July 9, 2015

Via E-Mail and FedEx

Henry Guzmán, Esq.
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Office of Regional Counsel
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Re: Letter from Nicoletta DiForte of the US Environmental Protection Agency ("EPA") dated May 19, 2015 captioned "Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. sec 9607 (a) and 9604 (e) of the Comprehensive Environmental Response, Compensation, and Liability Act, for the San German Ground Water Contamination Site, San German PR."

Dear Mr. Guzmán:

This letter is in response to the above referenced letter received by the Puerto Rico Industrial Development Company ("PRIDCO") on May 19, 2015. PRIDCO requested an extension to provide a response on May 28, 2015. On June 5, 2015 EPA provided a 30-day extension. Therefore, PRIDCO submits the requested information within the provided period.

It is not the purpose of this letter to engage EPA in a debate over the legal issues involved in EPA's assertion of PRIDCO's status as a possible responsible party (PRP) for the Site. This is particularly the case inasmuch as EPA is performing a Remedial Investigation and Feasibility Study at the Site, leading to the conclusion that much information remains unknown concerning both conditions at the Site and the determination of responsibility for such conditions. Therefore, PRIDCO expressly reserves any and all defenses to liability - based on technical grounds as well as on legal arguments - which it may have.

Background

PRIDCO was established as a public corporation and a governmental instrumentality of the Commonwealth of Puerto Rico for the purpose of promoting the development of the economy of Puerto Rico by stimulating the formation of new local business and encouraging firms in the United States and foreign countries to establish and expand operations in Puerto Rico. To accomplish its mission, PRIDCO maintains a continuing infrastructure development program, including facilities for lease or sale to qualified private industrial and commercial investors, and the construction of industrial and commercial facilities for lease. In addition, PRIDCO disburses legislative appropriations in accordance with various special incentives programs to assist manufacturers in offsetting operations costs. The basic purpose underlying PRIDCO's supporting role to Puerto Rico's economic development program is the creation of jobs and the consequent improvement of living standards in Puerto Rico. In order to conduct its legislative created authority, PRIDCO has the power, among other things, to acquire, own, sell and lease property, all for the purpose of assisting and enhancing Puerto Rico's economy.

PRIDCO does not operate any facility. PRIDCO only owns the land and constructs the buildings to be used by its tenants. As a result, PRIDCO does not manage or generate any hazardous substances or hazardous wastes. PRIDCO is simply a passive landowner, which leases property it owns to commercial and industrial entities for economic development purposes.

As such we believe that PRIDCO is entitled to the security interest exemption as set forth in section 101 (201)(A) of CERCLA, creating an exemption to the term "owner or operator" for "any person who, without participating in the management of a vessel or facility, holds indicia of ownership primarily to protect its security interest in the vessel or facility. Industrial development agencies have been held to be outside the concept of "owner" under CERCLA, and, similarly, PRIDCO:

- Is a public agency, holding title primarily to secure the money it has advanced to purchase and develop the facilities it leases to its industrial tenants. PRIDCO is entitled to be deemed exempt from the definition of "owner" as a secured creditor because its supervision of its industrial tenants is primarily to protect PRIDCO's security interests. It has been held that such supervision may involve monitoring of the tenant's financial condition and the insistence that the tenant hire competent management. PRIDCO does not extend its supervision into the day to day management

of any business of control of operational, production of waste disposal activities.

- May not be a passive financing vehicle, but is rather a public benefit corporation which holds title to property primarily to advance its interest of creating jobs and enhancing the economy of Puerto Rico. PRIDCO therefore is entitled to the protection afforded by the security interest exemption because the primary purpose of its ownership of properties is to secure the performance of an obligation by its tenants, the bolstering of Puerto Rico's economy. In short, PRIDCO is the owner of property primarily to protect its interest in advancing industrial development, commitments for which are made by the tenants which locate on PRIDCO property. PRIDCO is, thus akin to the traditional industrial development agency, which holds title to property in order to confer tax advantages on industries in exchange for their coming into the agency's community.

In addition to PRIDCO's reservations relative to its legal liability for the Site, PRIDCO lacks the financial ability to pay for response actions at the Site and/or for the costs of EPA's investigative, planning, removal, remedial, and enforcement actions. Such inability to pay, which exists now and will continue for the foreseeable future, is based upon a number of factors, precise knowledge about which is uncertain and incapable of being ascertained at this time, including the following:

- The cost of response activities, reimbursement obligations, etc. with regard to the Site;

- The share of the overall costs connected with activities in connection with the Site that are attributed to PRIDCO (based upon, for example, the existence of other PRPs, their role at the Site, and their financial status);

- Applicable revenues from PRIDCO's operations;

- Appropriations allocated to PRIDCO by the Legislature of Puerto Rico; and

- The overall condition of the economy of Puerto Rico.

As noted above, the data required to assess PRIDCO's financial viability, let alone its ability to address the Site, are not within PRIDCO's possession at this time. For this reason, it is in PRIDCO's interest -- as well as being a matter of candor and fairness to EPA -- for PRIDCO to expressly preserve its opportunity to assert an "inability-to-pay" defense to any requirement subsequently sought to be imposed by EPA in connection with the Site.

Under the circumstances set forth above, and as an additional comment on this topic, PRIDCO believes strongly that it is unfair and inappropriate, as a matter of policy and as a matter of equity, for EPA to target PRIDCO, a non-polluting, non-operating public corporation and non-profit government instrumentality whose legislative purpose is to "benefit the inhabitants of Puerto Rico by discovering and developing to the fullest possible extent the human and economic resources of the Commonwealth of Puerto Rico.

PRIDCO's operations have, in recent years, lost money as PRIDCO has strived to fulfill such legislative purpose. One reason is that its rental values are often established at lower levels than other prevailing rental values in order to attract employment opportunities to economically-depressed locations. The same holds true for the tax abatement and other incentives provided in order to stimulate economic development and employment creation for the Commonwealth.

A decision by EPA to pursue PRIDCO for response and/or reimbursement costs works an injustice to the financial health of PRIDCO, the Government of Puerto Rico, and to the extent PRIDCO is required to perform response actions and to pay costs of any variety, the People of Puerto Rico.

In the face of this very difficult reality, PRIDCO urges EPA to investigate, as necessary, and to seek its relief from any parties causing or contributing to, or having caused or contributed to, potential contamination of the soil or groundwater at the Site. Importantly, such possible sources of contamination may exist not only at locations at the Retiro Industrial Park but elsewhere as well, and it is incumbent upon EPA to obtain information about and bring enforcement and other legal actions against any parties which are, in any respect, related to conditions at the Site - no matter where they may now be, or have in the past been, located.

Notwithstanding the foregoing, PRIDCO without assuming any responsibility intends to cooperate with EPA in any way it can by providing all the information PRIDCO has about the operators in the industrial buildings identified. Please note that as previously indicated, PRIDCO does not participate in the operations of its industrial sites and the information that we are providing regarding the specific site operations is from information provided to us by the Tenants. We provide the information, as it was provided to us, and it may or may not be accurate. PRIDCO does not assume any responsibility for the accuracy of the information that was provided by the tenants.

Request for Information Answers

PRIDCO is the owner of various industrial buildings in the Retiro Industrial Park in San German. The Retiro Industrial park consists of the following three main areas: L-

049-0-55-00; L-049-1-57-00 and L-049-2-52-00. The L-049-0-55-00 area includes the following buildings: Lot 1 with buildings S-0373-0-56-00 and S-0373-1-58-00; Lot 2 with buildings T-0261-0-54-00, T-0261-1-62, T-0261-2-72-00; Lot 3 buildings T-0343-0-56, T-0343-1-60-00; Lot 4/6 buildings S-0551-0-60-00, S-0551-1-63-00. The L-049-1-57 area includes: Lot 5 with buildings T-0496-0-58-00; lot 7-1 with no building; lot 7-2 with building-0866-0-67-00; lot 8-1 with building T-0881-0-67-00; Lot 8-2 with building T-0881-0-67-00; Lot 9 with buildings T-0497-0-58-00, T-0497-1-85-00; Lot 10 without building and lot 11 with buildings T-0753-0-66-00, T-0753-1-89-00. The L-049-2-52 area includes lot 12 with building S-0113-0-52-00 and lot 13 with building S-1404-0-87-00. **Annex I** presents a sketch of the Retiro Industrial Park.

As per our conversation the information and answers herein provided are limited to the buildings identified on the April 8, 2015 meeting at EPA, which are: Lot 2 with Project T-0343 and its extensions and Lot 3 with T-0261 and its extensions. Both of them are currently leased to Wallace Silversmiths de Puerto Rico LDT; Lot 4/6 with Project S-0551-0-61 and its extensions which are currently leased to CCL Label Inc. and Lot 1 with project S-0373 and its extensions which are currently vacant.

Question 1

Please state the date or dates that PRIDCO acquired the land that now makes up the facility. Please provide all relevant deeds documenting such acquisition.

Response to question 1:

1. Project T-0343; Project T-0261 and Project S-0551 was acquired through a process of expropriation. Case Num. E-56-278 & 279. The court resolution is here included as **Annex 2**.
2. Project S-0373 was acquired by Deed Number 18 of October 15, 1970. The deed is here included as **Annex 3**.

Question 2

When the structure at the Facility was initially constructed

Response to question 2:

1. Project T-0343-0-56 was built in May 1959.
2. Project T-0261 was built in November, 1957.
3. Project S-0551 was built in October, 1961.

4. Project S-0373-0-56 was built in February, 1957.

Question 3

Please provide all maps, plans, and/or drawings of buildings located in the Facility, beginning from construction of such buildings, to the present.

Response to Question 3

A sketch of the Retiro Industrial Park is included as Annex 1. Also, this Annex includes a digital disc with all the drawings that PRIDCO was able to locate for each property. .

Question 4

Please identify all entities that leased the property within the facility.

a. For each, state the date of the initial leases and the dates of any subsequent leases, modifications, and/ or extensions.
b. Identify the premises that were leased.
c. If any terms and conditions in the leases were changed, state the changes.
d. Provide signed copies of all leases and any attachments.

Response to question 4 (a)(b)(c)(d)

1. Project T-0343-0-56 and T-0261. It is currently leased to Wallace Silversmiths of Puerto Rico LTD

Date	Lease	Parent Company	Use
1972-1984	International Silver of Puerto Rico	Insilco Corporation Number 1000, Research Parkway, Meriden Conn.	Manufacture of silverware Annex 4; 4a;4b;4c;
1984	Wallace International of Puerto Rico	Katy Industries buys Insilco corporation. 853 Dundee Ave. Elgin III 60603	Manufacture of silverware Annex 5; 5a
1986	Wallace International Of Puerto Rico	Syratech buys Katy and assumes lease. 175 McGlellan Highway E. Boston Massachusetts 02128	Manufacture of silverware Annex 6;6a

2006	Wallace International Of Puerto Rico	Lifetime Brands buys Syratech and assumes Wallace International lease. 1000 Stewart Avenue Garden City, New York, 11530	Manufacture of silverware Annex 7
2010	Wallace Silversmith de Puerto Rico SS 66-0402654	Lifetime Brands	Manufacture of silverware Annex 8; 8a; 8b; 8c
2015	Wallace Silversmith of Puerto Rico Ltd. ss. 98-0491872	Lifetime Brands	Manufacture of silverware Annex 9

2. Project S-0551-0-60. It is currently leased to CCL LABEL Inc.

DATE	LEASE	PARENT COMPANY	USE
1963-1970 The main building	Midland Knitting Mills Inc.		Clothing
1963-1970 The extension	Eastfield Knitting Mills Inc.		Clothing
1971-1992	Digital Equipment Corp.	Digital Equipment Corporation 140 main Street Maynard Massachusetts 01754	Manufacture of Modular systems Annex 10;10a- 10e
		1998- Compaq buys Digital Equipment Corp. (40 Old Bolton Rd. Stow, MA 01775 USA)	Annex 11
		2002- Hewlett Packard merged with Compaq (3000 Hanover Street Palo Alto CA 94304)	Annex 12
1995	Insert Corporation of Puerto Rico Inc.	Menasha Insertco Acquisition Company (411 East Wisconsin	Manufacture of printed materials Annex 13

		Avenue Milwaukee, WI 53202-4497)	
1995		Menasha Corporation buys Menasha Insertco Acquisition Company	Annex 14;14a
DATE	LEASE	PARENT COMPANY	USE
1998	Lucas Insertco Pharmaceutical Printing Co.	John D. Lucas Printing Co. Buys Menasha insertco acquisition company	Annex 14b ; 14c
2003	CCL Insertco Puerto Rico Inc.	CCL Label Inc. buys Lucas insertco Corporation and changes name to CCL Insertco Puerto Rico.	Manufacture of printed inserts Annex 15
2011- present	CCL Label (San German) Inc. Change of name	CCL Label Inc. (161 Worcester Road Suite 502 Framingham, MA 01701)	Manufacture of printed inserts Annex 15a-15e

3. Project S-0373-0-56. It is currently vacant

Date	Lease	Parent Company	Use
1956-1975	Northridge Knitting Mills		Manufacture of clothing
1976-1979	Fashion Knitwear Inc.		Manufacture of clothing
Nov. 16 1982 to May 1987	Digital Equipment Inc.		Storage Annex 16; 16a;16b
1998-2007	Bay-tex International Corp.		Manufacture of clothing Annex 17;18;18a;19;19a-b

Question 5

For each tenant identified, please describe in detail the manufacturing process and any other operations conducted by each tenant at the Facility. If those questions were modified of changed throughout such operations, describe the nature of all changes in operations and state the year of each change.

a. As part of your answer to this question, also identify the types of materials (including hazardous substances) used, the products manufactured, processed,

or otherwise handled, and what hazardous wastes or industrial wastes were generated during and after the operation process.

b. Please describe how and where all hazardous and industrial wastes have been disposed of throughout the respective periods of operations.
c. State whether representatives of PRIDCO performed any inspections of the various structures located at the Facility, the dates of any such inspections, and reports, memoranda, letters, and other documents related to the Facility, distinguishing between the various structures at the Facility, if possible and specify the nature of the operations conducted there.

Response to question 5

PRIDCO has reviewed files in an effort to respond to the various categories of information requested by Question 5. To the extent that any such information has been located, PRIDCO is providing it in the response below. Where categories requested by Question 5 are not provided in PRIDCO's response, such omission reflects that the information was not available at the time of PRIDCO's review.

1. Project T-0343-0-56 and T-0261 (Wallace)

   Wallace is dedicated to the manufacturing of silverware and has occupied the property since 1984. Previously, the site operated under the name of International Silver of Puerto Rico. Basically the manufacturing process consists of the following:

   - Melting of the Silver bullion
   - Mixing of melted Silver with Copper
   - Molding the silverware
   - Washing of silverware with trichloroethylene, the washing was done inside a 90 gallons above ground tank inside the building.
   - Evaporation of the process waters not impacted with trichloroethylene

   A more detailed description of the manufacturing process was obtained from a presentation found in our files (Annex *20*). In that document the following processes are described, however, the sequence of production is not included:

   - Precious Metal Works (PMW) which included: sterling flat and coil manufacturing; sterling bar stock manufacturing; flat and coil stock manufacturing.
   - Make A Flatware which included the cutout and shaping operations from blanks. This process included cross rolls, grade rolls, back rolls, cutout

processes, tining and additional cross roll presses and capability to blank flat stock and shear as necessary from PMW supply

- Make B Flatware which included stamping and trimming operations. This process included hydraulic and electric mechanical presses and pneumatic hammers for forming operations. The process included pneumatic hammers, hydraulic and knuckle presses, mechanical presses and tine cutting machines.
- Hollow handle (HH) and seasonal ornaments. The process included blanking and shear equipment, facing machine, solder stations and leak test station
- Annealing using high temperature furnaces
- Finishing that included HH flatware assembly and flatware finishing. The process included ovens, grinding, sanding and buffing stations, sand buffing stations and clair machines.
- Hollowware operations sleigh bell (sterling and brass - silver plated). Department composed of presses, polishing, emboss machine and final assembly and solder and final wash and polish
- Quality Control
- Tool room for turning, milling, cutting and grinding equipment

In addition in letter dated September 21, 1993 (Annex 21) Syratech indicates that they are proposing to establish a state of the art precious metal fabrication facility. The new facility will be operated by PMW Silver de PR Inc. (wholly owned subsidiary of Wallace International Silversmiths Inc.) and will be a sister corporation of Wallace International de PR Inc. The precious metal fabrication process will involve the conversion of fine silver by a process of melting, pressing and annealing to high quality flat stock having a 92.7 content of fine silver.

Also in June 19, 1999 (Annex 22) EQB approved an Environmental Analysis (EA) document for the Installation of a Process Waters Evaporator at Buildings T-0343 and T-0261. The agency indicated that the project met the PR Environmental Law 9, 4C Section requirements. Wallace did not have a permit to discharge the process waters into the PRASA system and the evaporation process was designed to treat the water used to test the knife handles which was known as process recycling waters.

a. As part of your answer to this question, also identify the types of materials (including hazardous substances) used, the products manufactured, processed, or otherwise handled, and what hazardous wastes or industrial wastes were generated during and after the operation process.

Information available at PRIDCO's files indicates that the following wastes were generated at this facility:

- Trichloroethylene, sulfuric acid, muriatic acid, nitric acid
- Spray cans and nitric/sulfuric mix
- Non-hazardous solid wastes including used oil, process waters and hand gloves
- Recycling process waters containing:

  - Monamine AA-100 – Diethanolamine
  - Anionic polyacrylamide flocculant
  - Sterling silver
  - Cement magnesium Oxide
  - Clorox (sodium hypochlorite
  - Wastes sludge generated during the evaporation were classified as hazardous waste due to silver residues.

Some of the raw materials listed in the documentation include the following chemicals: sterling silver, monamine AA-100, sodium hypochlorite, magnesium oxide cement, Oxysulphate cement (silica dioxide component), Glycerin Natural, copper, fine silver, sulfuric acid, hydrochloric acid, nitric acid. The Material Safety Data Sheets (MSDS) for these chemicals are included in Annex 23.

b. Please describe how and where all hazardous and industrial wastes have been disposed of throughout the respective periods of operations.

PRIDCO does not have detailed information regarding how and where the hazardous and industrial wastes at the facility were disposed. However, the following data was found in the available information:

- Spray cans and nitric/sulfuric mix were sent for disposal through Clean Harbors.
- A manifest dated July 31, 2006 (**Annex 24**) indicates that corrosive wastes (D002), mercury wastes (D009), trichloroethylene waste (D040) and wastes corrosive solids sodium hydroxids were sent to TERIS in El Dorado AR, through ENSCO Caribe Inc.
- A manifest dated September 28, 2006 (**Annex 25**) documents the disposal of soil contaminated with silver at the Ponce Sanitary Landfill in the Baramaya Sector through Caribe Hydroblasting Corp.
- A used oil manifest dated April 8, 2006 (**Annex 26**) documents the disposal of uncontaminated used oil at the Oil Energy System facility in Mayaguez through Chacón Environmental Cleaning Inc. of Guanica, Puerto Rico.

- A manifest dated August 2, 2006 (**Annex 27**) documents the disposal of mercury wastes (D009) at the TERIS facility in El Dorado through ENSCO Caribe Inc.
- As part of the process-water evaporation system approval process, Wallace indicated that the solid wastes that will be generated will be sent with other solid wastes that are generated during the manufacturing of the sterling pieces process (silver alloy and copper) to the Wallace Silversmiths in Massachusetts and then for recycling to Handy & Harman Refining Group Inc. located at 300 Rye Street S. Windsor, CT for sterling recuperation.

c. State whether representatives of PRIDCO performed any inspections of the various structures located at the Facility, the dates of any such inspections, and reports, memoranda, letters, and other documents related to the Facility, distinguishing between the various structures at the Facility, if possible and specify the nature of the operations conducted there.

The following PRIDCO inspections for the Wallace facility were found and are included as attachments:

- January 29, 2007 site visit internal communication from Harold Carrasquillo to Eng. Margarita Maldonado **(Annex 28)**
- February 1, 2007 site inspection conducted by Harold Carrasquillo of the PRIDCO Environmental Office **(Annex 29).**
- February 5, 2007 site visit report by Eng. Margarita Maldonado of the PRIDCO Environmental Office **(Annex 30)**.

1. Project S-0551 (CCL Label)

The CCL Label Company is dedicated to the manufacturing of Printing Inserts/Outserts. The process is described as follows:

- Art forms for the Inserts and Outserts are received in digital form at the Pre-Press Department
- Once approved the Inserts/Outserts are printed using paper sheets or rolls
- The printed material is passed to the cutting area where it is cut to specifications.
- After cutting the material is packaged for delivery
- The packed material is transported to the warehouse waiting shipment

Annex 31 includes a process flow chart and a list of machinery and equipment for the CCL Label operation.

a. As part of your answer to this question, also identify the types of materials (including hazardous substances) used, the products manufactured, processed, or otherwise handled, and what hazardous wastes or industrial wastes were generated during and after the operation process.

Information available at PRIDCO's files indicates that the following wastes were generated at this facility by CCL Label: non-hazardous wastes generated included paper and carton and the hazardous wastes generated included ink waste.

The raw materials include paper, ink and Trys

No information was available at the PRIDCO's files reviewed regarding the wastes and raw materials that were generated and/or used by the tenants prior to CCL Label.

b. Please describe how and where all hazardous and industrial wastes have been disposed of throughout the respective periods of operations.

In the files reviewed PRIDCO did not find any information regarding how and where the hazardous and industrial wastes generated by CCL Label and the other tenants were disposed of, except for the information included in an Environmental Analysis (EA) document prepared by NJP Insertco in November 1996 **(Annex 32)**.

In ***Annex 32***, NJP Insertco indicates that their wastewater stream has been certified as non-hazardous by a private owned Analytical Laboratory. All liquids wastes were collected at NJP Insertco by private transporters contracted by BFI and disposed at the BFI's industrial cell in Ponce Puerto Rico.

c. State whether representatives of PRIDCO performed any inspections of the various structures located at the Facility, the dates of any such inspections, and reports, memoranda, letters, and other documents related to the Facility, distinguishing between the various structures at the Facility, if possible and specify the nature of the operations conducted there.

The following PRIDCO inspections for the CCL Label facility were found and are included as attachments:

- March 25, 1992 – PRIDCO Environmental Office site inspection of Building S-0551-0-60 occupied by Digital Equipment Corp. **(Annex 33)**. The inspection was conducted as the results of the lease agreement termination.

3. Project S-0373-0-56 (Vacant)

The only available information in PRIDCO's files for the manufacturing processes at this building is that Northridge Knitting Mills and Fashion Knitwear Inc. used the facility for fabric manufacturing. Digital Equipment Corp. used it as a raw materials warehouse.

