water conditions and any remedial goals or cleanup standards related thereto, and that the Leased Premises is not in violation of the Law relating to use, generation, manufacture, storage or disposal of any Hazardous Materials on, under, or about the Leased Premises or transportation of any Hazardous Materials to or from the Leased Premises.

25. YIELDING UP

At the expiration of the Term:

To yield up the demised premises in good and substantial repair in accordance with the terms of this Lease, fair wear and tear accepted.

To give up all keys of the demised premises to the Lessor, and

To remove all signs erected by the Lessee in, upon or near the demised premises and immediately to make good any damage caused by such removal.

26. VIEWINGS

To permit the Lessor and/or any prospective purchasers of, or any managing agents instructed in connection with the sale of, the Lessor's reversion or of any other interest superior to the Term to view the Leased Premises during normal working hours and upon the provision of reasonable prior written notice (of not less than forty eight (48) hours) to the Lessee provided they are authorised in writing by the Lessor or its managing agent.

27. ARBITRATION CLAUSE

If any dispute arises between the Lessee and other tenants or occupants of the Building as to any easement, right or privilege in connection with the use of the Leased Premises and any other part of the Building or as to the boundary structures separating the Leased Premises from any other part of the Building or any other part of the Leased Premises, it shall be decided by the Lessor or in such manner as the Lessor shall reasonably direct or at the Lessor's option by a surveyor acting as an expert and not as an arbitrator.

If any dispute, difference or question shall at any time hereafter arise between the parties hereto or their respective representatives or assigns in respect of the construction of this Lease or concerning anything herein contained or arising out of this Lease or as to the rights, liabilities, or duties of the said parties hereunder, the same shall be settled by arbitration in accordance with and subject to the provisions of the Arbitration Act [Cap. 15] of the laws of the United Republic of Tanzania. The number of arbitrators shall be three (3), one (1) appointed by each of the Parties hereto and a third arbitrator (who shall act as chairman) to be appointed by the two (2) arbitrators appointed by the parties. If any party fails to appoint an arbitrator or the arbitrators appointed by the parties cannot agree on the third arbitrator, the arbitrator for the non-appointing party or as the case may be, the third arbitrator shall be appointed by the chairman for the time being, of the Tanzania Institute of the Arbitrators. Any arbitral award issued shall be final and binding and judgment on such award may be entered in any court having jurisdiction thereof.

28. GENERAL TERMS

The Lessor agrees to provide to the Lessee, prior to commencement of this Lease, any and all available environmental reports and/or studies identifying the current condition of the Leased Premises.

If any date for performance of any term, condition or provision hereof shall fall on a Saturday, Sunday or public holiday, then the time of such performance shall be extended to the next business day.

If any provision of this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

This Lease shall be governed by and construed in accordance with the laws of the United Republic of Tanzania.

EXHIBIT A

Real property located on part plot 7/7A Nelson Mandela Road, Dar es Salaam, Tanzania and described in Certificate of Title Number 47999 in the name of the Lessor, including an overall plot of 5,050 square meters including separate road access off Nelson Mandela, the office building including ground and first floor ("**Building**") and industrial sheds ("**Industrial**") to the rear of the Building together with all fittings and fixtures

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EXHIBIT B

Lessor shall first propose the Rent open market value ("OMV") by using its good faith judgment. The Lessor shall provide written notice of such proposed amount within fifteen (15) days (but in no event later than twenty (20) days) after Lessee provides the notice to Lessor exercising Lessee's option rights which require a calculation of the OMV. The Lessee shall have thirty (30) days ("**Lessee's Review Period**") after receipt of Lessor's notice of the proposed OMV amount within which to accept such proposal in writing. If Lessee accepts such proposal in writing, such amount shall be the OMV. In the event Lessee fails to accept the OMV proposed by Lessor, Lessor and Lessee shall attempt to agree upon such OMV, using their best good faith efforts. If Lessor and Lessee fail to reach agreement within fifteen (15) days following Lessee's Review Period ("**Outside Agreement Date**"), then each party shall place in a separate sealed envelope their final proposal as to OMV and such determination shall be submitted to an evaluator in accordance with subsections (a) through (e) below. Failure of Lessee to accept Lessor's proposed OMV in writing within Lessee's Review Period shall conclusively be deemed its disapproval of the OMV determined by Lessor.

