

**Tenant Name:** Stone, Inc. **DBA:** Stone, Inc.  
**Premises:** 1954 Alfred Avenue **City/State/Zip:** Alfred, MD  
**Landlord:** Alfred Business Trust  
**Date Prepared:** 05/22/15

### TENANT SPACE INFORMATION

**Rentable Square Feet:** 44,400 SF  
**Comments:** Premises comprised of 38,000 SF of warehouse space in the remelt furnace bay of the Building and 6,400 SF of office space.

### TERM, LEASE INDEX and NOTES

**Lease Agreement Date:** 05/15/15  
**Lease Commencement Date:** 06/01/15  
**Lease Expiration Date:** 05/31/22  
**Rent Commencement Date:** 08/01/15  
**Term:** **Years:** 7 **Months:** 0  
**Lease Index:** A) Lease dated 5/15/2015  
B) Guaranty of Lease dated 5/13/2015  
**Guarantor:** Viktor Los. Guarantor's liability for Rent shall not exceed an amount equal to the sum of (i) all Rent due and payable, or which has accrued but as yet has been billed, under the Lease the date upon which T has vacated or LL has obtained possession of the Premises, and (ii) an amount equal to 12 full calendar months of Rent due and payable or which accrues under the Lease from and after the date upon which T has vacated or LL has obtained possession of the Premises. Guaranty of Lease.  
**Base Financial Notes:** None

### COST SCHEDULE

**Free Rent:** Rent shall be abated for the first 2 months of the term (months of June and July 2015). (L, Sec: 3 Pg: 3)

<b>Base Rent:</b>	<b>Term</b>	<b>Begin</b>	<b>End</b>	<b>Monthly</b>	<b>Annual</b>	<b>PSF Rate</b>	<b>SqFt</b>
	BASE	06/01/15	05/31/16	\$13,875.00	\$166,500	\$3.75	44,400
	BASE	06/01/16	05/31/17	\$14,800.00	\$177,600	\$4.00	44,400
	BASE	06/01/17	05/31/18	\$15,725.00	\$188,700	\$4.25	44,400
	BASE	06/01/18	05/31/19	\$16,196.75	\$194,361	\$4.38	44,400
	BASE	06/01/19	05/31/20	\$16,682.65	\$200,192	\$4.51	44,400
	BASE	06/01/20	05/31/21	\$17,183.13	\$206,198	\$4.64	44,400
	BASE	06/01/21	05/31/22	\$17,698.63	\$212,384	\$4.78	44,400

**Comment(s):** Due Day: On the first day of each month. (L, Sec. 3, Pg. 3)

**CPI:** Lease is Silent

**Percentage Rent:** Lease is Silent

**Breakpoint:** Lease is Silent

**Percentage Rent Notes:** Lease is Silent

**Recapture Rights:** Lease is Silent

**TI Allowance:** LL shall provide T w/ an allowance of up to \$75,000.00 in the form of abated rent for T

use to improve the Premises. Upon LL's satisfactory review of receipts or other proof evidencing payment made by T, LL shall abated T's Rent, provided however that in no event shall T pay less than \$3,875.00/month in Base Rent. To the extent T has no submitted proof of its payment for such improvement related costs and expenses by 5/31/2016, the T shall be deemed to have waived the balance, if any, of its TI Allowance. (L, Sec. 3, Pg. 3-4)

## DEPOSIT INFORMATION

**Security Deposit:** \$13,875.00, w/out interest, which shall be returned to T within 30 days after the expiration of the term. (L, Sec. 1, 5, Pg. 3, 5)

## RECOVERIES

**CAM/Operating Expenses:** T to pay its PRS of CAM. Initially, CAM charges estimated at \$0.50/SF.

PRS: 6.44% (44,400 SF divided by 689,000 SF)

Reconciliation: W/in 90 days after the end of each lease year, LL to furnish T w/ detailed statement of annual CAM Expenses. If underpayment by T, T to pay the difference amounts w/in 30 days after demand by LL. If over payment by T, LL shall credited the excess payment s of CAM expenses next due or at the end of the term refunded to T.

Audit rights: T shall have 30 days from the receipt to request an audit of CAM Expenses, in which event LL shall make all books and records relating thereto available to T during regular business hours at the location in which they are ordinarily kept. T shall conduct any such audit at T's sole cost and expense.