Muebles Unico were dedicated to the manufacturing of room and living space sets, wall units and entertainment centers. The manufacturing process is described as:

- Received of raw wood
- Cutting of wood to specifications
- Assembly of furniture
- Sanding and termination of furniture
- Application of lacquer and sandy sealer
- Inspection and packaging

a. As part of your answer to this question, also identify the types of materials (including hazardous substances) used, the products manufactured, processed, or otherwise handled, and what hazardous wastes or industrial wastes were generated during and after the operation process.

Information available at PRIDCO's files indicate that:

- The materials stored by Digital at the site included sulfuric acid, nitric acid, fluboric acid, metal solutions used in the electroplating process, and solvents.
- Raw materials used in the Muebles Unico process included: wood, panels, screws, staples, iron works, sanding sealer, thinner, contact cement and lacquers. MSDSs were found for lacquer thinner, super high solid clear, sanding sealer (**Annex 34).**

b. Please describe how and where all hazardous and industrial wastes have been disposed of throughout the respective periods of operations.

PRIDCO does not have any detailed information regarding how and where the hazardous and industrial wastes at the facility were disposed.

c. State whether representatives of PRIDCO performed any inspections of the various structures located at the Facility, the dates of any such inspections, and reports, memoranda, letters, and other documents related to the Facility, distinguishing between the various structures at the Facility, if possible and specify the nature of the operations conducted there.

The following PRIDCO inspections for this facility were found and are included as attachments:

- September 10, 1997 site inspection by Eng. Margarita Maldonado (**Annex 35)**
- Site inspection not dated by Mrs. Igdalie Rodriguez **(Annex 36**)
- March 25, 1999 site inspection by Mrs. Igdalie Rodriguez **(Annex 37)**
- December 21, 2000 site inspection by Mr. Harold Carrasquillo **(Annex 38)**
- March 17, 2009 site inspection by Mrs. Rebeca Santiago **(Annex 39)**

Question 6

Identify all leaks, spills, discharges, or releases into the environment of any hazardous substances, hazardous wastes, industrial wastes, pollutants, or contaminants at or from the Facility. In addition, please provide the following information:

a. When such releases occurred;
b. How the releases occurred;
c. Identify each hazardous substance, waste, industrial waste, pollutant, or contaminant released and the amount of each material that was released;
d. Where such releases occurred;
e. Any and all activities undertaken in response to each such release or threatened release, including the notification of any agencies or governmental units about the release;
f. Any and all investigations of the nature, extent or location of each release or threatened release, including the results of any soil, water *(ground and surface) or air testing undertaken; and
g. All persons with information relating to these releases.

Response to question 6

PRIDCO does not have a substantial amount of information relative to this question, and believes that EQB may be a better source of these data. In addition, the industries which PRIDCO has identified in response to Questions 4, 5 and 8 may possess information which EPA is seeking here.

Nevertheless, based upon information accessed in PRIDCO's files, PRIDCO is providing EPA with the information it has located which is responsive to this Question.

1. Project T-0343-0-56 and T-0261 (Wallace)

   - The inspection report prepared by PRIDCO on February 1, 2007 **(Annex 29)** makes reference to a dumping of the sludge from the process waters collection sump where the waters without trichloroethylene are discharged. A Wallace employee indicated that few years ago an employee dumped the resulting cleaning sludge from the sump into the ground. However, the dumped sludge was removed and was disposed as a non-hazardous waste, according to Wallace.

   - Spills incidents as described in the February 11, 2009 EPA letter of Consent Agreement signed between EPA and Wallace Silversmiths de PR, LTD. under RCRA (Docket No. RCRA-02-2008-7109).

2. Project S-0551 (CCL Label) – The review of the available PRIDCO files did not provide documentation regarding leaks, spills, discharges, or releases into the environment of any hazardous substances, hazardous wastes, industrial wastes, pollutants, or contaminants at or from this Facility

3. Project S-0373-0-56 (Vacant) - The review of the available PRIDCO files did not provide documentation regarding leaks, spills, discharges, or releases into the environment of any hazardous substances, hazardous wastes, industrial wastes, pollutants, or contaminants at or from this Facility

Question 7

Did PRIDCO enter into arrangements of any kind relating to the treatment, storage, or disposal of industrial wastes regarding any of the structures at the Facility? If so, explain the arrangements, with whom they were made, the dates and durations of the

arrangements, and the nature of and the approximate volume of the industrial wastes. Provide copies of all documents that inform or are relevant to your response to this question.

Response to question 7

1. Project T-0343-0-56 and T-0261 (Wallace) – As previously mentioned PRIDCO is a passive owner of its properties and do not engage in the particular operations of its tenants. For this facility PRIDCO has not enter into any agreements related to the treatment, storage, or disposal of industrial wastes regarding any of the structures at the Facility.

2. Project S-0551 (CCL Label) - As previously mentioned PRIDCO is a passive owner of its properties and do not engage in the particular operations of its tenants. For this facility PRIDCO has not enter into any agreements related to the treatment, storage, or disposal of industrial wastes regarding any of the structures at the Facility.

3. Project S-0373-0-56 (Vacant) - As previously mentioned PRIDCO is a passive owner of its properties and do not engage in the particular operations of its tenants. For this facility PRIDCO, other than the removal of an UST at the site in December 1998 which was owned by PRIDCO, has not enter into any agreements related to the treatment, storage, or disposal of industrial wastes regarding any of the structures at the Facility.

Question 8

At any time during the ownership of the property did PRIDCO or any of its tenants perform any environmental audits and/or studies to determine whether there was contamination at or emanating from the property? If so, state who performed any such audits and/or studies, and the dates they were performed. Provide copies of all documents that inform or are relevant to your response to this question.

Response to question 8

1. Project T-0343-0-56 and T-0261 (Wallace)

   For this facility other than the studies being conducted by the EPA as part of the NPL investigation process the only investigation found in our files relates to a PCB testing report (Annex 40) for one 1,500 and one 2,000 KVA transformers at the site.

The report was prepared in December 1995 by Phasor Engineering for Wallace. The tests indicated that the 1,500 KVA transformer did not show PCB concentrations. The 2,000 KVA transformer showed a PCB concentration of 5 PPM.

2. Project S-0551 (CCL Labels)

For this facility the following investigation and documents were found:

- March 1995 - Sampling results for the investigation conducted by Environmental Science & Engineering Inc. (ESEI) for NJP Insertco (Annex 41). This sampling is referenced in a letter dated November 9, 1995, from NJP Insertco to PRIDCO, making reference to concentrations of VOCs and heavy metals which apparently were the result of some investigation conducted. We understand that these sampling results were obtained during that investigation. Unfortunately, the report for the referenced sampling event was not available at the PRIDCO offices.

  The available information indicate the following:

  - The sampling data included the results of four soil samples collected at the CCL Label facility. Three of the sampling points (B-1, B-2 and B-4) were located at the northern portion of the site (along a drainage channel) and sampling point B-4 was located at the southern portion of the site (see Figure in Annex 42). The B-1 sampling location was placed near a septic tank vault. The soil samples at points B-1, B-2 and B-3 were collected from 9 to 11 ft-bgs. The soil sample at point B-4 was collected from 14-15 ft-bgs.
  - Among other volatile organic compounds (VOCs) the soil samples showed concentrations of vinyl chloride, trichloroethene (TCE), tetrachloroethene (PCE) and cis-1,2-dichloroethene (cis-1,2 DCE). These parameters are part of the chemical constituents of concern (CCOC) designated by the EPA for the NPL site.

  - The highest concentrations of vinyl chloride, TCE and Cis-1,2 DCE were detected at sampling point B-1 at concentrations of 89; 1,400 and 2,200 ug/Kg, respectively. TCE concentrations were also detected in sampling point B-2. Cis-1,2 DCE concentrations were detected in all the soil borings. PCE was detected in soil boring B-2 at a concentration of 8 ug/Kg.

- These chlorinated solvents were detected at the CCL Label site at depth of more than 9 ft-bgs. No data above 9 ft-bgs was included in the data available in the PRIDCO files.

- May 1995 - Proposal for Benchmark Sub-surface Investigation at the S-551 Building prepared by ESEI for Menasha Corporation (Annex 43). The proposal submitted by ESEI was intended to follow-up the limited Phase II investigation that they conducted in March 1995. The following information is included:
  - The proposal included drilling of 10 to 12 soil borings to depth of 15-20 ft-bgs.
  - The investigation included the complete property and was intended to evaluate soil and groundwater conditions.
  - Four of the soil borings were going to be converted to monitoring wells (MWs). They were proposing to collect two soil samples per soil boring and one groundwater sample from each MWs, for analysis of VOCs, TPH, PCBs and 8 RCRA metals.

  No information is available at PRIDCO to determine if ESEI was authorized to do the work or if the proposed Phase II work was conducted.

3. Project S-0373-0-56 (Vacant)

For this facility the following studies/documents were found:

- August 1999 UST closure report prepared by PERM (Panzardi-ERM) for PRIDCO **(Annex 44)**. This report describes the closure of one 2,850 gallons UST at this site. The EQB ID for this tank was PR-02-98-0032. The report includes the following information:

  - The tank was used to store distillates
  - The UST was removed in December 1998.
  - The soil removed during the UST excavation activities was placed back as backfill into the excavation.
  - Once removed 7 soil samples were collected from the excavation.
  - The soil samples were analyzed for TPH and BTEX.
  - The laboratory results indicated TPH concentrations in all the soil samples varying from 180 to 12,000 PPM.
  - No BTEX constituents were detected.
  - One soil sample was collected from the excavated soil and it showed a TPH concentration of 2,300 PPM. This soil was placed back into the excavated area.

- October 3, 2000 Site characterization report prepared by Test Environmental for the area where the UST was removed **(Annex 45)**. The report includes the following information:

    - The report was prepared to respond to a requirement from the EQB to assess the UST area
    - The EQB ID was 02-98-0032
    - Four soil borings were drilled to 16 ft-bgs. Seven soil samples were collected from the borings.
    - The samples were analyzed for TPH Diesel Range Organics
    - The results showed non-detect TPH values in all the samples except for the sample collected from Soil Boring No.1 at a depth of 14-16 ft-bgs.
    - Report recommended no further action.

- October 24, 2003 letter from EQB to PRIDCO **(Annex 46)** indicating that on September 12, 2003 they received a report related to a subsoil investigation at the Digital Equipment Corporation site S-0373, where a former UST was removed. The report was prepared by ERTEC. The agency indicated that based upon the results presented in the report the TPH concentrations are below the regulatory limit and that based upon those results they released PRIDCO of further investigations at the removed UST area. The agency indicates that the facility will be removed from the LUST list. However, the ERTEC report was not available at the PRIDCO Files.

Question 9

Did PRIDCO or any of the tenants at the Facility ever address any environmental conditions at the property? If so, describe the environmental conditions and the action taken.

Response to question 9

1. Project T-0343-0-56 and T-0261 (Wallace) – to the best of PRIDCO's knowledge PRIDCO has not addressed any environmental conditions at this property. In addition, PRIDCO has no information regarding environmental conditions addressed at the site and the actions taken by the tenants, other than those which may be described in this letter.

2. Project S-0551 (CCL Label) - to the best of PRIDCO's knowledge PRIDCO has not addressed any environmental conditions at this property. In addition, PRIDCO has no information regarding environmental conditions addressed at the site and the actions taken by the tenants, other than those which may be described in this report.

3. Project S-0373-0-56 (Vacant) – as described in Item 8.3 above in December 1998 PRIDCO removed a UST from this facility which was used for the storage of distillates. The UST area was subject to various investigations and on October 24, 2003 the EQB sent a letter to PRIDCO indicating that based upon the results presented in the report submitted in September 2003, the TPH concentrations were below the regulatory limit and that based upon those results they released PRIDCO of further investigations at the removed UST area. The agency indicates that the facility was going to be removed from the LUST list, which in fact the EQB did.

   PRIDCO has no information regarding environmental conditions addressed at the site and the actions taken by the tenants, other than those which may be described in this report.

Question 10

Identify and provide copies of all insurance policies and indemnification agreements held or entered into which arguably could indemnify PRIDCO against any liability which it may be found to have under CERCLA for releases and threatened releases of hazardous substances at and from the site. In response to this request, please provide not only those insurance policies and agreements which currently are in effect, but also include those which were in effect during the years PRIDCO owned and/or operated the Site.

Response to question 10

1. Project T-0343-0-56 and T-0261

Herein is included as **Annex 46-A** a Pollution Insurance Policy of the current lessee, Wallace Silversmith which includes PRIDCO as additional insured.

2. Project S-0551

PRIDCO has not found any evidence of a Pollution Insurance Policy for this building

3. Project S-0373-0-56

PRIDCO has not found any evidence of a Pollution Insurance Policy for this building.

Question 11

Please identify the names and current addresses of the representatives of PRIDCO who may have information about the property and the operations conducted there.

Response to question 11

- Jorge Morales
  Property Management
  PRIDCO
- Joel Melendez
  Property Management
  PRIDCO

Question 12

In the event that you have any additional information or documents which may help EPA identify other companies what may have contributed to contamination in the ground water plume at the San German Ground Water Contamination Site, please provide that information and those documents, and identify the source of your information.

Response to question 12

PRIDCO's response to Questions 5, 6 and 8 provides information which might otherwise be included in response to this Question. PRIDCO is not repeating that information here but, instead, incorporates it by reference. Similarly, PRIDCO is not providing information or documents which it knows are in EPA's possession, such as the Site Inspections, Remedial Investigation Reports, and vapor intrusion investigation documentation, generated for the NPL site.

In an effort to be comprehensive and responsive, PRIDCO's response below provides information found in PRIDCO's files relative to facilities at the Retiro Industrial Park not previously discussed in this document.

1. Project T-0343-0-56 and T-0261 (Wallace)

   - November 16, 2006 – letter from Terry Losco to Sara Shindel, Esq. of Syratech Acquisition Corporation (a Lifetime Brands Company) submitting a package of

documentation related to environmental issues at the San German Puerto Rico plant **(Annex 47**). The following info is provided in the letter:

- On or near August 4, 2006 a site inspection was conducted by the EPA and OSHA and Mr. Luis Santiago submitted a summary of the agencies findings to Mr. Dave Fitzgerald
- The plant operated vibratory machines whereby they would place stones and pieces of silver into the drums of the machine along with soap and water. The drums would vibrate the materials and in the process smoothing the silver pieces. Residual of the material/sludge was leaking out of the drums into the soil. The drums and the soil needed to be removed. The drums needed to be disposed of properly and the soil needed to be sent to a lab for testing.
- EPA found drums with used oil storage for over 90 days that needed to be disposed of.
- EPA requested evidence that the well at the facility is not being used.
- EPA requested evidence that the used lamps with mercury were sent to a recycling company.

- In 1995 Wallace disconnected the process discharge from the Puerto Rico Aqueduct and Sewer Authority (PRASA) system and only sanitary waters were discharged into PRASA.

- As part of a PRIDCO Location and Environmental Aspects Questionnaire for the Wallace facility dated May 7, 2010 (**Annex 48),** the following ownership sequence is described:

  - Established in PR in 1973 as International Silversmith
  - Merged with Wallace Silversmiths in 1983 and reincorporated as Wallace International de PR Inc.
  - Purchased by Syratech Corp in 1986
  - Towle Silversmiths acquired in 1992
  - Flat stock manufacturing added in 1993
  - Asset purchase by Lifetime Brands in April 2006 and reincorporated as Wallace Silversmiths de PR.
  - Assets of Gorham Silver acquired in July 2007
  - Seasonal Ornaments added in December 2007
  - Tiffany and Co. added in 2009.

2. Project S-0551

- October 5, 1997 – PRIDCO letter to Lucas Insertco Pharmaceutical Printing y/o Weenser Puerto Rico Western Engineering Services authorizing the tenant the construction of office spaces at the site (**Annex 49).** It indicates that PRIDCO does not approve the construction of a septic tank for the disposal of used waters. These should be connected to the PRASA system.
- August 18, 1998 – letter from Weenser Puerto Rico to PRIDCO indicating that Lucas Insertco acquired a building that was formerly occupied by Digital **(Annex 50).** They indicate that Digital discharged its waste waters into septic tanks at the site. They are requesting permit to rehabilitate those septic tanks for discharging into them. A map showing the location of the septic tanks to be rehabilitated was included.

3. Project S-0373-0-56 - No additional relevant information was available for this facility.

Question 13

Please state the name, title and address of each individual who assisted or was consulted in the preparation of your response to this CERCLA Request for information. In addition, state whether this person has personal knowledge of the information in the answers provided.

Response to question 13

The two primary persons who reviewed PRIDCO's file materials and other documentary information, spoke with PRIDCO personnel and others possessing relevant information, and performed related activities in order to assist PRIDCO in answering this Request for Information are:

- Ana Palou Balsa
  Legal Counsel
  PRIDCO
  PO BOX362350
  San Juan, PR 00936-2350
  Tel: 787-758-4747 ext. 3437

- Raúl Colón, P.E.
  Caribe Environmental Services
  PO Box 5989
  Caguas PR, 00726-5189
  Tel: 787-286-2240

Neither Raúl Colón nor Ana Palou has personal knowledge of the information underlying the answers. Their information is derivative.

The persons who assisted or were consulted in the preparation of the response to this Request for Information are listed below. Except as otherwise indicated, they are PRIDCO personnel or, in one case, a PRIDCO consultant, whose address and telephone number are: Puerto Rico Industrial Development Company, PO Box 362350, San Juan, Puerto Rico 00936-2350, Tel: 787-758-4747.

PRIDCO Personnel and Consultant:

- Jorge Morales
- Joel Melendez
- Karen Fornes
- Raúl Colón
- Olga Marcano
- Julio Benitez
- Ana Palou
- John Greenthal, Esq.
- Nixon Peabody LLP

Letter from Nicoletta DiForte of the US Environmental Protection Agency ("EPA") dated May 19, 2015 captioned "Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. sec 9607 (a) and 9604 (e) of the Comprehensive Environmental Response, Compensation, and Liability Act, for the San German Ground Water Contamination Site, San German PR."

Certification of Answers to Request for Information

State of Puerto Rico

County of San Juan:

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

Miriam Flores de Jesús
Principal Officer
Real State Division
Puerto Rico Industrial Development Company

Affidavit Number 40

Sworn to before me by Miriam Flores de Jesús, of legal age, married and resident of San Juan, whom I know personally and is sworn in her capacity of PRIDCO's Principal Officer of Real State Division.

In San Juan, Puerto Rico today July 9 of 2015.

Celeste A. Rexach Benítez
CRB
Abogada Notaria

Notary Public

Annexes

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Annex 5	May 25, 1984	Lease Contract Wallace International de P.R. Inc.	4
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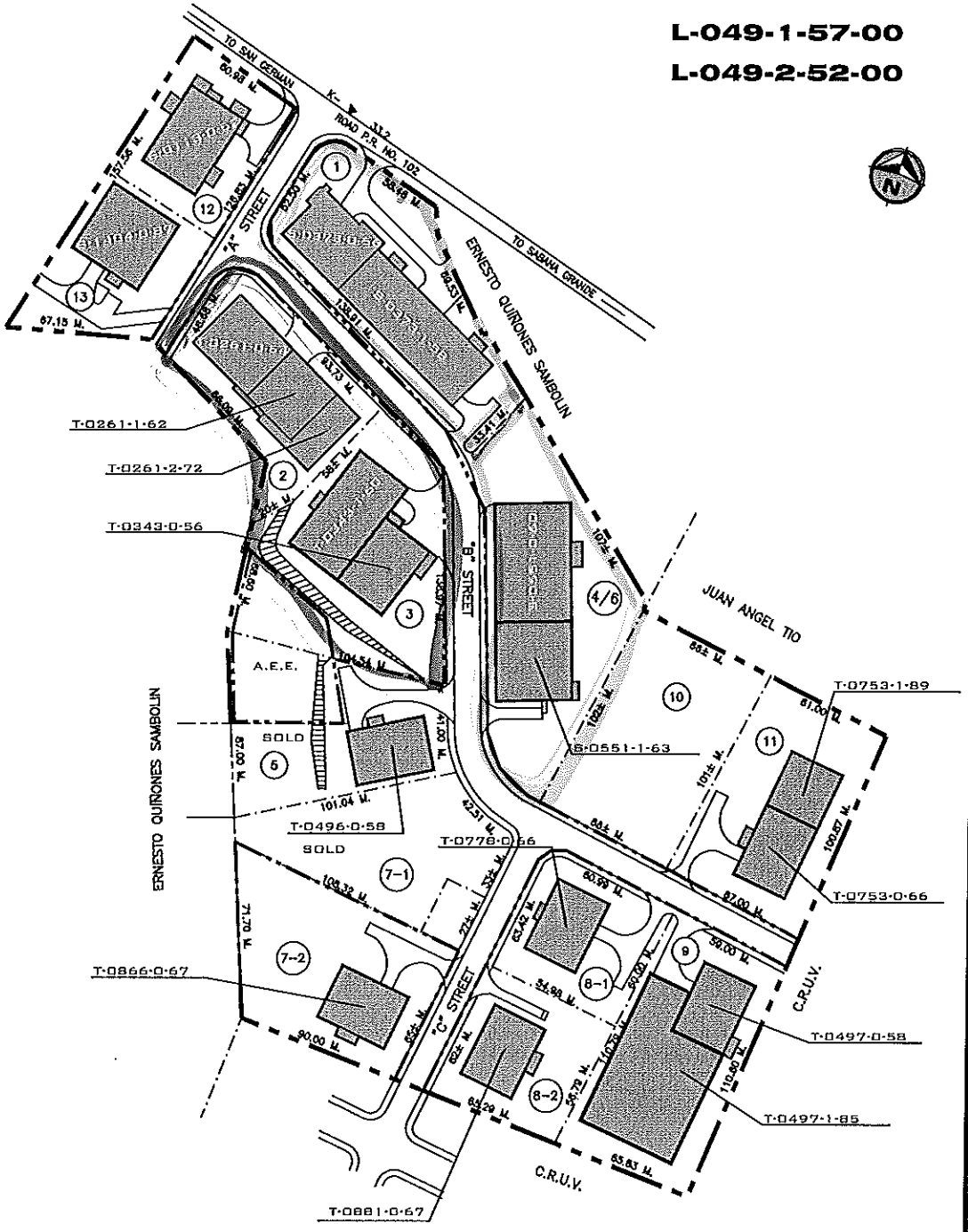
ANNEX 1

MUNICIPALITY OF SAN GERMAN
RETIRO WARD

L-049-0-55-00

L-049-1-57-00

L-049-2-52-00



CCL Label Inc -
vacant
Wallace

LEGEND:	CADASTRE NUMBER				
LOT LIMIT	MUNICIPALITY	MAP		BLOCK	PARCEL
PRIDCO PROPERTY LIMIT		1:10,000	1:1,000		
BUILDING	56	334	046	142–145	00
ROADS OR CURB SIDE					

SCALE NOT TO SCALE REV. DATE Febrero – 2014

DRAW DATE FEB-03-1978 ZONNING I - 1

PRIDCO

ANNEX 2

R. Cortina Envíese a Fomento 7/11/57

274
191

EN EL TRIBUNAL SUPERIOR DE PUERTO RICO
SALA DE EXPROPIACIONES

ESTADO LIBRE ASOCIADO DE PUERTO RICO, representado por el Hon. Gobernador de Puerto Rico; Demandante	Caso Núm. E- 56-278 E- 56-279
vs.	Sobre:
8.5065 cuerdas de terreno en San Germán; Puerto Rico Ernesto Quiñones Sambolín, Concepción Rivera, Santiago Sambolín Becchi, Jovita Hernández; Monserrate Juan y Toro; Ramón Fernández Demandados	EXPROPIACION FORZOSA

R E S O L U C I O N

POR CUANTO, el Estado Libre Asociado de Puerto Rico, representado por el Gobernador de Puerto Rico, instó la presente acción para la adquisición de la propiedad que se describe en el último POR CUANTO de la presente Resolución.