In the event that Lessor fails to timely generate the initial written notice of Lessor's proposed OMV which triggers the negotiation period of this Section, then Lessee may commence such negotiations by providing the initial proposal of the OMV, in which event Lessor shall have fifteen (15) days ("**Lessor's Review Period**") after receipt of Lessee's notice of the proposed OMV within which to accept such proposal. In the event Lessor fails to accept in writing such OMV proposed by Lessee, then such proposal shall be deemed rejected, and Lessor and Lessee shall attempt in good faith to agree upon such OMV, using their best good faith efforts. If Lessor and Lessee fail to reach agreement within fifteen (15) days following Lessor's Review Period (which shall be, in such event, the "Outside Agreement Date" in lieu of the above definition of such date), then each party shall place in a separate sealed envelope their final proposal as to OMV and such determination shall be submitted to an evaluator in accordance with subsections (a) through (e) below.

(a) Lessor and Lessee shall meet with each other within five (5) business days of the Outside Agreement Date and exchange the sealed envelopes and then open such envelopes in each other's presence. However, if the Leased Premises is more than fifty (50) miles from Lessee's then current address for purposes of notice as provided in the Lease, Lessee may i) designate someone to appear on its behalf at the exchange; or ii) elect to have Lessor and Lessee, instead of exchanging sealed envelopes in person, separately submit such envelopes directly to the Evaluator (as hereinafter defined) selected as hereinafter provided. If Lessor and Lessee do not mutually agree upon the OMV within one (1) business day of the exchange and opening of envelopes, or if Lessee elects to have the envelopes delivered directly to the Evaluator as provided above, then, within fifteen (15) business days after the Outside Agreement Date Lessor and Lessee shall agree upon and jointly appoint a single evaluator ("**Evaluator**"). Such Evaluator shall be a professional, familiar with and active for at least the five (5) years prior to the date of such appointment in the evaluating or leasing of comparable commercial properties in the vicinity of the Leased Premises. If no such person is reasonably available in the area, Lessor and Lessee may mutually agree upon another acceptable person to serve as the Evaluator. Neither Lessor nor Lessee shall consult with the Evaluator as to his or her opinion as to OMV prior to the appointment. The determination of the Evaluator shall be limited solely to the issue of whether Lessor's or Lessee's submitted OMV for the Leased Premises is the closer to the actual OMV for the Leased Premises as determined by the Evaluator, acting in good faith and in accordance with generally accepted methods for evaluating the value of commercial property in the area of the Leased Premises and taking into account the requirements

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of this Exhibit "B". The Evaluator may gather such information by such reasonable methods as the Evaluator, in his or her sole discretion, determines is necessary. In addition, Lessor or Lessee may submit to the Evaluator, with a copy to the other party, within five (5) business days after the appointment of the arbitrator any market data and additional information that such party deems relevant to the determination of OMV ("OMV Data") and the other party may submit a reply in writing within five (5) business days after receipt of such OMV Data.

(b) The Evaluator shall, within thirty (30) days of his or her appointment, reach a decision as to whether the parties shall use Lessor's or Lessee's submitted OMV, and shall notify Lessor and Lessee of such determination in writing.

(c) The decision of the Evaluator shall be binding upon Lessor and Lessee as an expert, except as provided below.

(d) If Lessor and Lessee fail to agree upon and appoint an Evaluator, then the appointment of the Evaluator shall be made by the most senior judge of the district court having jurisdiction over the Leased Premises, or, if such senior judge refuses to act or is prevented from acting, then by any judge having jurisdiction over the parties. If no such judge is willing or able to act, Lessor and Lessee shall mutually agree upon a certified mediator or arbitrator or valuer and any fees of such mediator or arbitrator or valuer shall be divided and paid equally by the parties.

(e) The cost of the Evaluator shall be paid by Lessor and Lessee equally.

In the event the process outlined in subsections (a) through (e) goes beyond the expiration date of the then current Term of the Lease Agreement, or if neither party initiates the determination of OMV in accordance with the terms of this Exhibit "B", Lessee will continue to pay the same Rent as Lessee was paying on the last month of the then current Term until this process is complete. Lessor and Lessee agree that the results of this process will be binding on both parties retroactively to the commencement date of the extended term being negotiated, but shall in no event be retroactive more than one (1) year prior to the final determination of the OMV.