Inclusions: CAM Expenses shall include (1) maintaining and repairing the Common Areas and replacing fixtures and equipment in the Common Areas as shall be required in LL's sole judgment; (2) security, fire detection and protection; (3) cleaning and removing trash, dirt and debris; (4) water, drainage and sewage services; (5) pro rated portion of wages, health and welfare benefits, pension benefits, union dues, vacations, unemployment taxes and social security taxes of employees whose time is primarily devoted to operations of the Land and Bldg and maintaining the Common Areas; (6) permits and licenses; (7) Common Area maintenance supplies; (8) HVAC service and maintenance, utility services and lighting, (9) depreciation of machinery and equipment used in the operation and maintenance of the Land and Building; (10) the charges of any independent contractor who, under contract w/ LL or its representatives, does not work of operating, maintaining, repairing or replacing the Land or Building; (11) janitorial services and supplies; (12) interior and exterior cleaning, repair and replacement of windows; (13) landscaping maintenance and repair; (14) sidewalks and parking areas serving the Land and Building; (15) extermination services, (16) sprinkler system service and maintenance; (17) restroom maintenance and supplies; (18) snow and ice removal; (19) premiums for insurance of LL; (20) any other expense or charge whether or not which, in accordance w/ GAAP, would be considered an expense of managing, operating, maintaining or repairing the Common Areas; provided, however, that any capital expenditures shall, in accordance w/ GAAP, be amortized over the useful life of such asset.

(L, Sec. 1, 3, 8, Pg. 3-4, 7-9)

**Real Estate Taxes:** T to pay its PRS (6.44%) of RET in excess over the Base Year (2014-15). (L, Sec. 1, 7(b), Pg. 3, 6)

**Prop 13/Reassessment** Lease is Silent

**Administrative Fee:** Lease is Silent

<b>Management Fee:</b>	Lease is Silent
<b>Insurance:</b>	Included in CAM. (L, Sec. 8(d) Pg. 8)
<b>Merchant's Assoc/Promo Fund:</b>	Lease is Silent
<b>Utilities:</b>	Bills for electric utilities will be sent from the utility provider directly to LL. LL shall compile and forward a separate utility bill to T, the amount of which shall be calculated in accordance w/ the readings on T's separate meter. Payment of said utility bill sent to T from LL shall be due and payable as additional rent w/in 30 days of T's receipt thereof. (L, Sec. 6, Pg. 5)
<b>After Hours HVAC:</b>	Lease is Silent

## OPTIONS

<b>Renewal:</b>	Lease is Silent
<b>Expansion:</b>	Lease is Silent
<b>Termination:</b>	Lease is Silent
<b>1<sup>st</sup> Right/Refusal:</b>	Lease is Silent
<b>Purchase Option:</b>	Lease is Silent
<b>Contraction:</b>	Lease is Silent
<b>Kick-out:</b>	Lease is Silent
<b>Other Options:</b>	Lease is Silent

## RESTRICTIONS

<b>Exclusive:</b>	Lease is Silent
<b>Permitted Use:</b>	Warehouse storage and distribution of marble, granite, and other stone products, and related office use in connection w/ T's custom stone business. (L, Sec: 9(a), Pg. 9)
<b>Prohibited Use:</b>	Lease is Silent
<b>Radius Restriction:</b>	Lease is Silent

## LANDLORD/TENANT RIGHTS

<b>Assignment/Subletting:</b>	Prior written consent of LL (not unreasonably withheld) is required, to assign or sublet the Premises. T shall, not less than 30 days prior to effective date of assignment, offer to reconvey to LL and LL shall, w/in 30 days after offer, accepts or rejects such assignment. Rent Profit: 100%. Assignment Fee: T to reimburse LL for any legal expenses incurred by LL in its review of a proposed assignment agreement. (L, Sec. 29, Pg. 23-25)
<b>Alterations:</b>	Prior written consent of LL is required to make any alterations, improvements, additions, or changes to the interior or exterior of the Premises. All alterations, additions, improvements and fixtures shall remain upon and be surrendered with the Premises and become the property of LL. If LL require, T shall remove the same and restore the Premises to their original condition. If T fails to do so, LL may do so, collecting, at LL's option, the cost and expense from T as Additional Rent. (L, Sec. 22, Pg. 18)
<b>Casualty:</b>	(A) By fire or other casualty but is not rendered untenable in whole or in part, LL, at its own expense, shall repair such damages, and Rent shall not be abated; and (B) By fire or other casualty but is rendered untenable in whole or part, then (i) LL, at its

option and at its own expense, may repair such damages, and the Rent shall be abated except to the extent of rent insurance required to be maintained by T; or (ii) LL or T may terminate the Lease upon 90 days written to T.