POR CUANTO, el procedimiento de expropiación se instó para uso y beneficio de la Compañía de Fomento Industrial de Puerto Rico.

POR CUANTO, este Tribunal dictó Resolución en 14 de junio de 1956, en virtud de la cual el Estado Libre Asociado de Puerto Rico quedó investido con el título de pleno dominio sobre las propiedades, practicándose la inscripción a favor del demandante al folio, tomo, finca e inscripción que a continuación se indica:

Inscrita el documento que precede con vista de otro al folio 242 del tomo 178 de San Germán, finca # 5772, inscripción 1ra. libre de cargos o gravámenes.

Registro de la Propiedad SECCION DE SAN GERMAN Puerto Rico

POR CUANTO, con relación a la propiedad que se describe en el último POR CUANTO de la presente Resolución el Tribunal ha dictado Sentencia y se ha acreditado que la suma fijada como compensación ha sido satisfecha en su totalidad con fondos pertenecientes a la Compañía de Fomento Industrial de Puerto Rico,

POR CUANTO, de conformidad con la Ley Núm. 188 aprobada en 11 de mayo de 1942, según enmendada por la Ley Núm. 99 aprobada en 18 de abril de 1952, el Tribunal transferirá título a favor de la Compañía de Fomento Industrial de Puerto Rico, de acreditarse que esta instrumentalidad pública ha pagado en su totalidad la suma fijada como valor de los inmuebles expropiados.

POR CUANTO, el Estado Libre Asociado de Puerto Rico ha solicitado mediante Moción, que el Tribunal ordene la inscripción del título a favor de la Compañía de Fomento Industrial de Puerto Rico.

POR CUANTO, la propiedad a que se refiere la presente Resolución se describe como sigue:

URBANA: Parcela de terreno sita en el barrio Retiro de la municipalidad de San Germán, Puerto Rico, al sur del Km. 207.3 de la Carretera Estatal # 2 que conduce de San Germán A Sabana Grande. Tiene una cabida superficial de 33,434.12 metros cuadrados, equivalentes a 3 hectáreas, 34 áreas y 34.12 metros centiáreas; equivalentes a 8.5065 cuerdas. Está en linderos por el Norte, con quebrada El Retiro que separa esta parcela de terreno que pertenece a Ernesto Quiñones Sambolín y con la Carretera Estatal # 2; al Sur, con más terrenos de Ernesto Quiñones Sambolín; al Este, con terrenos que pertenecen a Juan Angel Tió y al Oeste, con terrenos que pertenecen a Ernesto Quiñones Sambolín y a la Compañía de Fomento Industrial de Puerto Rico.

En esta parcela ubica una casa de madera y concreto dedicada a comercio, que mide 20 pies por 27 pies, con un anexo dedicado a servicio sanitario que mide 9.83 pies por 9.83 pies.

Registro de la Propiedad
SECCION DE
SAN GERMAN
Puerto Rico

POR TANTO, este Tribunal ordena al Registrador de la Propiedad de San Germán, Puerto Rico, que proceda a inscribir a favor de la Compañía de Fomento Industrial de Puerto Rico la propiedad antes descrita y que figura inscrita en la actualidad a favor del Estado Libre Asociado de Puerto Rico a los folios y tomos mencionados en el tercer POR CUANTO de esta Resolución.

REGISTRESE Y NOTIFIQUESE.

Dada en San Juan, Puerto Rico, a 7 de julio de 1957.

Juez
Tribunal Superior de Puerto Rico
Sala de Expropiaciones

CERTIFICO: Que la [illegible] exacta de sus originales [illegible] de este caso que se [illegible] Tribunal bajo mi [illegible] cretario de dicho [illegible] R. E., bajo mi firma y sello de este Tribunal hoy día 7 de Julio de 19[illegible]

Secretario

Por:

Sub-Secretario

Registro de la Propiedad
SECCION DE SAN JUAN
Puerto Rico

JUL 10 1957

PRESENTADO: 8:15 de la mañana
ASIENTO No. 274 del tomo 191 del
DIARIO,
SAN GERMAN, P. R. 20 de agosto
de 19 57
Juan Juan Lora

Inscrito el documento que precede al folio 244 vuelto del tomo 178 de San Germán, finca número 5772 e inscripción 2a. No aparece gravada. San Germán, a 29 de octubre de 1957.

Registrador.

Sin Derechos:

Registro de la Propiedad
SECCION
DE
SAN GERMAN
PUERTO RICO

--------NUMERO DIECIOCHO----------

----------AGRUPACION----------

-----En la ciudad de San Juan, Puerto Rico, a ------ quince de octubre de mil novecientos setenta.-------

----------ANTE MI----------

----------ARIEL CURET CUEVAS----------

Abogado y Notario Público del Estado Libre Asociado de Puerto Rico, con residencia y oficina abierta en el Barrio de Santurce de la Ciudad de San Juan,----- Puerto Rico.----------

----------COMPARECE----------

-----DE UNA SOLA PARTE: LA COMPAÑIA DE FOMENTO----- INDUSTRIAL DE PUERTO RICO (en adelante designada la "Compañía"), que es una corporación e instrumentalidad pública creada por la Asamblea Legislativa de Puerto Rico por la Ley Número Ciento Ochenta y Ocho (188) aprobada el once de mayo de mil novecientos cuarenta y dos, tal como la misma ha quedado--------- subsiguientemente enmendada, representada en este--- acto por su Presidente y Administrador General----- Interino, Don Vicente J. Mayol, mayor de edad, casado y vecino de San Juan, Puerto Rico.----------

---

cuyo carácter y facultades bastantes para este------ otorgamiento acreditará tantas y cuantas veces------ fuere menester.----------

-----DOY FE del conocimiento personal del represen-- tante de la compareciente y de sus circunstancias--- personales expresadas doy fe por sus dichos. Me---- asegura tener y a mi juicio tiene la capacidad legal necesaria para este otorgamiento y estando en el---- pleno goce de sus derechos civiles, libremente------

----------EXPONE----------

-----PRIMERO: Que la Compañía es dueña de las------ siguientes propiedades:----------

Registro de la Propiedad
SECCION DE
SAN GERMAN
Puerto Rico

---RUSTICA: Parcela de terreno radicada en el------ Barrio Retiro de San Germán, con una cabida super--- ficial de cinco cuerdas con tres mil doscientas----- veintiocho diezmilésimas de otra (5.3228) equiva---- lentes a veinte mil novecientos veinte metros------- cuadrados con sesenta y ocho centímetros de otro---- (20,920.68) y en lindes por el Norte con terrenos--- de la Compañía de Fomento Industrial, por el Sur y-- el Este con terrenos de Juan Angel Tió y por el----- Oeste con terrenos de la finca principal de la cual- se segrega.----------

---RUSTICA: Parcela de terreno radicada en el------ Barrio Retiro de San Germán, con una cabida super--- ficial de ocho cuerdas con dos mil doscientas------- cuarenta y ocho diezmilésimas de otra (8.2248)------ equivalentes a treinta y dos mil trescientos-------- veintisiete metros cuadrados con dos centímetros de- otro (32,327.02), en lindes por el Norte, Sur y el-- Este con terrenos de la finca principal de donde se- segrega y por el Oeste con terrenos de Ernesto------ Quiñones Sambolín.----------

----------TITULOS Y CARGAS----------

-----La Compañía adquirió estas propiedades por----- resolución dictada por el Tribunal Supegior de------ Puerto Rico, Sala de Expropiaciones, fechada el----- veinte de febrero de mil novecientos sesenta y tres- en el caso número E guión cincuenta y nueve guión--- ochocientos diecisiete (E-59-817) de expropiación--- forzosa seguido por el Estado Libre Asociado de------ Puerto Rico versus Ernesto Quiñones Sambolín y otros y aparecen inscritas en el Registro de la Propiedad- de Mayaguez a los folios ciento noventa (190) y----- ciento noventa y cinco (195) del tomo ciento ochenta y siete (187) de San Germán, fincas número cinco mil novecientos cincuenta y seis (5,956) y cinco mil---- novecientos cincuenta y siete (5,957) inscripciones- segunda y segunda, respectivamente, y las mismas---- están libres de cargas y gravámenes.----------

-----SEGUNDO: Manifiesta ahora la Compañía que las- propiedades descritas anteriormente colindan entre-- sí formando un solo cuerpo por lo que es su deseo--- agrupar, como por la presente agrupa, dichas-------- propiedades para que formen una sola finca y solicita del Registrador de la Propiedad que así se inscriba-

bajo un número distinto, con la siguiente----------

descripción:----------

---RUSTICA: Parcela de terreno radicada en el------ Barrio Retiro de San Germán con una cabida de trece- cuerdas con cinco mil cuatrocientas setenta y seis-- diezmilésimas de otra (13.5476) equivalentes a------ cincuenta y tres mil doscientos cuarenta y siete---- metros cuadrados con setenta centímetros---------- (53,247.70). Colinda por el Norte con terrenos de- la Compañía de Fomento Industrial de Puerto Rico y- con terrenos de Juan Angel Tió, por el Sur y por el- Este con terrenos de Juan Angel Tió y por el Oeste- con terrenos de Ernesto Quiñones Sambolín.----------

-----TERCERO: Para los efectos de su inscripción en el Registro de la Propiedad, la finca agrupada y---- descrita en el Párrafo SEGUNDO anterior tiene un---- valor de MIL DOLARES ($1,000.00).----------

---

----------ACEPTACION----------

-----El compareciente acepta esta escritura en todas sus partes y YO, EL NOTARIO, le hice las advertencias legales pertinentes.----------

----------OTORGAMIENTO----------

-----Así lo dice y otorga ante mí el compareciente-- luego de haber renunciado al derecho que le hice---- saber tenía para requerir la presencia de testigos-- instrumentales.----------

----------LECTURA----------

-----El compareciente leyó la presente escritura, se manifestó que estaba bien enterado del contenido de- la misma, en cuyo contenido se ratificó, y la firma- a continuación y conmigo.----------

-----De todo lo cual y de lo demás que aseguro y---- refiero en este instrumento público así como de que-

---

Registro de la Propiedad
SECCION DE
SAN GERMAN
Puerto Rico

todos los folios de esta escritura han sido---------
autenticados por el compareciente con sus iniciales,
YO, EL NOTARIO, DOY FE.----------

Firmado: Vicente J. Mayol.----------

Firmado, sellado, signado y rubricado, Ariel Curet Cuevas.----------

Cancelados en el original los correspondientes------- sellos de Rentas Internas y el Sello del Impuesto--- Notarial. Aparecen las iniciales de los otorgantes- en todos y cada uno de los folios del original de--- esta escritura y está sellada y rubricada en todas-- sus hojas.----------

ES COPIA FIEL Y EXACTA de su original obrante en mi- protocolo de instrumentos públicos del año en curso- con el Número Dieciocho.----------

En fe de ello y a requerimiento de parte, expido la- presente primera copia certificada en San Juan,------ Puerto Rico, en el mismo día, mes y año de su------ otorgamiento. DOY FE.----------

Notario Público

50¢ CANCELADO A84706 50¢

A84707 CANCELADO 50¢

PRESENTADO a la 11:40 de la [illegible]

ASIENTO Núm. 533 del tomo 247

del DIARIO

San Germán, P. R., 12 de [illegible] 1970

Inscrito este documento con vista de atrás al folio 63 del tomo 224 de San Germán, finca # 8146 e inscripción 1ra Libre de cargos.

San Germán, a 1ro de diciembre de 1970.

Sr. Derechos

Patrimonio Registrador

ANNEX 4

PRIDCO
P 6010
R 6-1-61

C.F.T. OK con tu 1-3024

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

Lease Contract

THIS LEASE, made as of the 26 day of December, 1972, between PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY party of the first part, hereinafter referred to as "Landlord", and INTERNATIONAL SILVER DE P. R., INC. party of the second part, hereinafter referred to as "Tenant",

WITNESSETH:

PREMISES: Landlord hereby demises and leases unto Tenant, and Tenant hereby hires and takes from Landlord a certain landsite and improvements (Project No. 5-343-56 & 5-343-A-60) located at San Germán Puerto Rico, more particularly described in Schedule A hereto annexed and made part hereof, hereinafter referred to as the "premises" or the "demised premises".

USE: To be used and occupied in the manufacture of silverware and for no other purpose.

SUBJECT TO: The demised premises are leased subject to the encumbrances, leases, restrictions and conditions, if any, set forth on Schedule B hereto annexed and made part hereof.

TERM: To Have And To Hold the demised premises for the term to commence on Jan. 1, 1973 and to end ten years thereafter.

It is hereby mutually covenanted and agreed by and between Landlord and Tenant that this lease is made upon the foregoing and upon the following terms, covenants and conditions, and Landlord and Tenant hereby mutually covenant and agree to perform each and every one of the terms, covenants and conditions of this lease and of all Schedules and riders hereto annexed on their respective parts to be performed:

1. **RENT:** Tenant shall pay to Landlord at Landlord's office in the City of San Juan, Puerto Rico or at such other place or places as Landlord may from time to time designate, fixed rent at the rate of $0.75 per sq. ft. of gross building area per annum, hereinafter called "rent", which said rent shall be paid by Tenant in lawful money of the United States, in equal monthly installments in advance, on the first day of each and every month in each and every year during the term hereof, without any set-off or deduction whatsoever and without any prior demand therefor, the first installment to be paid on April 1, 1973.

2. **TAXES, ETC.:** (a) Tenant shall punctually pay and discharge, as additional rent, all real estate taxes, assessments, water rents, sewer rents, and charges, and governmental impositions, duties and charges of every kind and nature whatsoever, extraordinary as well as ordinary and whether now within the contemplation of the parties or not, and each and every installment of each of them, which shall or may during the terms of this lease be charged, laid, levied, assessed or imposed upon, or become a lien or liens upon the demised premises or any part thereof, or upon any building or appurtenances thereto, or any part thereof, or upon any sidewalks or streets in front of or adjoining the demised premises, or which may become due and payable with respect thereto, and any and all taxes, charged, laid, levied, assessed or imposed in lieu of or in addition to the foregoing, under or by virtue of any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the

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Commonwealth of Puerto Rico or of any political subdivision thereof or lawful authority whatsoever, and all gas, electricity or other service or services furnished to the demised premises or the occupants thereof during the term hereof. Tenant shall also punctually pay and discharge, as additional rent, all taxes and assessments which shall or may during the term of this lease be charged, laid, levied, assessed or imposed upon, or become a lien upon the personal property of Landlord or Tenant in the operation of the premises or in connection with Tenant's business conducted on the premises. Tenant shall be deemed to have complied with the foregoing covenants of this Article 2 if payment of any such taxes, assessment, water rents and charges, or other governmental impositions, duties and charges is made by Tenant within the period during which payment is permitted without penalty or interest, and Tenant shall within thirty (30) days thereafter produce and exhibit to Landlord satisfactory evidence of such payment.

(b) All real estate taxes which shall become payable for the first and last tax years of the term hereof shall be apportioned pro rata between Landlord and Tenant in accordance with the respective number of months during which each party shall be in possession of the demised premises in said respective tax years. The provisions of Article 2 hereof shall not be interpreted as negating any real and personal property tax exemption granted to Tenant by the Commonwealth of Puerto Rico so long as such grant remains in full force and effect. If the premises are sold to a Landlord subject to taxation, such Landlord will use its best efforts to obtain or cause to be obtained and to maintain, in full force and effect, an exemption, if and to the extent available, from real estate taxes upon the demised premises, and Tenant agrees to coopetate with Landlord in such proceedings and to join therein if requested by Landlord. Tenant is authorized to take proceedings in the name of the proper party or parties, including Landlord, to obtain and to maintain or cause to be obtained and to be maintained, in full force and effect, such an exemption.

REVIEW OF ASSESSMENTS: (c) Tenant shall have the right to contest or review by legal proceedings or in such other manner as may be legal (which, if instituted, shall be conducted promptly at Tenant's own expenses and free of all expense to Landlord), any tax, assessments, water rent or charge, or other governmental imposition aforementioned, upon condition that, before instituting any such proceedings, Tenant shall pay (under protest), such tax, assessment, water charge or other governmental imposition, duties and charges aforementioned or furnish to Landlord, or to any mortgagee Landlord may designate, a surety company performance bond in a company acceptable to Landlord and such mortgagee or other security reasonably satisfactory to Landlord and such mortgagee, sufficient to cover the amount of the contested item or items, with interest for the period which such proceedings may reasonably be expected to take, and costs, securing the payment of such contested item or items and all interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, Tenant shall pay all such items at least ninety (90) days before the time when the demised premises or any part thereof might be forfeited. The legal proceedings herein referred to shall include appropriate certiorari proceedings and appeals from any orders or judgments therein, but all such proceedings shall be begun as soon as reasonably possible after the imposition or assessment of any contested items and shall be prosecuted to final adjudication with reasonable dispatch. In the event of any reduction, cancellation or discharge, Tenant shall pay the amount that shall be finally levied or assessed against the demised premises or personal property or adjudicated to be due and payable and if there shall be any refund payable by the governmental authority with respect thereto Tenant shall be entitled to receive and retain the same, subject, however, to apportionment as provided in Article 2(b) hereof during the first and last years of the term.

(d) Landlord at Landlord's option may, but shall not be obligated to, contest or review by legal proceedings, or in such manner as may be legal, and at Landlord's own expenses, any tax, assessment, water rent or charge, or other governmental imposition aforementioned, which shall not be contested or reviewed, as aforesaid, by Tenant and unless Tenant shall promptly join with Landlord in such contest or review, Landlord shall be entitled to receive and retain any refund payable by the governmental authority with respect thereto.

3. **ASSIGNMENT:** Neither Tenant, nor Tenant's legal representatives or successors in interest by operation of law or otherwise, shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord in each instance. No assignment or sublease of the whole or any part of the demised premises by Tenant shall in any way affect or reduce any of the obligations of Tenant under this lease, but this lease shall continue in full force and effect. If this lease be assigned, or if the demised premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of the terms, covenants and conditions of this lease on the part of Tenant to be performed. Any violation of any provision of this lease, whether by act or omission, by any assignee, subtenant or occupant, shall be deemed a violation of such provision by Tenant, it being the intention and meaning of the parties hereto that Tenant shall assume and be liable to Landlord for any and all acts and omissions of any and all assignees, subtenants, and occupants. The consent by Landlord to an assignment, encumbrance or subletting shall not be construed in any wise to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment, encumbrance or subletting. Notwithstanding anything herein contained to the contrary, Tenant may, without the consent of Landlord assign this lease or sublet the whole or any part of the demised

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premises to any wholly owned subsidiary of the Tenant, or to the parent of the Tenant, or to any wholly owned subsidiary of any of the aforementioned; a subsidiary shall be deemed wholly owned notwithstanding the issuance of directors qualifying shares; provided that no such assignment or subletting shall release the Tenant from liability under this lease.

4. ALTERATIONS: (a) Tenant may make alterations, changes, additions and improvements to any building now or hereafter erected on the demised premises, provided:

(1) That the same shall not lessen the value of said building as it is at the commencement of such work or change the purposes for which said building may be used;

(2) That the same shall be made in accordance with plans and specifications therefor. Such plans and specifications shall first be submitted to and approved in writing by Landlord;

(3) That before commencing any such work said plans and specifications shall be filed with and approved by all municipal or other governmental departments or authorities having jurisdiction thereof, and the written consent of any mortgagee having any interest in or lien upon the demised premises shall be procured by Tenant and delivered to Landlord if required by the terms of the mortgage;

(4) That before commencing any such work, Tenant shall at Tenant's own cost and expense, deliver to Landlord a general accident and public liability policy more particularly described in article 6 (a) (2) hereof, but said policy shall recite and refer to such work, and in addition thereto, if the estimated cost of such work is more than ONE THOUSAND Dollars ($1,000.00), Tenant shall, at Tenant's own cost and expense, deliver to Landlord a surety company performance bond in a company acceptable to Landlord, or a similar bond or other security satisfactory to Landlord, in an amount equal to the estimated cost of such work, guaranteeing the completion of such work within a reasonable time, due regard being had to conditions, free and clear of all liens, encumbrances, chattel mortgages and conditional bills of sale and in accordance with said plans and specifications submitted to and approved by Landlord in writing; and

(5) That Tenant shall pay the increased premium, if any, charged by the insurance companies carrying insurance policies on said building, to cover the additional risk during the course of such work.

(b) All such alterations, changes, additions and improvements made by Tenant shall be and become the property of Landlord.

(c) All the machinery and equipment, if any, and all appurtenances thereto installed, or affixed on or to the demised premises, or any part thereof, by any person other than Tenant at the commencement of the term hereof, are and shall be deemed to be the property of Landlord, and any machinery and equipment and appurtenances thereto that may be installed or affixed on or to the demised premises, or any part thereof, by Tenant, shall not be and become part of the realty and shall be immediately removed by Tenant together with the movable furniture and movable trade fixtures of Tenant, at the termination of this lease, any damage to the premises in the course of such removal to be repaired by Tenant at Tenant's own cost and expense. Nothing contained in this lease shall be interpreted to deny to Landlord the right to seek satisfaction against any assets of Tenant in any action, claim or demand of Landlord against Tenant.

(d) Except as provided in this article 4, no building or improvements now or hereafter erected upon the premises, or any part thereof, shall be demolished, altered, added to or changed without the prior written consents of Landlord and any mortgagee.

5. REPAIRS: Tenant shall, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition the building and improvements standing upon the demised premises at the commencement of the term hereof or thereafter erected upon the demised premises, or forming part of the demised premises, and their full equipment and appurtenances, and each and every part thereof, both inside and outside, extraordinary and ordinary, and shall repair the whole and each and every part thereof in order to keep the same at all times during the term hereof in thorough repair and good order and safe condition, whenever the necessity or desirability therefor may occur, and whether or not the same shall occur, in whole or in part, by wear, tear, obsolescence or defects, and shall use all reasonable precaution to prevent waste, damage or injury. Tenant shall also, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition, and free from dirt, rubbish and other obstructions or encumbrances, the sidewalks, areas, sidewalk hoists, railings, gutters, curbs and the like in front of and adjacent to the demised premises. However, the Landlord and not the Tenant, shall be responsible for and shall promptly correct any defects in the buildings and improvements on the demised premises which are due to faulty design, or to errors of construction not apparent at the time the demised premises were inspected by Tenant for purposes of occupancy by Tenant; this shall not be interpreted to relieve Tenant of any responsibility or liability herein otherwise provided, including, among others, for structural failure due to the fault or negligence of Tenant.

In addition to the foregoing, Tenant shall indemnify and save harmless Landlord from and against any and all costs, expenses, claims, losses, damages, fines, or penalties, including reasonable counsel fees, because of or due to Tenant's failure to comply with the foregoing, and Tenant shall not call upon Landlord for any disbursement or outlay of money whatsoever, and hereby expressly releases and discharges Landlord of and from any liability or responsibility whatsoever in connection therewith.

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Although it is not intended that Tenant shall be responsible for any decrease in value of the demised premises due to the mere passing of time, or for ordinary wear and tear of surfaces and other structural members of the building, nevertheless Tenant shall:

(a) replace, among others, doors, windows, electrical, sanitary, plumbing, other fixtures, building equipment and/or facilities in the demised premises which through Tenant's use, fault or negligence, become too worn out to repair during the life of this lease,

(b) paint the property inside and outside as required, and

(c) correct roof leaks,

(1) not due to faulty construction or structural failure

(2) which otherwise are customarily to be expected, or

(3) which are due to the fault or negligence of Tenant.

The Landlord agrees to repair and correct with reasonable promptness any defects in the demised premises latent at the time of occupancy by Tenant.

MECHANICS LIEN: Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the reversion or other estate of Landlord, or of any interest of Landlord in the demised premises, or upon or in the building or improvements thereon; it being agreed that should Tenant cause any alterations, changes, additions, improvements or repairs to be made to the demised premises, or material furnished or labor performed therein or thereon, neither Landlord nor the demised premises shall, under any circumstances, be liable for the payment of any expense incurred or for the value of any work done or material furnished to the demised premises or any part thereof; but all such alterations, changes, additions, improvements and repairs, and materials and labor shall be at Tenant's expense and Tenant shall be solely and wholly responsible to contractors, laborers and materialmen furnishing labor and material to said premises and building or any part thereof.

If, because of any act or omission of Tenant, any mechanic's or other lien or order for the payment of money shall be filed against the demised premises or any building or improvement thereon, or against Landlord (whether or not such lien or order is valid or enforceable as such), Tenant shall, at Tenant's own cost and expense, cause the same to be cancelled and discharged of record or bonded within twenty (20) days after the date of filing thereof, and further shall indemnify and save harmless Landlord from and against any and all costs, expenses, claims, losses or damages, including reasonable counsel fees, resulting therefrom or by reason thereof.

6. **INSURANCE:** (a) During the term hereof Tenant shall at Tenant's own cost and expense:

(1) **CUSTOMARY RISKS:** Keep the building standing upon the demised premises at the commencement of the term hereof or thereafter erected upon the demised premises, including all equipment in or appurtenant to the demised premises and all alterations, changes, additions and improvements, insured for the benefit of Landlord against such risks for which insurance is obtainable in Puerto Rico, including, among others, fire (with extended coverage), and war damage if obtainable (during a period of war only), hurricane, earthquake and boiler (if any) in an amount equal to the following:

(a) Fire..... 80% of insurable value exclusive of foundations

(b) Hurricane..... 50% of insurable value exclusive of foundations

(c) Earthquake..... 50% of insurable value including foundations

(d) Boiler (if any).....100% of insurable value

all policies of which shall provide that loss, if any, payable thereunder shall be payable to Landlord, or at Landlord's request to Landlord and/or any mortgagee, as their respective interests may appear, and all such policies with evidence by stamping or otherwise of the payment of the premiums thereon shall be delivered to and held by Landlord or any such mortgagee, as the case may be. All said policies shall be taken in such responsible companies authorized to do business in Puerto Rico as Landlord and any mortgagee shall approve and in a form satisfactory to Landlord. If at any time there is a dispute as to the amount of such insurance that should be carried, the dispute shall be settled by arbitration as provided in article 18 hereof.

(2) **PUBLIC LIABILITY:** Provide and keep in force, for the benefit of Landlord general accident, public liability, insurance fully protecting Landlord against any and all liability occasioned by accident or disaster, in the amount of ~~twenty-five thousand dollars ($25,000)~~ $100,000 in respect of injuries to any one person, and in the amount of ~~fifty thousand dollars ($50,000.00)~~ $300,000 in respect to any one accident or disaster, and such accident and liability insurance shall cover the entire building and premises as well as the sidewalks in front of and adjacent to the demised premises. Policies covering Landlord and Tenant, as their respective interests may appear, but otherwise in the form herein provided, shall be deemed to be in compliance with the provisions of this covenant. All said policies shall be obtained by Tenant and certificates thereof delivered to Landlord upon the commencement of the term hereof with evidence by stamping or otherwise of the payment of the premiums thereon, and shall be taken in such responsible companies authorized to do business in Puerto Rico as Landlord shall approve and in a form satisfactory to Landlord.

(b) Upon the commencement of the term hereof Tenant shall pay to Landlord the apportioned unearned premiums on all such policies of insurance then carried by Landlord in respect of the premises in the event Tenant continues with the insurance policies placed by Landlord.

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RENEWAL POLICIES: (c) Thirty (30) days prior to the expiration of any policy or policies of such insurance, Tenant shall pay the premium for renewal insurance and deliver to Landlord or to any mortgagee Landlord may designate within said period of time, the original renewal policies with evidence by stamping or otherwise of the payment of premiums thereon, except that certificates instead of the original renewal policies with respect to the insurance referred to in subdivision (a) (2) of this article 6 shall be delivered by Tenant; and if such premiums or any of them shall not be so paid and the policies or certificates shall not be so delivered Landlord may procure and/or pay for the same, and the amount so paid by Landlord, with interest thereon at the rate of seven per cent (7%) per annum from the date of payment, shall become due and payable by Tenant as additional rent with the next or any subsequent installment of fixed rent which shall become due after such payment by Landlord; it being expressly covenanted that payment by Landlord of any such premium shall not be deemed to waive or release the default in the payment thereof by Tenant, or the right of Landlord to take such action as may be permissible hereunder as in the case of default in the payment of fixed rent.

(d) Tenant shall not violate or permit to be violated any of the conditions or provisions of any of said policies, and Tenant shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to Landlord shall be willing to write and continue such insurance.

(e) Tenant shall cooperate with Landlord and any mortgagee in connection with the collection of any insurance moneys that may be due in the event of loss and shall execute and deliver to Landlord and any mortgagee such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance moneys, and in the event that Tenant shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, Landlord, in addition to any other remedies, may, as the agent or attorney-in-fact of Tenant, execute and deliver any proofs of loss or any other instruments as may seem desirable to Landlord and any mortgagee for the collection of such insurance moneys, and Tenant hereby irrevocably nominates, constitutes and appoints Landlord Tenant's proper and legal attorney-in-fact for such purpose, hereby ratifying all that Landlord may do as such attorney-in-fact of Tenant. Tenant shall not be liable to any insurance carrier, for any loss or damage whatever resulting from fire or other casualty insured against, regardless of the negligence of Tenant, its agents, employees, guests, subtenants or licensees. This shall not be interpreted as any waiver of the obligations of Tenant under Article 6 hereof or exclusively in favor of Landlord under Article 8 hereof.

DEPOSIT OF ORIGINAL POLICIES: All original policies (or certificates relating thereto where the coverage is made under a blanket policy covering several plants of the parent or other affiliated companies) covering the insurance coverages hereinbefore provided shall be kept in deposit by Tenant with Landlord during the life of this lease. Such deposit may be made by instructing the corresponding insurance companies to deliver such policies directly to Landlord, or by Tenant making such deposit promptly after it receives said policies from the insurance companies. Landlord reserves the right not to deliver possession of the demised premises to Tenant, unless, and until two days after such original policies, in terms and conditions satisfactory to Landlord, have been deposited with the latter. Provided, however, that such non-delivery of possession shall not postpone or otherwise affect the effective date of this lease, the maturity of rent payments, the time for performance or any other obligation of Tenant hereunder, and the exercise by Landlord of any of the rights granted or otherwise available to it under this lease.

7. DAMAGE TO PERSON OR PROPERTY: Landlord shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the demised premises, or for any injury or damage to the demised premises, or to any property of Tenant, or to any property of any other person, firm, association or corporation on or about the demised premises, except when caused by the negligence of the Landlord, its authorized agents or servants. Tenant shall indemnify and save harmless Landlord from and against any and all liability and damages, and from and against any and all suits, claims, and demands of every kind and nature, including reasonable counsel fees, by or on behalf of any person, firm, association or corporation, arising out of or based upon any accident, injury or damage, however occurring, which shall or may happen on or about the demised premises, or in or about the vaults, streets, sidewalks or curbs in front of or adjacent thereto, and from and against any matter or thing growing out of the condition, maintenance, repair, alteration, use, occupation, or operation of the demised premises, or of the vaults, streets, sidewalks or curbs in front of or adjacent thereto.

8. RESTORATION OF DAMAGE OR DESTRUCTION BY FIRE OR OTHER HAZARDS:

(a) If the demised premises or any building or improvements standing or erected thereon shall be destroyed, in whole or in part, by any insurable risk, Tenant shall give immediate notice thereof to Landlord and the latter shall proceed with due diligence to obtain the corresponding insurance adjustment of the loss and shall thereafter promptly proceed to prepare plans and specifications for, and to repair, replace and rebuild, the same, at least to the extent of the proceeds of such insurance adjustment.

(b) In the event the proceeds of such insurance are estimated not to cover the desired work of restoration, the Landlord shall give notice thereof by registered mail to the Tenant. Within 10 days thereafter, either of the parties hereto may terminate this lease by giving 30 days' written notice thereof by registered mail to the other party. In such event, both parties shall be fully released from their respective obligations and liability hereunder, except those incurred, due, and not otherwise performed or fully discharged up to, the date of such notice.

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(c) The option to terminate provided in Article 8 (b) hereof shall be inoperative whenever either party hereto notifies the other within the 30-day term provided in said Article 8 (b) hereof that it undertakes to assume full liability for and to pay the difference between the proceeds of insurance and the full cost of any such restoration. In the event the Landlord gives such notice, it shall promptly proceed with the restoration as provided in Article 8 (a) hereof. If the Tenant gives such notice, it shall either pay the Landlord the cost of the restoration or shall promptly proceed to make such restoration, in accordance with the procedure provided for either case in Article 8 (d) hereof. In the event the demised premises at that time are owned by a person other than the Puerto Rico Industrial Development Company or other agency or instrumentality of the Commonwealth of Puerto Rico, the amount of such difference shall be deposited in a bank account in escrow, to be available for the purposes hereinbefore stipulated, either by the owner of the demised premises or the Tenant, as the case may be.

(d) In the event the loss is due to the fault or negligence or any default hereunder of Tenant, Tenant shall be liable, except to the extent such loss is covered by insurance, for the cost of any such restoration and, in such event, it may either proceed promptly to pay in cash to the Landlord the cost thereof actually incurred by the Landlord (of which the amount of an estimate thereof shall be paid by Tenant to the Landlord prior to commencement of the restoration work and the balance up to the actual cost shall be paid upon completion of such work) or the Tenant may promptly proceed to make such repair, replacement or rebuilding in which event it shall first prepare plans and specifications therefor which shall be submitted to the prior approval of the Landlord, shall obtain all necessary permits for such construction, shall maintain the construction covered with public liability insurance described in Article 6 (a)(2) hereof and shall provide 100% performance bond and 50% payment bond with responsible surety company doing business in Puerto Rico guaranteeing the completion of such work within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages and conditional bills of sale and in accordance with the plans and specifications approved by the Landlord.

(e) Except as provided in subdivision (b) of this Article 8, this lease shall not terminate or be affected in any manner by reason of the destruction or damage in whole or in part of the demised premises or any building or improvements now or hereafter standing or erected thereon, or by reason of the untenantability of the demised premises or any such building or improvements, or by reason of any clause whatsoever, and the rent reserved in this lease as well as all other charges payable hereunder shall be paid by Tenant in accordance with the terms, covenants and conditions of this lease, without abatement, diminution or reduction. In the event of damage to the building in the demised premises caused by fire, earthquake, hurricane or any other emergency, Tenant may, in order to protect its assets in the demised premises, take such temporary measures as are deemed necessary provided same do not impede or otherwise adversely affect the corresponding insurance adjustment, Tenant will pay to Landlord any increase in the cost of restorations caused by such temporary measures.

9. NO ABATEMENT: No abatement, diminution or reduction of the rent, or other charges, payable by Tenant under this lease, shall be claimed by or allowed to Tenant for any inconvenience, interruption, cessation or loss of business or otherwise, caused, directly or indirectly, by any event to which business operations may be normally affected, or by priorities, rationing or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of Landlord, nor shall this lease be affected by any such causes.

10. INSPECTION: Tenant shall permit Landlord or Landlord's agents to enter the demised premises at all reasonable hours for the purpose of inspecting the same, or of making repairs that Tenant may neglect or refuse to make in accordance with the terms, covenants and conditions of this lease, and also for the purpose of showing the demised premises to persons wishing to purchase the same, and during the year next preceding the expiration of this lease shall permit inspection thereof or on behalf of prospective tenants. If, at reasonable hours, admission to the premises for the purposes aforesaid cannot be obtained, or if at any time an entry shall be deemed necessary for the inspection or protection of the property, or for making any repairs, whether for the benefit of Tenant or Landlord, Landlord's agents or representatives may enter the demised premises by force, or otherwise, without rendering Landlord, or Landlord's agents or representatives liable to any claim or cause of action or damage by reason thereof, and accomplish such purpose.

The provisions contained in this article are not to be construed as an increase of Landlord's obligations under this lease; it being expressly agreed that the right and authority hereby reserved does not impose, nor does Landlord assume, by reason thereof, any responsibility or liability whatsoever for the repair, care or supervision of the demised premises, or any building, equipment or appurtenance on the demised premises.

11. BANKRUPTCY: If prior to or any time during the term hereof Tenant shall file in any court pursuant to any statute either of the United States or any state, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for a composition or for the appointment of a receiver or trustee of Tenant or its property, and shall not be dismissed within thirty (30) days after filing thereof, or if any such petition shall be filed against Tenant and shall not be duly dismissed within ninety (90) days after the filing thereof, or if Tenant shall dissolve or liquidate, or if the business or property of Tenant shall be taken by any governmental officer or agent pursuant to statutory authority for the dissolution or liquidation of Tenant, and such business or property is not released back to Tenant within ninety (90) days after such taking, or if Tenant shall make an assignment for the benefit of creditors, any such event shall be a default by Tenant and a breach of this lease, and Landlord at Landlord's option may give Tenant or any such trustee, receiver, officer, agent or assignee, within a reasonable time after notice of the happening of any one or more of such events, a notice in writing

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stating that this lease and the term hereby granted shall cease and expire on a date not less than ten (10) days after the date of the giving of such notice; and upon the expiration of the time fixed by such notice the term hereby granted shall wholly cease and expire in the same manner and with the same effect as if the date fixed by such notice were the date herein originally fixed for the termination hereof, and Landlord shall thereupon be entitled to the immediate possession of the demised premises and may institute summary proceedings against Tenant or may take any other suitable proceeding or action to obtain possession thereof. Tenant covenants that Landlord shall immediately and *ipso facto* upon any such default and breach be entitled to recover from Tenant, and Tenant shall pay to Landlord, as liquidated damages for such default and breach, in addition to any unpaid rent or additional rent accrued to such date, an amount equal to the rent reserved in this lease from the date of such default and breach to the date of expiration of the original term hereby granted. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages by reason of any such default and breach, or termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference hereinabove referred to.

12. DEFAULTS, REMEDIES: (a) Anything to the contrary notwithstanding, if Tenant shall fail to pay to Landlord any installment of rent, or any additional rent or other charges as and when the same shall become due and payable, and such default shall continue for a period of ~~ten~~ (XX) days after notice, or if Tenant shall default in the performance of any of the other terms, covenants or conditions of this lease or any schedules or riders hereto annexed, and such default shall continue for a period of ~~ten~~ (XX) days after notice, or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereby the demised premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, and such execution or attachment is not vacated or bonded within thirty (30) days after the levy thereof, or if Tenant shall fail to take possession of the demised premises within ~~ten~~ (XX) days after the commencement of the term of this lease, or if Tenant shall vacate and abandon the demised premises, or if this lease or the estate of Tenant hereunder shall be transferred or pass to or devolve upon any other person, firm or corporation, except in the manner provided in this lease, or if Tenant shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord, except as otherwise herein provided, Landlord shall have the right, at Landlord's option, to terminate this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, by giving Tenant ~~ten~~ (X) days' notice in writing of such intention, and upon the expiration of the time fixed in such latter notice, if such default be not cured prior thereto, this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, shall wholly cease and expire in the same manner and with the same force and effect (except as to Tenant's liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted; and Tenant shall immediately quit and surrender to Landlord the demised premises and each and every part thereof and Landlord may enter into or repossess the demised premises, ~~either~~ by ~~force~~, summary proceedings ~~or otherwise~~. The right granted to Landlord in this article or any other article of this lease to terminate this lease shall apply to any extension or renewal of the term hereby granted, and the exercise of any such right by Landlord during the term hereby granted shall terminate any extension or renewal of the term hereby granted and any right on the part of Tenant thereto. (30) (30) (30) (30)

(b) If the demised premises shall be vacated or abandoned or should Tenant ~~start to~~ dissolve or liquidate its operation in the demised premises, or in the event of a cancellation or termination hereof either by operation of law or by the issuance of a dispossess warrant or by the service of a notice of termination as above provided, or otherwise, for any cause or causes whatsoever, Tenant shall, nevertheless, remain and continue liable to Landlord in a sum equal to all rent and all additional rent herein reserved for the balance of the term herein originally granted; and Landlord may re-enter the demised premises, using such force for that purpose as may be necessary without being liable to any prosecution for said re-entry or the use of such force, and Landlord may repair or alter the demised premises in such manner as to Landlord may seem necessary or advisable, and/or let or relet the demised premises or any and all parts thereof or the whole or any part of the remainder of the original term hereof or for a longer period, in Landlord's name, or as the agent of Tenant, and, out of any rent so collected or received, Landlord shall first pay to itself the expense and cost of retaking, repossessing, repairing and/or altering the demised premises and the expense of removing all persons and property therefrom, and second pay to itself any cost or expense sustained in securing any new tenant or tenants, and third pay to itself any balance remaining on account of the liability of Tenant to Landlord for the sum equal to the rents reserved herein and then unpaid by Tenant for the remainder of the term originally herein demised. Any entry or re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge Tenant from liability hereunder.

(c) Should any rent so collected by Landlord after the payments aforesaid be insufficient fully to pay to Landlord a sum equal to all rent and additional rent herein reserved, the balance or deficiency shall be paid by Tenant on the rent days above specified, that is, upon each of such rent days Tenant shall pay to Landlord the amount of the deficiency then existing; and Tenant shall be and remain liable for any such deficiency, and the right of Landlord to recover from Tenant the amount thereof, or a sum equal to the amount of all rent and additional rent herein reserved, if there shall be no reletting, shall survive the issuance of any dispossess warrant or other termination hereof; and Tenant hereby expressly waives any defense that might be predicated upon the issuance of such dispossess warrant or other termination or cancellation of the term hereof.

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(d) Suit or suits for the recovery of any such deficiency or damages, or for a sum equal to any installment or installments of rent or additional rent payable hereunder, may be brought by Landlord, from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this lease or the term hereof would have expired by limitation had there been no such default by Tenant or no such termination or cancellation.

(e) Tenant hereby expressly waives service of any notice of intention to re-enter. Tenant hereby waives any and all right to recover or regain possession of the demised premises or to reinstate or to redeem this lease as permitted or provided by or under any statute, law or decision now or hereafter in force and effect.

(f) No default hereunder shall exist while Tenant, after notice and within the term herein provided, has started work, and so notified the Landlord, to cure any default but, because of the nature of the work, is unable to complete it within such term but is prosecuting the work to completion with due diligence and without interruption.

13. ADDITIONAL REMEDIES: (a) In the event of a breach or a threatened breach by Tenant of any of the terms, covenants or conditions hereof, Landlord shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, as if specific remedies, indemnity or reimbursement were not herein provided for.

(b) The rights and remedies given to Landlord in this lease are distinct, separate and cumulative remedies, and no one of them whether or not exercised by Landlord, shall be deemed to be in exclusion of any of the others herein or by law or equity provided.

(c) In all cases hereunder, and in any suit, action or proceeding of any kind between the parties, it shall be presumptive evidence of the fact of the existence of a charge being due, if Landlord shall produce a bill, notice or certificate of any public official entitled to give such bill, notice or certificate to the effect that such charge appears of record on the books in his office and has not been paid.

(d) The receipt of rent by Landlord, with knowledge of any breach of this lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the terms, covenants or conditions of this lease, shall not be deemed to be a waiver of any provision of this lease.

(e) No receipt of moneys by Landlord from Tenant after the termination or cancellation hereof in any lawful manner shall reinstate, continue or extend the term hereof, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of rent or additional rent or other charges then due or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the demised premises by proper suit, action, proceedings or remedy; it being agreed that, after the service of notice to terminate or cancel this lease, and the expiration of the time therein specified, if the default has not been cured in the meantime, or after the commencement of suit, action or summary proceedings or of any other remedy, or after a final order, warrant or judgment for the possession of the demised premises, Landlord may demand, receive and collect any moneys then due, or thereafter becoming due, without in any manner affecting such notice, proceeding, suit, action, order, warrant or judgment; and any and all such moneys so collected shall be deemed to be payments on account for the use and occupation of the demised premises, or at the election of Landlord, on account of Tenant's liability hereunder. Acceptance of the keys to the premises, or any similar act, by Landlord, or any agent or employee, during the term hereof, shall not be deemed to be an acceptance of a surrender of the demised premises unless Landlord shall consent thereto in writing.

14. SURRENDER AT END OF TERM: On the last day of the term hereof or on the earlier termination thereof, Tenant shall peaceably and quietly leave, surrender and deliver up to Landlord the demised premises, broom-clean, together with the building or any new building and all alterations, changes, additions and improvements which may have been made upon the premises (except movable furniture or movable trade fixtures put in at the expense of Tenant), in thorough repair and good order and safe condition, reasonable wear and tear of walls, floors or other structural portion of the building excepted; provided, however, that this provision shall not be interpreted to relieve Tenant from any liability on account of the failure on its part to have maintained insurance as required by this lease, nor relieve Tenant from its obligation which may have accrued or does accrue relating to repair and/or replacement in the demised premises, pursuant to any other provision of this contract, subject, however, to termination of this lease under article 8 hereof, Tenant, on or before said date, shall remove all of Tenant's personal property from the demised premises, and all property not so moved shall be deemed to have been abandoned and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant and without obligation to account therefor. Tenant shall pay to Landlord the cost incurred by Landlord in removing, selling, storing, destroying or otherwise disposing of any such personal property. If the demised premises be not so surrendered, Tenant shall make good to Landlord all damage which Landlord shall suffer by reason thereof, and in addition shall indemnify Landlord from and against all claims made by any succeeding Tenant against Landlord, founded upon delay by Landlord in delivering possession of the premises to such succeeding Tenant, so far as such delay is occasioned by the failure of Tenant to surrender the premises.