Total or Partially Destruction of Building: If more than 25% or more of rentable area of Building shall be damaged or destroyed by fire, or other cause, LL shall have the right to terminate the lease w/in 60 days' notice after said occurrence. (L, Sec. 20, 21, Pg. 17-18)

**Condemnation:** If whole or any part of the Premises (unsuitable to do business), then lease shall terminate, however if it is suitable to do business, then lease shall continue and Rent in addition with PRS shall be reduced in the same proportion that floor area taken. (L, Sec. 30, Pg. 25-26)

If whole of the Premises is taken by any public or quasi-public authority under the power of eminent domain, condemnation, or expropriation or conveyance in lieu, then Lease shall terminate as of the date on which possession the Premises is required to be surrendered to the condemning authority; and (b) If any part of the Premises is taken or conveyed, and if the Premises unsuitable for the business of T, then the Term of the Lease shall cease and terminate as of the date on which possession of the part of the Premises so taken or conveyed is required to be surrendered to the condemning authority. (L, Sec. 30, Pg. 25-26)

**Co-Tenancy:** Lease is Silent

**Go Dark:** Lease is Silent

**Default:** Monetary: Fail to pay when due, but not more than 2 times in any 12 month period, in which event T shall be liable for such interest and late charge only if such failure to pay continues for more than 5 business days after delivery of such written notice from LL.

Non-Monetary: W/in 30 days after written notice from LL. (L, Sec. 24, Pg. 19)

**Holdover:** Holdover by T, MTM Tenancy at 150% of the last paid rental. MTM tenancy may be terminable upon 30 days written notice to the other party. (L, Sec. 37, Pg. 28)

**Insurance:** LL Insurance: At T's expense, All-risk casualty insurance w/ replacement cost endorsement and w/out deductible in excess of \$500,000.00 covering the Premises, in an amount of full replacement value thereof, exclusive of the Land.

T Insurance: T to maintain (i) Property Insurance on an All Risk replacement cost basis in an amount full replacement cost of T's property, (ii) Business Interruption Insurance on gross revenue basis, including extended period of indemnity coverage, for an amount sufficient to cover one year of projected revenues, (iii) Commercial General Liability Insurance at not less than \$1M/occurrence and \$2M aggregate (LL as additional insured), (iv) Commercial Automobile Liability Insurance at not less than \$1M/occurrence, (v) Worker's Compensation Insurance as required by statute and employer liability insurance at not less than \$500,000.00/accident and disease; \$500,000.00 policy limits, and (vi) Umbrella Liability Insurance at not less than \$2M/occurrence/aggregate (LL additional insured). Cancellation Notice: 30 days. (L, Sec. 17, 18(a, b), Pg. 15-16)

**Late Fee:** If T fails to pay any rent for more than 10 days after due date, T to pay late charge at the greater of (i) 10% of unpaid amount, or (ii) interest at the rate of 15%/annum or if less, higher rate permitted by law. (L, Sec. 4, Pg. 4)

**Subordination:** T, w/in 15 days after request, to execute instruments subordinating the Lease as LL may request. If T fails to execute any such instruments, T does hereby appoints LL as T's attorney-in-fact and in its name, place, and stead to do so. (L, Sec. 32, Pg. 26-27)

**Surrender of Premises:** Upon expiration, T to surrender the Premises in broom clean condition and good order and repair except for ordinary wear and tear, or damage by fire or other casualty. All property and trade fixtures that is owns and is permitted to remove from the Premises

and failing to do so, LL, at its option, may, upon 30 days written notice to T. (L, Sec. 13, Pg. 12-13)

**Estoppel:**

W/in 15 days after LL's or any mortgagee request, T to execute and deliver an estoppel certificate. (L, Sec. 31, Pg. 26)

**Parking:**

Lease is Silent

**Other Notes:**

Signage: Prior written consent of LL is required to inscribe, paint, affix, or display any sign, notice, or advertisement on any of the windows, doors, walls, or any part of the outside of the Premises or Building. T to be responsible for all maintenance cost, and if T fails to remove such signs, then LL may remove and restore the premises, and claim the cost incurred to remove such signs upon termination. (L, Sec. 33, Pg. 27-28)

### ADDITIONAL INFORMATION

**Brokers:**

None. (L, Sec. 38, Pg. 28-29)

**Missing Documents:**

None

**Unexecuted Documents:**

None