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15. **QUIET ENJOYMENT:** Landlord covenants, that if and so long as Tenant pays the rent, and additional rent and other charges reserved by this lease, and performs all the terms, covenants and conditions of this lease on the part of Tenant to be performed, Tenant shall quietly enjoy the demised premises, subject, however, to the terms of this lease, or any defaults, and subject to the provisions of Article 21.

16. **NO WAIVER:** Any default in the payment of the rent or other charges, or any failure of Landlord to enforce the provisions of this lease upon any default by Tenant shall not be construed as creating a custom of deferring payment or as modifying in any way the terms of this lease or as a waiver of Landlord's right to terminate this lease as herein provided, or otherwise to enforce the provisions hereof for any subsequent default.

17 **LAWS APPLICABLE:** This agreement shall be governed by and construed in accordance with the laws of, or applicable to, the Commonwealth of Puerto Rico.

~~18. ARBITRATION: Any dispute or controversy which may arise between the parties hereto in the operation or other performance of the terms or covenants of this contract except with respect to the payment of rent or the defaults referred to in Articles 12 (b) and 33 hereof, or both, may be submitted by either party hereto to arbitration in accordance with the arbitration laws in force in Puerto Rico.~~

19. **ENTIRE AGREEMENT:** This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

20. **NOTICES:** All notices, demands and communications hereunder shall be served or given by mail, and if intended for Landlord shall be addressed to Landlord at G.P.O. 2350, San Juan, P.R. 00936 with copy to Carlos A. Vallecillo, General Counsel at the same address or to such other address as may be requested by Landlord in writing, and if intended for Tenant shall be addressed to Tenant at McConnell, Valdés, Kelley & Sifre, G.P.O. 4225, San Juan, P. R. 00936 with copy to* or to such other address as may be requested by Tenant in writing. Any notice given hereunder by mail shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a prepaid wrapper, addressed as above provided. All such notices shall be sent by registered mail return receipt requested.

21. **"LANDLORD"-EFFECT OF CONVEYANCE:** The word "Landlord", as used herein, means only the owner in fee for the time being of the demised premises, so that, in the event of any sale, conveyance or transfer of title of the demised premises, Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, whenever Landlord, at the time of any sale, conveyance or transfer of title, obtains an agreement in writing from the purchaser or transferee assuming the performance of all covenants and obligations in this lease contained on the part of Landlord to be performed, which agreement shall expressly provide that the same is for the benefit of the Landlord and Tenant. A duplicate original copy of such agreement should be delivered to Tenant but failure to do so shall impose no liability on Landlord.

22. **MARGINAL NOTES:** The marginal notes are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this lease nor in any way affect this lease.

23. **SUCCESSORS AND ASSIGNS:** The terms, covenants and conditions contained in this lease and in any schedules and riders hereto annexed shall bind and inure to the benefit of Landlord and Tenant and their respective successors and, except as otherwise provided herein, their heirs, legal representatives, distributees and assigns.

24. **MINIMUM WAGES:** Tenant agrees to pay for all work performed by it at the premises the minimum wages prescribed for such operations either by Federal or Commonwealth Laws and abide by and comply with all laws and regulations applicable to the operations of the Tenant in the leased premises and to laborers and their relations to the Tenant; provided, however, that the Tenant shall not be in default hereof whenever it shall in good faith contest by appropriate proceedings the matter or issue which otherwise would constitute cause or basis for such default, or if such default is inadvertent on the part of Tenant and Tenant remedies same and makes the necessary adjustments after notice from Landlord or other governmental agencies or Courts having jurisdiction of the matter.

25. **CAPITALIZATION OF TENANT:** Tenant agrees to have on the effective date of this lease and within 6 months from the term of shall maintain throughout its term or any extension thereof, a total investment of $300,000.00 in the form of paid-in capital stock, loans subordinated to any and all obligations of Tenant to Landlord and/or retained earnings, to be increased to $600,000.00 within 12 months from the effective date of the term of this lease.

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* Caleb S. Taft, Executive Vice President, International Silver Co., 500 South Broad Street, Meriden, Conn. 06450.

* effective date of the term of this lease.

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the term of. Likewise the Tenant agrees to install within six months after the effective date of this lease and maintain during its term or any extension thereof, manufacturing machinery and equipment worth at least $150,000.00 to be increased to $300,000.00 within 12 months from the * exclusive of the cost of transportation and installation thereof and of its ordinary depreciation after installation and with capacity to provide employment for 70 persons all at the same time.

26. CONSENT OF LANDLORD AND TENANT: Landlord and Tenant agree that the consent on the part of either of them required under any provision of this contract will not be unreasonably withheld.

27. STOPPAGE OF OPERATIONS: It is understood by the parties hereto that this lease is made by the Landlord in furtherance of the industrialization plans of the Commonwealth of Puerto Rico, and it is accordingly understood that the Tenant will use all reasonable efforts while this lease is in effect to maintain in operation upon the demised premises an industrial plant or plants, but nothing contained in this paragraph shall be deemed to require the Tenant to operate such plants otherwise than in accordance with sound principles of business management, or (without limiting the generality of the foregoing) to prevent the Tenant from curtailing production in such plants or from shutting down such plants, or any part thereof, whenever and as often as the Tenant may, in the exercise of sound business judgment, deem such action advisable. However, Tenant shall give to Landlord written notice of any necessary or convenient shut-down of plant in the demised premises or any part thereof, at least seven days prior to the date fixed therefor except in cases of an emergency shut-down, in which case such notice shall be given at the earliest possible moment. No curtailment of operations or shut-down of the plants of the Tenant in accordance with the provisions of this paragraph shall constitute a default under Articles 11, 12 and 13 of this contract which will enable the Landlord to terminate it, unless such plants shall have been shut-down for a period of six (6) consecutive months. A shut-down on account of unforeseeable events or events which although foreseeable could not be prevented, shall not constitute a breach of this agreement. Nothing in this paragraph contained shall relieve the Tenant from the payment of rent during the period of any shut-downs or curtailments of operations.

28. DISCLOSURE OF INFORMATION: Tenant agrees to furnish to Landlord within ninety (90) days after the expiration of each fiscal year of Tenant, an annual statement certified by an independent Certified Public Accountant showing as of the end of each such fiscal year:

(1) Tenant's paid-in capital.

(2) Subordinated loans and invested capital requirements as required by Article 25 hereof.

(3) Investment in machinery and its capacity to provide employment.

(4) Any other information as required by this lease.

In the event such statement is not filed with Landlord as herein provided, Landlord may obtain such information from Tenant at Tenant's expense, and for such purpose Tenant shall make available to Landlord's designated representatives its books of accounts and other necessary data and facilities, all of which shall be provided and made available at Tenant's principal office in Puerto Rico.

29. TRANSFER OF PLANT: The Tenant hereby represents and warrants to the Landlord that the establishment of the industrial operations which Tenant contemplates establishing on the demised premises will not cause any decrease in employment by the Tenant or by the parent Company of the Tenant in any industrial operation now conducted by the Tenant and/or the Tenant's parent Company at any locality in continental United States.

30. RECORDING: Either party hereto may elect to record this lease in the Registry of Property. In such event, both parties agree to execute any necessary public deeds or contracts for said purpose. The cost and fees of the execution, copies, recording and cancellation of such deeds shall be borne by the party electing to record.

31. LANDSCAPING: Tenant agrees to introduce and maintain landscaping of the portion of the landsite in front of the buildings herein located and for not more than ten (10) meters in width on each side and in the back of such buildings. Such landscaping shall be understood to include, at least, the planting of appropriate lawns, shrubbery, and trees, so as to beautify the surroundings of the factory premises and make the property attractive to the employees and the public in general, and an asset to the community. For these purposes it is suggested that the Tenant may obtain helpful information from the Experimental Station which is nearest to the factory premises hereunder leased.

32. ADDITIONAL RENT: Landlord shall make no expenditure on behalf of Tenant, of costs and expenditures which Tenant is obligated or is otherwise liable for pursuant to the terms of this contract unless and until Tenant fails to perform any covenant hereunder on its part to be performed which shall involve such expenditure and the appropriate grace period shall have expired; provided that this provision shall not apply to a failure by the Tenant to pay taxes, if any, or insurance premiums, on time, which if not paid by Tenant may be promptly paid by Landlord, as herein provided. Any such expenditures, if and when made by the Landlord, together with interest thereon at the rate of 7% per annum from the date of such expenditure, shall be and be deemed to be additional rent, in addition to the rent provided in Article 1 hereof, and shall be repaid by Tenant to Landlord on demand, but no such expenditure by Landlord shall be deemed a waiver of Tenant's default nor shall it affect any other remedy of Landlord by reason of such default.

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*except in the normal course of business. 1-3026

33. **DEFAULT THROUGH ATTEMPT TO REMOVE ASSETS OR TO ABANDON THE PREMISES:** Any attempt or other act of Tenant (a) to remove machinery, equipment or other assets from the demised premises or (b) to abandon the demised premises or, (p) which otherwise are inconsistent or in conflict with the terms of this lease after having breached or failed to perform any term, covenant or condition or obligation imposed on Tenant under this lease, shall constitute a waiver by Tenant of any and all periods of grace provided by Section 12 hereof and shall entitle Landlord to terminate this lease and seek and obtain such other remedies as are provided in Articles 12 and 13 hereof.

34. **DEPOSIT:** Simultaneously herewith Tenant shall deposit with Landlord the amount of $ 3,000.00. Said amount shall become immediately payable to the Landlord in the event that at any time prior to the start of operations by the Tenant at the demised premises, it abandons its project for reason of its own concern and under its control. However, as soon as Tenant starts operations at the demised premises, the fund in deposit shall be refunded to Tenant less the amount of any obligation owed at that time by Tenant to Landlord and not otherwise provided for. 12/27/74 $3,000.00 CR 100948 Fine L

35. **USE PERMIT:** It is a condition of this lease that Tenant will prosecute his request for permit to use the demised premises before the Planning Board of Puerto Rico with due diligence and that Landlord will cooperate fully with Tenant in his effort to obtain promptly such Use Permit. Such request shall be made within 30 days after Landlord advises Tenant that the demised premises are ready for Use Permit inspection.

36. **SPECIAL PROVISIONS COVERING CONSTRUCTION AND LEASE CASES:** Where any building in the demised premises is to be constructed or is under construction by Landlord, the latter shall give to Tenant notice of the date of completion of such construction, which notice shall state that the building and facilities have been completed as stated in this lease in accordance with the plans and specifications and any changes approved by Landlord thereof during construction which do not substantially change the size, basic design and which may affect the use to be made of the premises according to this contract and in compliance with all the laws, orders and regulations of the Commonwealth of Puerto Rico and of all municipalities and other governmental subdivisions, agencies and departments having jurisdiction over the premises. Simultaneously with the giving of such notice, the Landlord shall furnish to the Tenant a construction certificate of the Planning Board certifying that said building and facilities have been completed in accordance to approved plans as amended during construction. The effective date of this lease shall be ten days after Landlord gives Tenant the aforementioned notice of the date of completion of construction; provided, however, that this lease shall be subject and conditioned upon Tenant being able to obtain the Use Permit in connection with the demised premises, provided for in Article 35 hereof, within a reasonable time after the effective date hereunder, provided Tenant files a request therefor as prescribed by the regulations in force and prosecutes it to completion with reasonable diligence. Landlord agrees that if feasible it will at least thirty days before completion of the building indicate by preliminary notice to the Tenant the estimated date of completion of the building, but failure of Landlord to give such preliminary notice shall not be deemed a default hereunder.

At any time after the commencement of the term of this lease, each of the parties hereto agree that, at the request of the other, they will execute an agreement setting forth the exact description of the building and the date of the commencement and of the expiration of the term hereof and the exact amount of the monthly rent which shall be accordingly readjusted retroactively to the effective date hereof. This shall in no way delay or otherwise affect the commencement of the term of or the payment of rent under this lease.

Tenant shall, upon giving prior written notice to Landlord, have the privilege of entering upon the demised premises for the purpose of inspecting the progress of construction, taking measurements for the installation of its fixtures and equipment, and for the purpose of installing its fixtures, machinery and equipment, provided such activities do not interfere with the progress of construction or otherwise affect performance of the construction contract relative to the demised premises, and the same shall not be deemed occupancy by the Tenant as herein provided. For such purpose Tenant shall request and Landlord shall issue to Tenant a permit for partial occupancy.

37. **WARRANTY AS TO USE:** The Landlord does hereby warrant that at the time of the commencement of the term of this lease, the premises may be used by the Tenant for manufacturing purposes consistent with its design and construction in accordance with the corresponding plans and specifications.

38. **AUTOMATIC RENEWAL:** In the event Tenant does not vacate the demised premises in the manner and under the conditions hereinbefore provided, within 90 days after the normal expiration of the term hereof, the Landlord shall have the option to be exercised at any time thereafter, to notify Tenant that the lease herein has been renewed for an additional term of 10 years from the date of the last normal expiration of the term hereof and, in such event, the parties agree that this contract shall be held to have been renewed and to continue in full force and effect for such additional term of 10 years upon the mere mailing of such notice by Landlord to Tenant. This provision shall in no way prejudice, affect or deny any right which Landlord may otherwise have because, or at the time, of any such termination of the term hereof, particularly whenever the Landlord does not exercise such option; it being agreed and understood that such renewal shall be upon the same terms and conditions herein contained except that the rental rate to be charged shall be the rate then currently being charged by Landlord for similar buildings in the area, but in no event shall it: (i) be less than the rate herein stipulated, or (ii) exceed such rate by more than 50% thereof. 39-6

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39. **ADDITIONAL COVENANTS:** A. If the Landlord is delayed at any time in the progress of any construction work herein contemplated, by changes required in the work or by strikes, lockouts, fire, unusual delay in transportation, or any other causes beyond the Landlord's control, then the time for completion of any such construction shall be extended for a period of time equal to the number of days of any such delay.

B. The contracting parties hereby submit to the jurisdiction of the courts of Puerto Rico in the municipality of San Juan as regards any claim, action or demand predicated on this contract which either party hereto may decide to file against the other. Similarly, the arbitration provided by Article 18 hereof shall take place in the municipality of San Juan, Puerto Rico, except as the parties may otherwise provide by mutual consent.

C. Anything contained in this Contract to the contrary notwithstanding, in the event of parcial or complete destruction of the premises, rental payments will be abated for such period as the restoration work is completed, but in no event shall it exceed 60 days from the date of the occurrence of the destruction.

D. Tenant hereby acknowledges that it has been informed by the Landlord that the maximum floor load of the premises herein demised is 150 pounds per sq. ft.; therefore, Tenant hereby agrees that in the event the load of the machinery and equipment to be installed thereat exceed such maximum load, it shall, at its own cost and expense, carry out any improvements to the floor of the premises which may be necessary to support such additional load; it being further agreed and understood that construction and/or installation of such improvements shall not be commenced until after Landlord's approval of the plans and specifications to be prepared therefor by Tenant, and thereafter, after completion of construction and/or installation of said facilities, they shall be deemed covered by and subject to the applicable provisions of this contract; it being further specifically agreed and understood that upon termination of this lease, such facilities, shall be removed by Tenant, at its own cost and expense, or in the alternative and upon request by Landlord, they shall remain as part of the premises with no obligation whatsoever on the part of the Tenant to be reimbursed and/or compensated therefor.

E. If necessary to carry out its operations, it shall be for Tenant's own account and expense the construction and/or installation of a power substation and to connect it to the nearest 38 KV power lines; it being agreed and understood, that such construction shall be in accordance with the provisions of subparagraph (a) of the Rider attached to this contract and in conformity with the requirements of the Puerto Rico Water Resources Authority.

F. It is hereby agreed and understood that should the Tenant be denied tax exemption under the Industrial Incentives Act of Puerto Rico for the production of eligible manufactured products as defined in said Act, for which it has applied, or will promptly apply, to the Office of Industrial Tax Exemption, then in that case, Tenant will have an option, to be exercised within 15 days after having been notified of such denial, to cancel and terminate this contract; provided, however, that Tenant shall be liable,

1-3024

until satisfied in full, for all its obligations hereunder, including, but without limitation, the payment of rent, prior and up to the date it exercises such option and delivers the premises to the Landlord, and upon performance of all such obligations Tenant shall be thereafter free and fully released from this Lease Contract.

G. If Tenant is not in default hereunder, it shall have the right by giving to Landlord written notice, not later than ninety (90) days before the expiration of the term of this lease, to renew and extend this lease for an additional period of not less than seven (7) years nor more than 9 years upon the terms, covenants and conditions in this lease contained at the rental rate then currently being charged by Landlord for similar buildings in the area, but in no event shall it: (i) be less than the rate herein stipulated; or (ii) exceed such rate by more than 50% thereof. If so requested by any of the parties hereto, both parties agree to promptly execute whatever documents may be necessary to incorporate in the lease the rental rate to be charged for the said renewal period. In the event this option is not exercised by Tenant, as aforesaid, then the provisions of Article 38 hereof shall apply.

H. Inasmuch as Tenant has represented to the Landlord that in order to establish its intended operations in the demised premises it will be necessary to carry out certain improvements thereon, including, but without limitation, support foundations for machinery and equipment and pits in the floor of the building; all in accordance with plans and specifications to be submitted to Landlord for its approval within 30 days from the date of execution hereof; it being agreed and understood that, anything to the contrary notwithstanding: (i) this contract is made subject to and conditioned upon Landlord's approval of such plans and specifications; and (ii) in the event that such plans and specifications are duly approved and such improvements are carried out, then upon termination of this lease whether by expiration of its terms or otherwise, such improvements shall be removed by Tenant, at its own cost and expense, any damages to the demised premises during the course of such removal to be repaired by Tenant and insofar as the pits are concerned, Tenant shall, at its own cost and expense, cover such pits restouring the floor to its original state at the time of execution of the within contract.

I. This contract, in addition to the foregoing provisions, is made subject to the provisions set forth in the rider attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto execute this Contract at San Juan, Puerto Rico, this 26 day of December 1972

INTERNATIONAL SILVER DE P. R. INC.

BY: Walter de Lear

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY:

SEP 24 1974
FILMADO
DEPTO. DE SERVICIOS

1-3026

"RIDER TO LEASE CONTRACT TO BE EXECUTED BY AND BETWEEN THE PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, AS LANDLORD, AND INTERNATIONAL SILVER DE P.R., INC. AS TENANT, IN CONNECTION WITH A CERTAIN LANDSITE AND BUILDING LOCATED AT SAN GERMAN, PUERTO RICO PROJECT 5-343-56 & 5-343-A-60

I- The following provisions are incorporated in the Contract:

a) In the event that Tenant's operations require the construction of a power substation for either primary or secondary service, such construction shall in no event be undertaken by Tenant until after the Landlord has approved, in writing, the location thereof, as well as the routing of the power line extension, taking into consideration the best utilization of the landsite for expansion or other purposes.

It is hereby agreed and understood that once such power substation has been constructed by Tenant, as aforesaid, the same shall not be altered, expanded and/or improved until written approval therefor has first been requested and obtained from the Landlord.

b) Tenant hereby agrees that it will not, during the term of this lease or any renewal thereof, exert any influence, either directly or indirectly upon the employees working on nearby industrial units leased from the Landlord to induce such employees to resign from their employ for the sole purpose and with the specific intent of accepting an employ with Tenant herein; it being agreed and understood, however, that the foregoing provisions are not to be interpreted as denying or curtailing Tenant's right to advertise for work at the then prevailing wage rates in the industry and/or to carry out personal interviews with potential employees.

c) Anything contained in the Contract to the contrary notwithstanding, Tenant agrees to abide by and comply with any and all conditions and requisites included in the Use Permit which, under the provisions of Article 35 of the Contract, may be issued by the Planning Board of Puerto Rico and, if requested by Landlord shall submit evidence of such compliance; it being agreed and understood that noncompliance by Tenant with any and all such conditions and requisites and/or the cancellation of the said Use Permit shall, in each of such cases, be deemed an additional event of default under the provisions of the Contract.

d) Tenant agrees to submit to Landlord within thirty (30) days from the date of execution of the Contract: (a) evidence of its registration in the Department of State of the Commonwealth of Puerto Rico and the name and address of its resident agent; and (b) a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Contract.

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1-3024

SCHEDULE "A"

DESCRIPTION OF LANDSITE AND BUILDING AT
RETIRO WARD INDUSTRIAL SUBDIVISION,
SAN GERMAN, PUERTO RICO, SITE FOR
BUILDINGS 5-343-56 & 5-343-A-60

Landsite:

Parcel of land located at Retiro Ward Industrial Subdivision, San Germán, Puerto Rico.

It bounds by the North with B Street and Lot 2 of the same industrial subdivision; by the South with land owned by Ernesto Quiñones Sambolín; by the East with B Street; and by the West with land owned by Ernesto Quiñones Sambolín.

It has an area of 8,746.94 square meters equivalent to 2.2256 "cuerdas".

Building:

This is a pitched roof type building consisting of reinforced concrete foundations, columns and girders supporting 30 ft. long concrete joists which in turn support prestressed concrete boards, covered by 1/2" cellotex insulation and a 3 ply built-up roofing. This building has no monitor but roof ventilators are provided.

The structure of project 5-343-56 consists of a main floor 120'-10" x 90'-11" out to out dimensions with an area of 10,985.86 sq. ft. of manufacturing space; an entrance porch 18'-0" x 7'-0" and 2'-7" x 7'-0" for an area of 144.06 sq. ft. and a lean-to 31'-2" x 11'-2" for an area of 348.16 sq. ft. to be used for sanitary facilities. The structure of the extension 5'343'A-60 consists of a main floor 180'-10" x 90'-11" out to out dimensions with an area of 16,441.06 sq. ft. of manufacturing space, and a lean-to 31'-2" x 10'-6" for an area of 327.28 sq. ft. This gives a total area for the main building and the extension of 28,246.42 sq. ft.

The floor consists of a 4" thick reinforced concrete floor slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and stairs quarry tiles on the entrance porch and ceramic tiles on the men and ladies toilet rooms. Exterior walls are of concrete blocks plastered and painted except on the front wall which is plastered and painted together with JOO-tile and a stucco finish.

Interior walls at the lean-to are plastered and painted together with a 5'-11" high sprayed-on glazed finish wainscoat at the men and ladies toilet rooms.

Ceilings are rubbed and painted throughout the building. Windows are miami aluminum louvers throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood except for one flush steel double swing door at the main entrance; flush steel swing door with antipanic hardware set at the rear entrance and one double sliding door at the loading platform.

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Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0" and 15'-9" at the highest point of the building.

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1-3024

.All fire hoses must be replaced with new hoses

.Portions of perimeter fencing shall be put in good order. This is to be done in conjunction with construction of tenants own security fence

.Grounds must be cleaned, as well as the first grass cut

.Repair panic hardware on doors as well as the doors themselves. (This should be done in conjunction with tenant's contractor who will be replacing some of the doors.)

.Remove tile from floor inside building

.Complete painting of building inside and out - time schedule for completion of this deficiency is to be worked out with tenant's contractor - Daniels Construction Company

SEP 24 1974
DEPTO. DE SERVICIOS

1-3024 / 302

SCHEDULE "B"

C.F.I.

LIENS AND ENCUMBRANCES

The lot is subject to: (i) 50 ft. wide easement and (ii) 25 ft. wide easement, along the Southern and Western boundaries in favor of the Puerto Rico Water Resources Authority for the installation and maintenance of electric power lines.

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RECEIVED
JAN - 4 1974

SEP 24 1974
MICROFILMADO
DEPTO. DE SERVICIOS

ANNEX 4a

FIRST SUPPLEMENT AND AMENDMENT TO LEASE CONTRACT

NOW COME the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY (hereinafter referred to as the "Landlord") and INTERNATIONAL SILVER DE P. R., INC. (hereinafter referred to as the "Tenant") and agree to supplement and amend a certain Lease Contract entered into by them on December 26, 1972, (hereinafter referred to as the "Contract") in connection with certain landsite and building located at San Germán, Puerto Rico, identified as Projects Nos. 5-343-56 and 5-343-A-60 (hereinafter referred to as the "Original Premises") in the following respects:

ONE: From and after the date of delivery to Tenant of Projects Nos. T-0261-0-54, T-0261-1-62 and T-0261-2-72 (hereinafter referred to as the "Additional Premises") a description of which and encumbrances thereon shall be incorporated herein by a supplement hereto as Exhibit "A"; said Additional Premises shall be deemed an integral part of the Demised Premises covered by the Contract, and, as such, subject to all terms and conditions included therein, as they may herein supplemented and amended. The Additional Premises shall be used and occupied in the manufacture of silverware and installation of machine shop.

TWO: Commencing on the date of delivery of the Additional Premises, rent shall be paid as follows:

a) At the rate of $1.60 per sq. ft. of gross building area per annum during the first five years of the term of the lease, and

b) At the rate of $2.00 per sq. ft. of gross building area per annum for the last five years of the term hereof.

For the Original Premises shall continue to be paid at the rate stipulaed in the Contract until December 31, 1982, and at the rate of $1.13 for an additional nine (9) years, thereafter and throughout the remainder of the term, rent shall be computed at the rate then currently being charged by Landlord for similar buildings in the area until the expiration of the the Lease.

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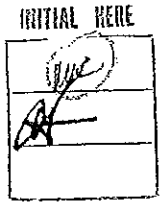

THREE: As a condition upon which the undertaking of the Landlord herein is predicated, Tenant agrees and undertakes to increase, as provided in the Contract:

1) Its total investment by $50,000,00;
2) Its investment in machinery and equipment by $50,000.00, and
3) Its employment by 50 persons within 18 months from commencement of operations.

The foregoing increases are over and above its total investment, investment in machinery and equipment and employment heretofore required from Tenant under existing contract with the Landlord.

9/28/82
$3,300.-
HC 8601
CR 114049
Fuel

FOUR: The lease period stipulated in the Contract shall be deemed modified to be ten (10) years and shall commence on the date of delivery of the Additional Premises to Tenant.

FIVE: Simultanously with the execution hereof, Tenant shall deposit with Landlord the amount of $3,300.00; said amount to become immediately payable to Landlord in the event that at any time prior to the start of operations by Tenant at the Additional Premises, it abandons its projects for reasons of its own concern and under its control and, in addition thereto, but without limitation, Landlord shall have the right to lease to a third party the Additional Premises and said Additional Premises shall then be removed from the provisions of the Contract. Once Tenant starts operations at the Additional Premises the fund in deposit shall remain deposited with Landlord to be refunded to Tenant at the end of the fifth year from the date hereof or when the employment requirement has been fulfilled, whichever date occurs last.

SIX: Tenant agrees, as a condition hereof, that it will not discharge its industrial and/or sanitary effluents, either into the sewer system and/or into any other place

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until after authorization therefor has been obtained from the Puerto Rico Aqueduct and Sewer Authority, the Department of Health of Puerto Rico and/or any other governmental agency having jurisdiction thereon and Tenant further agrees and undertakes to treat, any such effluent, prior to discharge thereof as required by the said Authority, Department and/or any other governmental agency having jurisdiction thereon and/or to install any equipment or system required, and to fully abide by and comply with any and all requisites imposed thereby; and upon request by Landlord, to submit evidence of such compliance; it being agreed that noncompliance thereof by Tenant shall be deemed an additional event of default under the provisions hereof. Provided, that no construction and/or installation shall be made unless upon Landlord's prior written approval thereof.

SEVEN: Tenant unconditionally and irrevocably agrees to protect, save and keep Landlord forever harmless and fully indemnified against and from any penalty, damage or charges imposed for or resulting (directly or indirectly) from any violation of federal, Commonwealth of Puerto Rico or municipal environmental laws, regulations or ordinances, whether resulting from or occasioned by the neglect of the Tenant or by Landlord's failure to comply therewith, and the Tenant will at all time protect, indemnify, save and keep Landlord harmless from any and all laws, costs, damage or expense arising out of or from any such violation.

The Tenant shall also indemnify and hold harmless the Landlord from and against all claims, torts, damages, losses and expenses including attorneys fees arising out of or resulting from the performance of the Tenant work, provided that any such claim, tort, damage, loss or expense is, but not be limited to:

(1) Attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom; and

(2) Caused in whole or in part by any negligent

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act or omission of the Tenant or any one directly or indirectly employed by them or anyone for whose acts any of them may be liable.

EIGHT: Inasmuch as Tenant has represented that in order to carry out its operations it is necessary to install and operate a diesel fuel generator, an oven boiler and a degreaser equipment; it is hereby specifically agreed and understood that:

(1) Such installations shall be made in coordination and with the approval of the Landlord;

(2) Tenant shall request and obtain from the Environmental Quality Board, the necessary permit to operate the said installations and, thereafter, shall abide by and comply with all requisites imposed by the said Board for such operations.

It being further agreed and understood that non-compliance by Tenant with the foregoing provisions shall constitute an additional event of default under the provisions of this Contract.

NINE: Tenant further agrees and undertakes to take such steps and install any equipment as may be necessary to maintain the demised premises free of rubbish and dust and to prevent that paint particles thereof as well as any other particles which may be created by its operations be dispersed outside of the building; it being agreed and understood that in the event that such hazard is created, it shall be deemed an additional event of default hereunder.

Tenant hereby acknowledges having been informed by the Landlord that in the industrial park are other industries; therefore Tenant hereby specifically agrees and undertakes to take such steps and install such equipment as may be necessary to prevent that any hazard and/or noise which may be created by its operations may in any way or manner unduly affect the operations and/or products of the other industries

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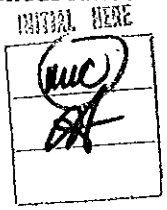

and therefore Tenant hereby releases and save harmless Landlord from any and all claims or demands arising therefrom or in connection therewith.

Inasmuch as the intended product to be manufactured at the demised premises may produce hard noises, the continued effectiveness of this Contract, is made subject to and conditioned upon the specific approval by the Environmental Quality Board, and any other agency federal and local having jurisdiction thereon, evidence of all approval to be submitted to the Landlord upon request, including compliance of the Occupational Safety and Health Act (OSHA)..

TEN: The parties hereto acknowledge that the demised premises are in need of certain repairs, which repairs shall be carried out by Tenant, as set forth in Exhibit B attached hereto and subject to the following terms and conditions:

(1) The repair works shall be done in coordination with Landlord's Development Branch.

(2) The repair costs shall not exceed the amount of $54,944.00.

(3) Upon termination of the repairs and after the inspection and approval of Landlord's Maintenance Branch, Landlord hereby agrees to credit such amount to rental payments hereunder.

(4) Such repairs and improvements shall be finalized not later than sixty (60) days from the date of delivery of the premises to Tenant.

ELEVEN: For purposes of clarification, it is hereby agreed and understood by the parties that inasmuch as Tenant has entered into this Lease for an additional term of ten (10) years as provided hereof, Tenant therefore has decided to exercise its option to renew the term and rental rate for nine (9) years as stipulated in Paragraph 39-G of the Original Lease Contract entered into by and between the parties hereto on December 26, 1972 covering Projects T-0343-0-56 and T-03431-60.

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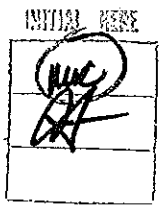


TWELVE: This Contract is made and entered into subject to and conditioned upon the endorsement and approval of the Planning Department of the Puerto Rico Industrial Development Company, the Office of Economic Studies of the Economic Development Administration and the Environmental Quality Board of Puerto Rico; provided that such approvals shall be understood to constitute conditions of the within contract which if not complied with, shall entitle the Landlord to rescind this Contract.

THIRTEEN: All notices to be given to Tenant under the Contract shall be addressed as follows: Mr. Michael L. Cacio, Vice President & General Manager, P. O. Box 1117, San Germán, Puerto Rico 00753; or to Mr. Caleb S. Taft, International Silver Co., 500 South Broad Street, Meriden, Conn. 06450; or to any other address it may notify to the Landlord.

FOURTEEN: All terms and conditions of the contract shall be deemed supplemented and amended to the extent inconsistent with the terms hereof and shall remain in full force and effect as herein supplemented and amended.

FIFTEEN: Tenant agrees to submit to Landlord within thirty (30) days from the date of execution of this contract, a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution hereof.

IN WITNESS WHEREOF, the parties hereto execute this Contract at San Juan, Puerto Rico, this September 28, 1982.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY: _____

INTERNATIONAL SILVER DE P. R., INC.

BY: _____

PRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

EXHIBIT B

PROJECT ESTIMATES

Computed by: C.L. MUÑOZ

Sheet No. 1 of 3

Date : 3-17-82

Checked by :

ESTIMATE FOR: EXTRAORDINARY REPAIRS PROJECT NO. 4-261-56, VACANT

PROJECT NO.: AT SAN GERMAN, P. R.

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
1.	L.S.	L.S.	Cleaning & weeding of lot.	L.S.	200.00
2.	275	L.F.	Removal of existing plain and barbed wire fence.	.75	206.00
3.	439	L.F.	Installation of cyclone fence 6'-0" with (3) strands of barbed wire at top, at front and left boundary.	10.00	4,390.00
4.	1	Ea.	Installation of employees gate 4'-0" wide.	120.00	120.00
5.	2	Ea.	Installation of 20'-0" wide gates at loading zone.	600.00	1,200.00
6.	342	L.F.	Installation of barbed wire fence at right & back boundary.	4.00	1,368.00
7.	138	L.F.	Cleaning of 18" ø R/C half pipes.	.75	104.00
8.	306	L.F.	Installation of 18" ø R/C half pipes.	16.00	4,896.00
9.	L.S.	L.S.	Demolition of concrete pads at front of building.	L.S.	300.00
10.	9	Ea.	Installation of rubber bumpers 10" x 24" at loading doors.	115.00	1,035.00
11.	1	Ea.	Replace main entrance metal door.	1,000.00	1,000.00
12.	160	S.F.	Replace aluminum miami windows.	8.50	1,360.00
13.	80	S.F.	Relocation of aluminum miami windows.	3.00	240.00
14.	200	S.F.	Replace glass windows at front wall for aluminum windows.	8.50	1,700.00
15.	L.S.	L.S.	General cleaning of building including windows and sanitary fixture.	L.S.	400.00

PRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

EXHIBIT B

PROJECT ESTIMATES

Computed by: C.L. MUÑOZ

Sheet No. 2 of 3

Date : 3-17-82

Checked by :

ESTIMATE FOR: EXTRAORDINARY REPAIRS PROJECT NO. 4-261-56, VACANT

PROJECT NO.: AT SAN GERMAN, P. R.

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
16	218	S.Y.	Painting of existing aluminum miami windows at original building and extension -A-.	4.50	981.00
17.	52	Ea.	Replace standard window operators.	5.00	260.00
18.	104	Ea.	Replace chain type windows operators, including #13 chain and connectors.	8.00	832.00
19.	L.S.	L.S.	Demolition of interior concrete block wall.	L.S.	800.00
20.	2	Ea.	Installation of complete system of fire cabinet.	640.00	1,280.00
21.	3	Ea.	Replace hollow flush plywood doors at bathrooms entrance.	90.00	270.00
22.	5	Ea.	Repair follow flush plywood doors at bathroom entrance.	10.00	50.00
23.	8	Ea.	Replace lockset at hollow flush plywood doors.	25.00	200.00
24.	2	Ea.	Replace lockset (Jimmy) proof at plywood doors.	20.00	40.00
25.	4	Ea.	Installation of door closers at bathrooms doors.	85.00	340.00
26.	193	S.F.	Installation of 1/8" metal sheet at sliding doors.	3.05	589.00
27.	L.S.	L.S.	Patching of holes and cracks at floor, walls, columns and beams.	L.S.	500.00
28.	3	Ea.	Replace roof exhaust fans.	1,200.00	3,600.00
29.	1	Ea.	Repair roof exhaust fan.	250.00	INITIAL ITEMS 250.00
30.	1	Ea.	Repair of rolling door.	50.00	50.00
31.	L.S.	L.S.	Removal of grease from floor.	L.S.	800.00

PRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

Exhibit B

PROJECT ESTIMATES

Computed by: C.L. MUÑOZ

Sheet No. 3 of 3

Date : 3-17-82

Checked by :

ESTIMATE FOR: EXTRAORDINARY REPAIRS PROJECT NO. 4-261-56, VACANT

PROJECT NO.: AT SAN GERMAN, P. R.

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
32.	L.S.	L.S.	Removal of vynil tiles from floor.	L.S.	100.00
33.	18	S.Y.	Replacement of quarry tile floor at lobby.	20.00	360.00
34.	L.S.	L.S.	Removal of electrical installation, chains and angles at joists.	L.S.	125.00
35.	1	Ea.	Demolition and fill-up of pit at right yard.	400.00	400.00
36.	L.S.	L.S.	Re-wiring of electrical installation at original building and extension -A-.	L.S.	9,375.00
37.	L.S.	L.S.	Repair of sanitary fixtures.	L.S.	3,000.00
38.	L.S.	L.S.	Repair of toilet partitions.	L.S.	300.00
39.	L.S.	L.S.	Painting of ceilings including steel joists and bridgings.	L.S.	7,500.00
40.	1842	S.Y.	Interior painting of walls, columns and beams.	1.20	2,210.00
41.	1394	S.Y.	Exterior painting of walls and lobby ceiling.	1.20	1,673.00
42.	360	S.Y.	Enamel painting at all doors, flashings, lally columns, fans covers, angles at columns and bathroom walls up to 6'-1".	1.50	540.00
				TOTAL -	$54,944.00

Cristino L. Muñoz

CRISTINO L. MUÑOZ

SUPERVISOR ENGINEER

INITIAL HERE

ANNEX 4b

Angel Seda

FIDDLER, GONZALEZ & RODRIGUEZ

LAW OFFICES

CHASE MANHATTAN BANK BUILDING

HATO REY, P.R.

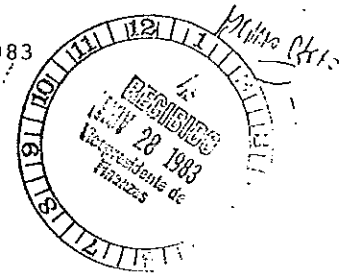
GPO BOX 3507, SAN JUAN, P.R. 00936

TELEPHONE (809) 753-3113
CABLE ADDRESS: "FIDDLER"
RCA TELEX: 3252650
TELECOPIER: (809) 753-3123

DAVID T. FIDDLER (1887-1981)
JOSE G. GONZALEZ (1905-1981)

OF COUNSEL
FEDERICO TILEM

November 18, 1983



Mr. José M. Cobián
President
Puerto Rico Industrial Development Company
Fomento Building
11th Floor
Hato Rey, Puerto Rico

Re: Wallace International de P.R., Inc.

Dear Mr. Cobián:

On November 16, 1983, Katy Industries, Inc. (Katy), through its wholly owned second tier subsidiary Wallace International de P.R., Inc. (Wallace), acquired the operations conducted by International Silver de P.R., Inc. (International) at San Germán, Puerto Rico. Such operations consist of the manufacture of sterling silver tableware, including knives, forks and spoons, rings and bracelets, non-sterling tableware and other table and desk top accessories and furnishings.

Since October, 1982, Insilco Corporation (Insilco), parent corporation of International, announced its decision to dispose of its silverware business, including that of International, by the end of year 1983. Among the possible methods of disposing of said operations, the following were considered:

a) Selling the operations as going businesses.

b) Liquidating the businesses and selling patterns, inventory, accounts receivable, machinery, equipment and plant.

In an effort to preserve jobs, both in the United States and in Puerto Rico, Insilco made every attempt to sell the operations

as going businesses, and so instructed its investment banker, although said investment banker was also retained to assist in liquidation, if it became necessary. Commencing in November, 1982, Insilco considered the sale of International's operations with a number of potential purchasers, several of which had no interest in the facility but were merely interested in acquiring tools, dyes and patterns for the products manufactured by International. In the middle of October, 1983, an agreement in principle was reached with Katy for the purchase of International Silver Company as a going business, including the purchase of International as a going business, through Wallace. This agreement, which has the effect of continuing the employment of International's employees, was contingent upon Wallace receiving adequate assurances of securing acceptable Puerto Rican incentives. Failure to obtain said assurances could have resulted in Katy not going through with the purchase, thereby forcing Insilco to seriously consider the liquidation of International, with the consequent plant closing and Puerto Rican job losses.

International is lessee of your Company's Projects Nos. 5-343-56, 5-343-A-60, T-0261-0-54, T-0261-1-62 and T-0261-2-72, pursuant to a Lease Contract dated December 26, 1972 and to a First Supplement and Amendment thereto dated September 28, 1982 (the Lease Agreement). International is also grantee of certain incentives issued through or by your Company.

The Lease Agreement between your Company and International provides for the following rentals:

1. Projects Nos. 5-343-56 and 5-343-A-60:

   From January 1, 1983 through December 31, 1991- $1.13 per square foot.

2. Projects Nos. T-0261-0-54, T-0261-1-62 and T-0261-2-72:

   (a) From the date of delivery through the end of the fifth year thereafter - $1.60 per square foot.

   (b) From the beginning of the sixth year through the end of the tenth year (from the date set forth in (a)) - $2.00 per square foot.

International is allowed to apply the incentives issued through or by your Company towards the rentals due under the Lease Agreement.

International has an employment requirement of 22 persons pursuant to its grant of industrial tax exemption issued in Case No. 72-57-I-169, as amended. In the documents filed by Wallace with the Office of Industrial Tax Exemption on November 16, 1983, Wallace has agreed to have said requirement increased to 50 persons, although current employment is substantially higher. Further, to the extent that it may be possible, Wallace would consider expanding the Puerto Rico operations.

For your additional information and reference, we are enclosing copies of the documents filed by Wallace with the Office of Industrial Tax Exemption on November 16, 1983 and financial data regarding Katy.

In view of the above, we respectfully request from your Company as follows:

1. The execution of a new Lease Contract for Projects Nos. 5-343-56 and 5-343-A-60 for a period of ten years, at a rental rate of $1.20 per square foot for the first nine years and $2.00 per square foot for the tenth year.

2. The execution of new Lease Contract for Projects Nos. T-0261-0-54, T-0261-1-62 and T-0261-2-72 for a period of ten years, at a rental rate of $1.60 per square foot for the first five years and $2.00 per square foot for the last five years.

3. The continued extension to Wallace of the incentives granted to International.

Wallace Int. January 1, 1983 - December 31, 1992

Should you require additional information regarding this matter, kindly contact the undersigned at your convenience.

Thanking you in advance for your assistance, we remain

Sincerely,

ROBERTO B. SUAREZ

RBS/vf
cc: Mr. José R. Madera
José L. Ramírez Irizarry, Esq.
Eng. José R. González Passalacqua
Mr. Francisco J. Morales
Rafael Fabián Nater, Esq.
Melvan M. Jacobs, Esq.
Arthur R. Miller, Esq.
Mr. Michael L. Cacio
Enclosures

ANNEX 4c

GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO
OFFICE OF INDUSTRIAL TAX EXEMPTIONS

RECIBIDO

'83 NOV 16 AM 10:40

OFFICE OF INDUSTRIAL TAX EXEMPTION

INTERNATIONAL SILVER DE P. R., INC.

GRANTEE

CASE NO. 72-57-I-169

REQUEST FOR TRANSFER OF GRANT OF INDUSTRIAL TAX EXEMPTION AND RELATED ASPECTS

NOW COMES International Silver de P. R., Inc. (Grantee) and Wallace International de P. R., Inc. (Transferee), through their undersigned representatives, and respectfully set forth and pray as follows:

1. Grantee is a corporation organized under the laws of Delaware, whose issued and outstanding stock is held by Insilco Corporation. Grantee is the holder of a grant of industrial tax exemption issued under Case No. 72-57-I-169, amended by Cases Nos. 72-57-I-169-A through EI-82-18 (72-57-I-169)-D (the Grant).

2. In October, 1982, Insilco Corporation announced its decision to dispose of its silverware business, including that of Grantee, by the end of year 1983. Among the possible methods of disposing of said operations, the following were considered:

a) Selling the operations as going businesses.

b) Liquidating the businesses and selling patterns, inventory, accounts receivables, machinery, equipment and plant.

In an effort to preserve jobs, both in the United States and in Puerto Rico, Insilco Corporation used every effort to sell the operations as going businesses, and so instructed its investment banker, although said investment banker was also retained to assist in liquidation if it became necessary. Comencing in November, 1982, Insilco Corporation considered the sale of Grantee's operation with a number of potential purchasers, several of which had no interest in the facility but were mearly interested in acquiring tools, dyes and patterns for the products manufactured by Grantee. In the middle of October, 1983, an agreement in princi-

[illegible] Industries, Inc. for the purchase of

International Silver Company as a going business, including the purchase of Grantee as a going business, through Transferee. This agreement in principle, which has the effect of continuing the employment of Grantee's employees, is contingent upon Transferee's receiving adequate assurances of securing the Puerto Rican tax structure described hereafter. Failure to obtain said assurances could result in Katy Industries, Inc. not going through with the purchase, thereby forcing Insilco Corporation to seriously consider the liquidation of Grantee, with the consequent plant closing and Puerto Rican job losses.

3. Transferee is a corporation organized and existing under the laws of the state of Delaware and a second tier subsidiary of Katy Industries, Inc., a publicly held corporation which stock is traded in the New York Stock Exchange. A copy of Transferee's Statement Required to do Business in Puerto Rico being filed with the Department of State of the Commonwealth of Puerto Rico is attached hereto as Exhibit A.

4. Transferee and Katy Industries, Inc. have had no associated local concerns.

5. Transferee and Katy Industries, Inc. have not had an interest in the amount of 25% or more in any exempted business.

6. The transfer to Transferee of the Grant requires the prior written approval of the Governor of Puerto Rico, pursuant to Section 6 of Act No. 57 of June 13, 1963, as amended.

7. Transferee intends to continue undiminished the operations conducted by Grantee under the Grant.

8. The approval of the transfer of the Grant will be in the best interests of the Commonwealth of Puerto Rico since it will insure the continued employment of the persons employed by Grantc and will retain in Puerto Rico investment in machinery and equipment capable of producing manufactured products.

9. In order to make Transferee's operations in Puerto Rico economically attractive, Transferee has structured the following

(a) To exclude from the scope of the Grant the production of non-sterling tableware and other table or desk top accessories and furnishings, the Grant otherwise remaining in full force and effect.

(b) To continue the operations carried on by Grantee under the Grant at 90% tax exemption from all taxes covered under the Grant, except as to the products described in paragraph 9(a).

(c) To obtain a new grant of industrial tax exemption pursuant to the terms of Act No. 26 of June 2, 1978, as amended, for the products described in paragraph 9(a).

(d) To have a combined employment requirement between the Grant and the grant described in paragraph 9(c) of 50 total employees.

(e) To obtain authorization for the use in common of all major and minor facilities between the Grant and the grant described in paragraph 9(c), including all personnel.

WHEREFORE, it is respectfully requested that the Governor of Puerto Rico issue an Order providing as follows:

A. Authorizing the transfer of the Grant from Grantee to Transferee, effective as of the effective date of the purchase of the assets of Grantee by Transferee.

B. Excluding from the scope of the Grant the production of the products described in paragraph 9(a).

C. Providing for a combined employment requirement of 50 total employees between the Grant and the grant described in paragraph 9(c).

D. Authorizing the use in common of all major and minor facilities between the Grant and the grant described in paragraph 9(c).

RESPECTFULLY SUBMITTED.

At San Juan, Puerto Rico, this 15th day of November, 1983.

INTERNATIONAL SILVER DE P.R., INC.

By: _____
Joseph T. Wynne

WALLACE INTERNATIONAL DE P.R., INC.

By: _____
Roberto B. Suárez

Aff. No. 315

Sworn and subscribed to before me by Joseph T. Wynne, of legal age, married and resident of San Juan, Puerto Rico, in his capacity as Attorney-in-Fact of International Silver de Puerto Rico, Inc. and by Roberto B. Suárez, of legal age, married and resident of San Juan, Puerto Rico in his capacity as Attorney-in-Fact of Wallace International de P.R., Inc., to me personally known at San Juan, Puerto Rico, this 15 day of November 1983.

_____
NOTARY PUBLIC

IN PUERTO RICO

EXHIBIT A

WE, THE UNDERSIGNED, in accordance with the provisions of Section 1401 of th General Corporation Law for the Commonwealth of Puerto Rico, approved January 9, 1956, D HEREBY CERTIFY:

FIRST.—That WALLACE INTERNATIONAL de P.R., INC. a corporation duly organized and existing under the laws of Delaware has herewith filed in the office of the Department of State of the Commonwealth of Puerto Ric a certified copy of its charter.

SECOND.—That the name of its authorized agent in said Commonwealth of Puerto Ri upon whom service of process may be made is CT CORPORATION SYSTEM (name) Banco Popular Building, 206 Tetuan Street Old San Juan, Puerto Rico 00903 (address)

THIRD.—That the assets of said corporation are 1,000 (one thousand) DOLLARS, and that the liabilities thereof a -0- DOLLAR

FOURTH.- SEE ATTACHED

IN TESTIMONY WHEREOF, we have hereunto set our respective hands and affixed t official seal of the aforesaid corporation at , this 14th day of November, 1983.

X W.H. Murphy
VICE President William H. Mur

X Arthur R. Miller
Assistant Secretary Arthur R. Mill

STATE OF Illinois. } SS
COUNTY OF Cook }

The said William H. Murphy and Arthur R. Miller being first duly sworn, upon their oaths do severally say that they are respectively the Vice President and the Assistant Secretary of said Wallace International de P.R., Inc. a corporation as aforesaid, and that the matters and facts stated in the foregoing statem are true.

X W.H. Murphy
William H. Murphy, Vice Preside

X Arthur R. Miller
Arthur R. Miller, Assistant Sec

Subscribed and sworn to before me, this 14th day of November, AD 19 .

Julie Gucking
Notary Public.

MY COMMISSION EXPIRES
April 1, 1985

The businesses which the corporation proposes to conduct in the Commonwealth of Puerto Rico are: manufacturing sterling silver tableware, including but not limited to knives, forks and spoons; non-sterling tableware, including but not limited to knives, forks and spoons and other table and desk top accessories and furnishings; jewelry, including but not limited to rings and bracelets; and to engage in any and all lawful acts or activities for which corporations may be now or hereafter organized pursuant to the General Corporation Law of the Commonwealth of Puerto Rico.

STATE OF ILLINOIS, } ss. I, STANLEY ZUSPER, JR. County Clerk of the County of Cook, Do Hereby Certify th
COOK COUNTY }
the lawful custodian of the official record of Notaries Public of said County, and as such officer am duly authorized t

certificates of majstracy, that [illegible] whose name is subscribed to the proof of acknowledgment of the annexed instrument in writing, was, at the time of taking such proof of acknowledgment, a Notary Public in and for Cook County, duly commissioned, sworn and acting as such and authorized to take acknowledgments and proofs of deeds or conveyances of lands, tenements or hereditaments, to be recorded, in said State of Illinois, and to administer oaths; all of which appears from the records and files in my office; that I am well acquainted with the handwriting of said Notary and verily believe that the signature to the said proof of acknowledgment is genuine; and further, that the annexed instrument is executed and acknowledged according to the laws of the State of Illinois.

The law of Illinois does not require the impression of the Seal of a Notary Public to be filed in the County Clerk's Office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the

ANNEX 5

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

Lease Contract

T-0343-0-56, T-0343-1-60
Project # T-0261-0-54, T-0261-1-62, T-0261-2-7

Location: San Germán, Puerto Rico

THIS AGREEMENT ENTERED into on May 25, 1984. by:
(AS LANDLORD) THE PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ---------- and,
(AS TENANT) WALLACE INTERNATIONAL DE P.R. INC. ----------

WITNESSETH

WHEREAS, LANDLORD is the owner of a certain landsite and buildings, identified in the Epigraph, hereinafter referred to as the Premises.

WHEREAS, the LANDLORD has agreed to lease to TENANT, and TENANT has agreed to hire form LANDLORD the Premises.

NOW THEREFORE, in consideration of the foregoing premises, the parties herein agree on this Lease subject to the following:

TERMS AND CONDITIONS

ONE: LANDLORD hereby demises and lets unto TENANT, and TENANT hereby leases from LANDLORD the Premises which are fully described in Schedule "A" hereto annexed and made a part hereof.

The Premises are subject to the encumbrances, liens and/or restrictions, if any, that may appear from said Schedule "A". Furthermore, the air rights of the Premises, are excepted and reserved to the LANDLORD.

TWO: Premises shall be used and occupied exclusively in the manufacture of ----------
(PRODUCT) Silverware. ----------

THREE: TENANT shall hold the Premises for a period of ten (10) years to commence on
(TERM) January 1, 1984. ----------
or on delivery of the Premises, whichever date occurs first.

FOUR: TENANT shall pay to LANDLORD, an annual rental of *SEE/ARTICLE FIFTY OF SCHEDULE "B" per square foot of gross building area during the first sixty (60) months of the term of this Lease and of per square foot of gross building area during the last sixty (60) months. This rental shall be paid in equal monthly installments of ----------
(RENT) ----------for the first sixty (60) months and of
(RENT) ---------- for the last sixty (60) months.

The monthly installments for rent specified herein, shall be paid in advance on the first day of each month at LANDLORD'S office, or at any other place that LANDLORD may notify. In the event that the date of commencement does not fall on the first of the month, TENANT, further agrees to pay the first partial monthly installment, prior to, or on the date of commencement.

5/25/84
CR-115833
#6,414.82
C. Rodriguez

FIVE: Simultaneously herewith TENANT shall deposit with LANDLORD the amount of
(DEPOSIT) $6,414.82---------- in Certified Check.

This deposit shall guarantee the fulfillment by TENANT of its obligations, under this Contract, particularly, but not limited to, the payment of rent and the return of the Premises in proper conditions at the termination of this lease. On said termination, if TENANT is not in default of any of the terms and conditions of this Contract, LANDLORD will return to TENANT the sum of money, if any, held pursuant to this provision.

SIX: TENANT agrees to have on the date of commencement of the term of this lease a Capitalization of ----------
(CAPITALIZATION) $650,000.00----------
Likewise the TENANT agrees to install within six (6) months from the same date manufacturing machinery and equipment with a value of at least
(INVESTMENT IN MACHINERY AND EQUIPMENT) $350,000.00----------
This shall not include the cost of transportation and installation thereof, nor its ordinary depreciation after installation; and within eighteen (18) months from the date of commencement of the term, to employ a minimum of: ----------
(EMPLOYMENT LEVEL) ~~120 production workers~~ - 83 total employees ----------
The aforementioned levels, shall be maintained throughout the term of this Lease or any extension thereof.

SEVEN: All notices, demands, approvals, consents and/or communications herein required or permitted shall be in writing. If by mail should be certified and to the following addresses, to
LANDLORD: GPO Box 2350, San Juan, Puerto Rico 00936.
To TENANT: WALLACE INTERNATIONAL DE PUERTO RICO, INC.
C/O ROBERTO SUAREZ, ESQ.
FIDDLER, GONZALEZ & RODRIGUEZ, G.P.O. BOX 3507, SAN JUAN, PR 00936*AND TO
(TENANT'S PHYSICAL ADDRESS OTHER THAN PREMISES):

*KATY INDUSTRIES, INC.
853 DUNDEE AVENUE
ELGIN, ILLINOIS 60120

INITIAL HERE

EIGHT: Net Lease: This Lease shall be interpreted as a net lease; it being the exclusive responsibility of TENANT to pay for all operating expenses, utilities, maintenance, expenses, insurance, taxes or any other costs, expenses or charges of any nature not specifically assumed by LANDLORD hereunder.

NINE: Warranty as to use: LANDLORD does hereby warrant that at the time of the commencement of the term of this Lease, the Premises may be used by TENANT for the manufacturing purposes herein intended which are deemed consistent with the design and construction in accordance with the corresponding plans and specifications.

TEN: Alterations: TENANT shall make no alterations, additions or improvements to the Premises without the prior consent of the LANDLORD and all such alterations, additions or improvements made by or for TENANT, shall be at TENANT'S own cost and expense and shall, when made, be the property of the LANDLORD without additional consideration and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease, subject to any right of LANDLORD to require removal or to remove as provided for hereinafter.

In the event TENANT asks for LANDLORD'S consent for any alteration; LANDLORD may at its option, require from TENANT to submit plans and specifications for said alteration. Before commencing any such work, said plans and specifications, if required, shall be filed with and approved by all governmental agencies having jurisdiction thereof, and the consent of any mortgagee having any interest in or lien upon this Lease shall be procured by TENANT and delivered to LANDLORD if required by the terms of the mortgage.

Before commencing any such work, TENANT shall at TENANT'S own cost and expense, deliver to LANDLORD a general accident and public liability policy more particularly described in Article THIRTY----------hereof, but said policy shall recite and refer to such work, and in addition thereto, if the estimated cost of such work is more that FIVE THOUSAND DOLLARS ($5,000.00), TENANT shall, at TENANT'S own cost and expense, deliver to LANDLORD a surety bond, or a performance bond from a company acceptable to LANDLORD, or a similar bond or other security satisfactory to LANDLORD, in an amount equal to the estimated cost of such work, guaranteeing the completion of such work within a reasonable time, due regard being had to conditions, free and clear of materialmen liens, mechanics liens or any other kind of lien, encumbrances, chattel mortgages and conditional bills of sale and in accordance with said plans and specifications submitted to and approved by LANDLORD. At LANDLORD'S option TENANT shall provide a blanket written guarantee in an amount sufficient to satisfy LANDLORD as to all alterations, changes, additions and improvements to the Premises in lieu of a separate guarantee for each such project.

TENANT shall pay the increased premium, if any, charged by the insurance companies carrying insurance policies on said building, to cover the additional risk during the course of such work.

ELEVEN: Power Substation: If required by PUERTO RICO ELECTRICAL POWER AUTHORITY (PREPA), TENANT shall, at its own cost and expense, construct and/or install a power substation and connect it to the Puerto Rico Electrical Power Authority distribution lines, for voltages up to 13.2 KV; and to Puerto Rico Electrical Power Authority transmission lines for voltage of 38 KV. Such construction shall, in no event, be undertaken by TENANT until after LANDLORD has approved the location thereof, as well as the routing of the power line extension.

TWELVE: Repairs and Maintenance: TENANT shall, at TENANT'S own cost and expense, put, keep and maintain in thorough repair and good order and safe condition the building and improvements standing upon the Premises at the commencement of the term hereof or thereafter erected upon the Premises, or forming part of the Premises, and their full equipment and appurtenances, the sidewalks areas, sidewalk hoists, railings, gutters, curbs and the like in from of and adjacent to the Premises, and each and every part thereof, both inside and outside, extraordinary and ordinary, and shall repair the whole and each and every part thereof in order to keep the same at all times during the term hereof in thorough repair and good order and safe conditions, whenever the necessity or desirability therefor may occur, and whether or not the same shall occur, in whole or in part, by wear, tear, obsolescence or defects, and shall use all reasonable precautions to prevent waste, damage or injury, except as provided hereinafter.

The LANDLORD and not the TENANT, shall be responsible for and shall promptly correct any defects in the building on the Premises which are due to faulty design, or to errors of construction not apparent at the time the Premises were inspected by TENANT for purposes of occupancy by TENANT; this shall not be interpreted to relieve TENANT of any responsibility or liability herein otherwise provided, including among others, for structural failure due to the fault or negligence of TENANT.

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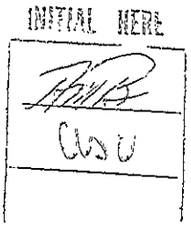

TENANT shall also, at TENANT'S own cost and expense, maintain the landsite in thoroughly clean condition; free from solid waste (which includes solid and gaseous as defined by the Resource Conservation and Recovery Act), rubbish, garbage and other obstructions. Specifically, he shall not use said landsite, nor permit it to be used, as a depository or as a dump for raw materials, waste material, hazardous, toxic or non-toxic substances, or of whichever nature. TENANT shall neither make any excavation for the purpose of storing, putting away and/or concealing raw materials or waste material of any kind. Underground storage of hazardous and/or toxic substances is specifically prohibited.

TENANT shall not, or cause to be done, nor permit on the Premises anything deemed extra hazardous, nor shall it store in the Premises flamable or toxic products of any class or kind without taking the proper precautions and complying with applicable laws and regulations.

In case TENANT needs to store in the landsite raw materials of a hazardous and/or toxic nature or hazardous and/or toxic wastes, TENANT shall notify LANDLORD and secure its prior authorization. LANDLORD shall be furnished with a copy of any permits issues for such storage.

Although it is not intended that TENANT shall be responsible for any decrease in value of the Premises due to the mere passing of time, or for ordinary wear and tear of sufaces and other structural members of the building, nevertheless TENANT shall: (i) replace, with like kind and quality, doors, windows; electrical, sanitary and plumbing, fixtures; building equipment and/or any other facilities or fixtures in the Premises which through TENANT'S use, fault or negligence, become too worn out to repair during the life of this Lease, (ii) paint the property inside and outside as required.

In addition to the foregoing, TENANT shall indemnify and save harmless LANDLORD from and against any and all costs, expenses, claims, losses, damages, or penalties, including counsel fees, because of or due to TENANT'S failure to comply with the foregoing, and TENANT shall not call upon LANDLORD for any disbursement or outlay of money whatsoever, and hereby expressly releases and discharges LANDLORD of and from any liability or responsibility whatsoever in connection therewith.

THIRTEEN: Roof Care: TENANT, without the prior consent of LANDLORD, shall not: (i) erect or cause to be erected on the roof any bill board, aerial, sign, or structure of any kind, (ii) place any fixture, equipment or any other load over the roof, (iii) drill any hole on the roof for whichever purpose, (iv) use the roof for storage, and (v) correct any leaks whatsoever, this being LANDLORD'S sole responsibility. Furthermore, TENANT shall take all reasonable precautions to insure that the drainage facilities of the roof are not clogged and are in good and operable conditions at all times.

FOURTEEN: Floor Loads: TENANT hereby acknowledges that it has been informed by the LANDLORD that the maximum floor load of the Premises herein demised is 150 pounds per sq. ft. Therefore, TENANT hereby agrees that in the event the load of the machinery and equipment to be installed thereat exceeds such maximum load, it shall, at its own cost and expense, carry out any improvements to the floor of the Premises which may be necessary to support such additional load; it being furhter agreed and understood that construction and/or installation of such improvements shall not be commenced until after LANDLORD'S approval of the plans to be prepared therefor by TENANT and thereafter, after completion of construction and/or installation of said facilities, they shall be deemed covered by and subject to the applicable provisions of this Contract; it being further specifically agreed and understood that upon termination of this Lease, such facilities shall be removed by TENANT, at its own cost and expense, or in the alternative, and upon request by LANDLORD, they shall remain as part of the Premises with no right whatsoever on the part of the TENANT to be reimbursed and/or compensated therefor.

FIFTEEN: Fixtures: TENANT shall not affix to the ceiling, nor to its supporting joists or columns, nor to any of its walls, any air conditioning unit, nor any other fixture, without the prior consent of LANDLORD.

SIXTEEN: Environmental Protection and Compliance: TENANT agrees, as a condition hereof, that it will not discharge its solid, liquid or gaseous industrial and/or sanitary effluents or discharges, either into the sewer system and/or into any other place until after required authorization therefor has been obtained from the Puerto Rico Aqueducy and Sewer Authority, and/or the Department of Health of Puerto Rico and/or the Environmental Quality Board, and/or any other governmental agency having jurisdiction thereof and TENANT further agrees and undertakes to treat any such effluent, prior to discharge thereof as required by the said Authority, Department, and/or governmental agency with jurisdiction, and/or to install any equipment or system required, and to fully abide by and comply with any and all requisites imposed thereby, and upon request by LANDLORD, to submit evidence of such compliance; it being agreed that noncompliance thereof by TENANT for a period of ninety (90) days after notice, shall be deemed an additional event of default under the provisions hereof. Provided, that no construction and/or installation shall be made until LANDLORD has approved of it.

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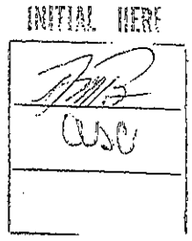

TENANT shall also, at TENANT'S own cost and expense, construct and maintain Premises, processes and/or operating procedures in compliance with the terms, conditions and commitments specified in any Environmental Impact Statement, Environmental Assessment or any other analogous document tramitted by the Commonwealth of Puerto Rico Economic Development Administration/ LANDLORD as lead agency or by any other governmental agency in connection with the approval of the project.

TENANT shall also serve LANDLORD with a copy of any lawsuit, notice of violation, order to show cause or any other regulatory or legal action against TENANT in any environmentally-related case or issue.

TENANT shall also serve LANDLORD with a copy of any permits granted to TENANT for air emissions, water discharge, solid waste generation, storage, treatment and/or disposal, and for any hazardous and/or toxic waste raw materials or by-products used or generated, stored, treated and/or disposed.

TENANT shall also serve LANDLORD with a copy of any filing or notification to be filed by TENANT with any regulatory agency on any environmentally related case or issue, especially in any situation involving underground or surface water pollution, hazardous and/or toxic waste spillage and ground contamination. The notification to LANDLORD shall take place not later than the actual filing for the pertinent documents with the regulatory agency.

SEVENTEEN: Improper Use: TENANT, during the term of this Lease and of any renewal or extension thereof, agrees not to use or keep or allow the leased Premises or any portion thereof to be used or occupied for any unlawful purpose or in violation of this Lease or of any certificate of occupancy or certificate of compliance covering or affecting the use of the Premises or any portion thereof, and will not suffer any act to be done or any condition to exist on the Premises or any portion thereof, or any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force on the leased Premises.

EIGHTEEN: Government Regulations: TENANT agrees and undertakes to abide by and comply with any and all rules, regulations and requisites of the Planning Board of Puerto Rico, the Deparment of Health, the Environmental Quality Board, the Environmental Protection Agency (EPA), where applicable and/or of any other governmental agency, having jurisdiction thereon applicable to TENANT'S operations at the Premises and/or products to be manufactured thereat, and if requested by LANDLORD, TENANT shall submit evidence of such compliance; it being agreed and understood that noncompliance with any and all such rules, regulations and requisites shall be deemed an additional event of default under the provisions of this Contract, unless remedied within thirty (30) days after receipt of notice thereof.

Any and all improvements to the Premises required by any governmental agency, having jurisdiction thereon so as to carry TENANT'S operations in accordance with the regulations and requisites thereof, shall be at TENANT'S own cost and expense, except for any improvements that may be required as a result of any violation by LANDLORD that may exist at the effective date hereof other than violations caused by TENANT or TENANT'S agents.

TENANT further agrees and undertakes to install in the Premises, at its own cost and expense, such devices as may be necessary to prevent that any hazard, which may be caused or created by its operations may affect the environmental integrity of the landsite or may affect or cause any nuisance to adjacent TENANTS and/or the community in general; it being agreed and understood that creating or causing any such nuisance, shall be deemed an additional event of default under the provisions of this Contract.

TENANT further agrees and undertakes to abide by and comply with any and all rules, regulations and requisites of the Fire Department relative to the use and storage of raw materials, finished products and/or inflammable materials, and/or of any other governmental agency, having jurisdiction thereon, applicable to TENANT'S operations at the Premises, and if requested by LANDLORD, shall submit evidence of such compliance; it being agreed and understood that noncompliance by TENANT with any of the aforementioned rules, regulations and requisited shall be deemed, in each of such cases, an additional event of default under the provisions of this Contract unless remedied withing thirty (30) days after receipt of notice thereof.

If as a consequence of the foregoing dispositions, TENANT needs to make alterations to the Premises, the same shall be done subject to the dispositions of Article TEN thereof.

NINETEEN: Use Permit: TENANT agrees to abide by and comply with any and all conditions and requisites included in the Use Permit which may be issued by the Puerto Rico Permits and Regulations Administration (ARPE), and, if requested by LANDLORD, shall submit evidence of such compliance; it being agreed and understood that noncompliance by TENANT with any and all such

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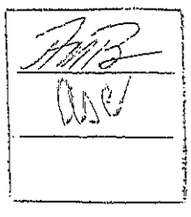

conditions and requisites and/or the cancellation of the said Use Permit shall, in each of such cases, be deemed and additional event of default under the provisions of this Contract.

TWENTY: Inspection: TENANT shall permit LANDLORD or LANDLORD'S agents to enter the Premises at all reasonable time for the purpose of inspecting the same, or of making repairs that TENANT has neglected or refused to make as required by the terms, covenants and conditions of this Lease, and also for the purpose of showing the Premises to persons wishing to purchase the same, and during the year next preceding the expiration of this Lease, shall permit inspection thereof by or on behalf of prospective TENANTS. If, at a reasonable time, admission to the Premises for the purposes aforesaid cannot be obtained, or if at any time an entry shall be deemed necessary for the inspection or protection of the property, or for making any repairs, whether for the benefit of TENANT or LANDLORD, LANDLORD'S agents or representatives may enter the Premises by force, or otherwise, without rendering LANDLORD, or LANDLORD'S agents or representatives liable to any claim or cause of action or damage by reason thereof, and accomplish such purpose.

The provisions contained in this article are not to be construed as an increase of LANDLORD'S obligations under this Lease; it being expressly agreed that the right and authority hereby reserved does not impose, nor does LANDLORD assume, by reason thereof, any responsibility or liability whatsoever for the repair, care or supervision of the Premises, or any building, equipment or appurtenance on the Premises.

TWENTY ONE: LANDLORD'S entry for repairs and alterations: The LANDLORD reserves the right to make such repairs, changes alterations, additions or improvements in or to any portion of the building and the fixtures and equipment which are reputed part thereof as it may deem necessary or desirable and for the purpose of making the same, to use the street entrances, halls, stairs and elevators of the building provided that there be no unnecessary obstruction of TENANT'S right of entry to and peaceful enjoyment of the Premises, and TENANT shall make no claim for rent abatement compensation or damages against LANDLORD by reason of any inconvenience or annoyance arising therefrom.

TWENTY TWO: LANDLORD excused in certain instances: If, by reason of inability to obtain and utilize labor, materials or supplies, or by reason of circumstances directly or indirectly the result of any state of war, or of emergency duly proclaimed by the corresponding governmental authority, or by reason of any laws, rules orders, regulations or requirements of any governmental authority now or hereafter in force or by reason of strikes or riots, or by reason of accidents, in damage to or the making of repairs, replacements or improvements to the building or any of the equipment thereof, or by reason of any other cause reasonable beyond the control of LANDLORD, LANDLORD shall be unable to perform or shall be delayed in the performance of any covenant to supply any service, such non-performance or delay in performance shall not be ground to any claim against LANDLORD for damages or constitute a total or partial eviction, constructive or otherwise. It being agreed and understood that the time for completion of any such construction, shall be extended for a period of time equal to the number of days of any such delay.

TWENTY THREE: Quiet Enjoyment: TENANT on paying the full rent and keeping and performing the conditions and covenants herein contained, shall and may peaceably and quietly enjoy the Premises for the term aforesaid, subject, however, to the terms of this Lease and to the mortgages hereinafter mentioned.

TWENTY FOUR: Leasehold Improvements: If leasehold improvements made by or for the benefit of TENANT in the Premises at his request or other personal property to TENANT are assessable or taxable and a tax liability is imposed to TENANT or LANDLORD, it is understood that it shall be the sole responsibility of TENANT to pay such taxes and in no event shall such taxes be the liability of or be transferable to LANDLORD. In the event that by operation of law, such taxes became a liability of LANDLORD, TENANT shall pay such taxes as they become due and payable and shall promptly reimburse LANDLORD for any payments or expenses incurred or disbursed by LANDLORD by reasons of any such assessment. Said amount shall be due and payable, as additional rent, with the next installment of rent. In the event that TENANT fails to make this payment when due, it shall be subject to the dispositions of Article THIRTY SEVEN hereof.

TWENTY FIVE: Stoppage of Operations: It is understood by the parties hereto that this Lease is made by LANDLORD in furtherance of the industrialization plans of the Commonwealth of Puerto Rico, and it is accordingly understood that TENANT will use all reasonable efforts while this Lease is in effect to maintain a manufacturing operation upon the Premises, but nothing contained in this paragraph shall be deemed to require TENANT to maintain such an operation otherwise than in accordance with sound principles of business management, or (without limiting the generality of the foregoing) to prevent TENANT from curtailing such operation or from shutting it down, whenever and as often as TENANT may, in the exercise of sound business judgment,

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deem such action advisable. However, TENANT shall give to LANDLORD notice of any necessary or convenient curtailment and/or shut-down, at least seven (7) days prior to the date fixed therefor except in cases of an emergency shut-down, in which case such notice shall be given at the earliest possible time. No curtailment of operations or shut-down in accordance with the provisions of this paragraph shall constitute a default under the provisions of this Contract which will enable LANDLORD to terminate it, unless such plants shall have been shut-down for a period of six (6) consecutive months. A shut-down on account of unforseeable event s events which although foreseeable cound not be prevented, shall not constitute a breach of this agreement. Nothing in this paragraph contained shall relieve the TENANT from the payment of rent during the period of any shut-down or curtailments of operations.

TWENTY SIX: Assignment and Subletting: TENANT shall not assign, this Lease nor let or sublet the Premises or any part thereof except to its parent company, to a wholly owned subsidiary, to an affiliate of TENANT, wholly owned by TENANT'S parent company or to a corporation to be organized by TENANT. In any of these cases, TENANT shall promptly notify LANDLORD of said assignment or subletting, it being agreed and understood that no such assignment or subletting shall: (i) reduce or, in any way, affect the obligations of TENANT under this Lease, nor (ii) release TENANT from liability under this Lease.

TWENTY SEVEN: Successors in Interest: This Lease Contract and every provision thereof, shall bind and inure to the benefit of the legal representatives, successors and assigns of the parties. However, the term "LANDLORD", as used in this Contract, so far as any covenants or obligations on the part of LANDLORD under this Lease are concerned, shall be limited to mean and include only the owner or lessor, at the time in question, of the Premises, so that in the event hereafter of a transfer of the title to the Premises, whether any such transfer be voluntary or by operation of law or otherwise, the person, natural or juridical, by whom any such transfer is made, shall be and hereby is entirely freed and relieved of all personal liability as respects the performance of the covenants and obligations of LANDLORD under this Lease from and after the date of such transfer.

TWENTY EIGHT: No Representation by LANDLORD: LANDLORD, LANDLORD'S agents or employees, or the agents, executives or employees of the Economic Development Administration, have made no representations or promises with respect to the Premises except as herein expressly set forth and no rights, easements or licenses are acquired by TENANT by implication or otherwise except as expressly set forth in the provisions of this Contract. The taking possession of the Premises by TENANT, shall be conclusive evidence, as against TENANT, that TENANT accepts same "as is" and that said Premises, particularly the building which forms a part of the same, were in good and satisfactory conditions at the time such possession was so taken.

TWENTY NINE: Damages: LANDLORD shall not be responsible for any latent defect or change of conditions in the Premises resulting in damage to the same, or the property or person therein, except to the extent of LANDLORD'S gross negligence, and provided such claims or loss is not covered by insurances herein required from TENANT. TENANT shall promtly notify LANDLORD of any damage to or defects in the Premises, particularly in any part of the building's sanitary, electrical, air conditioning or other systems located in or passing throught the Premises, and the damage or defective conditions, subject to the provisions of Article TWENTY ONE hereof, shall be remedied by LANDLORD with reasonable diligence.

THIRTY: General Liability Insurance: TENANT shall indemnify, save harmless and defend LANDLORD and agents, servants and employees of LANDLORD against and from any and all liability, fines, suits, claims, demands, expenses, including attorneys' fees, and actions of any kind or nature arising by reason of injury to person or property including the loss of use resulting thereof or, violation of law occuring in the Premises occasioned in whole or in part by any negligent act or omission on the part of TENANT or an employee (whether or not action within the scope of his employment), servant, agent, licensee, visitor, assignor or undertenant of TENANT, or by any neglectful use or occupancy of the Premises or any breach, violation or non-performance of any covenant in this Lease on the part of TENANT to be observed or performed.

Pursuant to the foregoing, TENANT shall, maintain during the term of this Lease, at its own cost and expense, a comprehensive General Liability Policy. Said policy shall: (i) be for a combined single limit of no less than $500,000.00 per accident, (ii) hold LANDLORD harmless against any and all liability as hereinbefore stated, and (iii) the care, custody & control exclusion shall be deleted from this coverage. LANDLORD may require additional reasonable limits of public liability insurance and coverages, when changing circumstances so require.

THIRTY ONE: Property Insurance: TENANT recognizes that the rent provided for herein does not include any element to indemnify, repair, replace or make hold TENANT, his employees, servants, agents, licensees, visitors, assignees, or undertenant for any loss or damage to any property or injury to any person in the Premises.

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Accordingly, during the term of this Lease, TENANT shall keep the building standing upon the Premises at the commencement of the term hereof or thereafter erected upon the Premises, including all equipment appurtenant to the Premises and all alterations, changes, additions and improvements, insured for the benefit of LANDLORD and TENANT, as their respective interest may appear, in an amount at least equal to the percentages stated below (as LANDLORD may from time to time determine) The basis of the Property Insurance shall be Replacement Cost and the coverage an "All Risks" Property Insurance Policy. Coverages included in the All Risks Form:

1. Fire - "Building & Contents Form"
   (a) Building - 100% of insurable value exclusive of foundations
   (b) Contents - All equipment appurtenant to the Premises (State value on Policy)
2. Additional Coverages under the Fire Policy
   (a) Extended Coverage Endorsement - 100% of insurable value exclusive of foundations
   (b) Earthquake - 50% of insurable value including foundations
   (c) Vandalism and Malicious Mischief Endorsement
   (d) Improvements and Betterments - For all alteration, changes, additions and improvements
3. Landside and Flood whenever applicable and/or necessary
4. Boiler and Machinery (if any) - 100% of insurable value
5. Pollution Liability Policy - if necessary

THIRTY TWO: Multifactory Building Specific Dispositions: In the event that the Premises constitute a section or sections of an industrial building and landsite in which other operations are conducted by other TENANTS: (i) the insurance coverage herein required, shall be acquired by LANDLORD for the whole of the industrial building and TENANT shall reimburse LANDLORD, for its proportionate share in the total cost of said policies, (ii) if, because of anything done, caused or permitted to be done, permitted or omitted by TENANT, the premium rate for any kind of insurance affecting the Premises shall be increased, TENANT shall pay to LANDLORD the additional amount which LANDLORD may be thereby obligated to pay for such insurance, and if LANDLORD shall demand that TENANT remedy the condition which cause the increase in the insurance premiums rate, TENANT will remedy such condition within five (5) days after such demand, and (iii) the insurance policies required in the preceding Articles 30 - & - 31 shall be endorsed to include a waiver of subrogation against TENANT. All amounts to be reimbursed by TENANT under this Article, shall be due and payable, as additional rent, with the next installment of rent. In the event that TENANT fails to make this payment, when due, it shall be subject to the dispositions of Article THIRTY SEVEN hereof.

THIRTY THREE: Additional Dispositions about Insurance: All the insurance policies herein required from TENANT, shall be taken in form and substance acceptable to LANDLORD with Insurance Companies duly authorized to do business in Puerto Rico, having an "A" and a higher financial rating according to Best's Insurance Report; and shall include LANDLORD as additional insured. TENANT shall instruct the corresponding insurer to deliver such policies or certified copies or Certificates of Insurance, in lieu of, directly to LANDLORD. LANDLORD reserves the right not to deliver possession of the Premises to TENANT, unless, and until two (2) days after such original policies, or certified copies or certificates have been deposited with LANDLORD.

Furthermore, said policies, shall: (i) provide that they may not be cancelled by the insurer for nonpayment of premium or otherwise, until at least thirty (30) days after service of notice by registered or certified mail of the proposed cancellation upon LANDLORD, and (ii) be promptly renewed by TENANT upon expiration and TENANT shall, within thirty (30) days after such renewal, deliver to LANDLORD adecquate evidence of the payment of premiums thereon. If such premiums or any of them shall not be so paid, LANDLORD may procure the same in the manner set forth for governmental agencies, and TENANT shall reimburse LANDLORD any amount so paid. This reimbursement being due and payable with the next installment of rent. In the event that TENANT fails to make this payment when due, it shall be subject to the dispositions of Article THIRTY SEVEN hereof. It is expressly agreed and understood, that payment by LANDLORD of any such premiums shall not be deemed to waive or release the default in the payment thereof by TENANT nor the right of LANDLORD to take such action as may be available hereunder as in the case of default in the payment of rent.

Upon the commencement of the term hereof, TENANT shall pay to LANDLORD the apportioned unearned premiums on all such policies of insurance then carried by LANDLORD in respect of the Premises in the event TENANT continues with the insurance policies placed by LANDLORD.

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TENANT shall not violate nor permit to be violated any of the conditions or provisions of any of said policies, and TENANT shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to LANDLORD shall be willing to write and continue such insurance.

TENANT shall cooperate with LANDLORD in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to LANDLORD such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance monies, and in the event that TENANT shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, LANDLORD, in addition to any other remedies, may as the agent or attorney-in fact of TENANT, execute and deliver any proof of loss or any other instruments as may seem desirable to LANDLORD and any mortgagee for the collection of such insurance monies. This shall not be interpreted as any waiver of the obligations of TENANT under Articles THIRTY, THIRTY ONE, THIRTY TWO and THIRTY THREE hereof or exclusively in favor of LANDLORD under Article THIRTY NINE hereof.

THIRTY FOUR: Waivers: The receipt by the LANDLORD of the rent, additional rent, or any other sum or charges payable by TENANT with or without knowledge of the breach of any covenant of this Contract, shall not be deemed a waiver of such breach. No act or omission of LANDLORD or its agent during the term of this Lease shall be deemed an acceptance of a surrender of the Premises and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and subscribed by LANDLORD. This Contract contains all the agreements and conditions made between the parties hereto with respect to the Premises and it cannot be changed orally. Any additions to, or charges in this Lease must be in writing, signed by the party to be charged.

Failure on the part of LANDLORD to act or complain of any action or nonaction on the part of the TENANT shall not be deemed to be a waiver of any of its respective rights hereunder nor constitute a waiver at any subsequent time of the same provision. The consent or approval by LANDLORD to, or of any action by the other requiring consent or approval, shall not be deemed to waive or render unnecessary the consent or approval by LANDLORD of any subsequent similar act.

THIRTY FIVE: Reinstatement: No receipt of monies by LANDLORD for TENANT after the termination or cancellation hereof in any lawful manner shall reinstate, continue or extend the term hereof, or affect any notice theretofore given to TENANT, or operate as a waiver of the right of LANDLORD to enforce the payment of rent, additional rent, or other charges then due or thereafter falling due, or operate as a waiver of the right of LANDLORD to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that, after the service of notice to terminate or cancel this Lease, and the expiration of the time therein specified, if the default has not been cured in the meantime, or after the commencement of suit, action or summary proceedings or of any other remedy, or after a final order, warrant or judgment of the possession of the Premises, LANDLORD may demand, receive and collect any monies then due, or thereafter becoming due, without in any manner affecting such notice, proceeding, suit, action, order, warrant or judgment; and any and all such monies so collected shall be deemed to be payments for the use and occupation of the Premises, or at the election of LANDLORD, on account of TENANT'S liability hereunder. Delivery or acceptance of the keys to the Premises, or any similar act, by the LANDLORD, or its agents or employees, during the term hereof, shall not be deemed to be a delivery or an acceptance of a surrender of the Premises unless LANDLORD shall explicitly consent to it, in the manner set forth hereinbefore.

THIRTY SIX: Subordination and Attornment: This Lease is and shall be subject and subordinate to all liens, or mortgages which may now or hereafter affect the Premises and to all renewals, modifications, consolidations, replacements and extensions thereof and, although this subordination provisions shall be deemed for all purposes to be automatic and effective without any further instrument on the part of TENANT, TENANT shall execute any further instrument requested by the LANDLORD to confirm such subordination.

TENANT further covenants and agrees that if by reason of a default upon the part of the LANDLORD of any mortgage affecting the Premises, the mortgage is terminated or foreclosed by summary proceedings or otherwise, TENANT will attorn to the mortgagee or the purchaser in foreclosure proceedings, as the case may be, and will recognize such mortgagee or purchaser,

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as the TENANT'S landlord under this Lease. TENANT agrees to execute and deliver, at any time and from time to time, upon the request of LANDLORD or of the mortgagee or the purchaser in foreclosure proceedings, as the case may be, any reasonable instrument which may be necessary or appropriate to evidence such attornment. TENANT further waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give TENANT any right of election to terminate this lease or to surrender possession of the Premises demised hereby in the event any such proceeding is brought by the holder of any such mortgage, and TENANT'S obligations hereunder shall not be affected in any way whatsoever by any such proceeding.

TENANT, covenants and agrees, upon demand of the holder of any mortgage duly recorded or recordable in the corresponding Registry of the Property or of any receiver duly appointed by the corresponding court having or claiming jurisdiction over the property, in proceedings to foreclose any such mortgage, to pay to the holder of any such mortgage or to such receiver, as the case may be, all rent becoming due under this Lease after such demand , provided such holder of any such mortgage or any such receiver complies with the obligations of LANDLORD under this Lease.

TENANT, upon request of LANDLORD or any holder of any mortgage or lien affecting the Premises, shall from time to time, deliver or cause to be delivered to LANDLORD or such lien holder or mortgagee, within ten (10) working days from date of demand a certificate duly executed and acknowledged in form for recording, without charges, certifying, if true, or to the extent true, that this Lease is valid and subsisting and in full force and effect and LANDLORD is not in default under any of the terms of this Lease.

THIRTY SEVEN: Late Payments and Payment by LANDLORD: In the event that: (i) TENANT makes late payment, or fails to make payment to LANDLORD, in whole or in part, of the rent, or of the additional rent, or of any of the other payments of money required to be paid by TENANT to LANDLORD, as stipulated in this Lease, when and as due and payable; or if (ii) LANDLORD, without assuming any obligation to do so, after any notice or grace period provided hereunder, performs or causes to be performed, at the cost and expense of TENANT, any of the acts or obligations agreed to be performed by TENANT, as stipulated in this Lease, and TENANT fails to refund LANDLORD any amounts of money paid or incurred by LANDLORD in performing of causing the performance of such acts or obligations, when and as due and payable, TENANT undertaked and agrees to pay LANDLORD as additional rent, interest on such lately paid or unpaid rents, additional rent, and/or on such other payments of money required to be paid, and/or on any such amounts of money required to be refunded, from and after the date when payment thereof matured or became due and payable, until full payment, at the rate of twelve per cent (12%) per annum, or if such 12% interest, is unlawful, then and in such event, at the highest maximum prevailing rate of interest on commercial unsecured loans as fixed by the Board of Regulatory Rates of Interest and Financial Charges, created under Law #1, approved October 15, 1973 (10 LPRA 998), as amended, or by any successor statute or regulation thereof.

THIRTY EIGHT: Abatement: If any substantial service or facility to be provided by LANDLORD is unavailable for a period exceeding thirty (30) days and LANDLORD has been notified of the same, should time unavailability of such service render all or any portion of the Premises untenable, TENANT after the aforesaid thirty (30) days, shall be entitled to an abatement of a portion of the rent that shall reflect that portion of the Premises which is untenable, provided the damage to the service or facility is not attributable to the act or neglect of TENANT or the employees, servants, licensees, visitors, assigns or undertenants of TENANT.

THIRTY NINE: Fire or other Casualty: If before or during the term of this Lease, the Premises shall be damaged by fire or other casualty, LANDLORD after written notice thereof is given by TENANT, shall repair the same with reasonable dispatch after notice to it of the damage, due allowances being made for any delay due to causes beyond the LANDLORD'S reasonable control, provided , however, that the LANDLORD shall not be required to repair or replace any furniture, furnishings or other personal property which TENANT may have placed or installed or which it may be entitled or required to remove from the Premises. LANDLORD shall proceed with due diligence to obtain the corresponding insurance adjustment of the loss and TENANT shall fully cooperate with LANDLORD and assists in the adjustment of the loss. Until such repairs are completed, and provided such damage or other casualty is not attributable to the act or neglect of TENANT or the employees, servants, licensees, visitors, assigns or undertenants of TENANT, the rent required to be paid pursuant to Article FOUR hereof, shall be abated in proportion to the part of the Premises which are untenable. If the building, be so damaged that LANDLORD shall decide to demolish and/or to reconstruct the building, in whole

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or in part, LANDLORD may terminate this Lease by notifying TENANT within a reasonable time after such damage of LANDLORD'S election to terminate this Lease, such termination to be effective immediately if the term shall not have commenced or on a date to be specified in such notice if given during the term. In the event of the giving of such notice during the term of this Lease, the rent shall be apportioned and paid up to the time of such fire or other casualty if the Premises are damaged, or up to the specified date of termination if the Premises are not damaged and LANDLORD shall not be otherwise liable to TENANT for the value of the unexpired term of this Lease.

FORTY: Default Provisions: If, during the term of this Lease, TENANT shall: (i) apply for or consent in writing to, the appointment of a receiver, trustee or liquidator of TENANT or of all or substantially all of its assets or (ii) seek relief under the Bankruptcy Act, or admit in writing its inability to pay its debts as they become due, or (iii) make a general assignment for the benefit of his creditors, or (iv) file a petition, case or an answer seeking relief (other than a reorganization not involving the liabilities of TENANT) or arrangement with creditors, or take advantage of any insolvency law, or (v) file an answer admitting the material allegations of a case filed against it in any bankruptcy, reorganization or insolvency proceeding or, if an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of TENANT or creditor adjudicating TENANT a bankrupt or insolvent, or approving a petition seeking reorganization of TENANT (other than a reorganization not involving the liabilities of TENANT) or appointment of a receiver, trustee or liquidator of TENANT, or of all or substantially all its assets, and such order, judgment or decree, shall continue unstayed and in effect for any period of sixty consecutive days, the term of this Lease and all right, title and interest of TENANT hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and TENANT will then, quit and surrender the Premises to LANDLORD, but TENANT shall remain liable as hereinafter provided.

If, during the term of this Lease: (i) TENANT shall default in fulfilling any of the covenants of this Lease (other than the covenants for the payment of rent or additional rent); or of any other standing contract with LANDLORD or (ii) if, during the term of this Lease TENANT shall abandon, vacate, or remove from the Premises the major portion of the goods, wares, equipment, or furnishings usually kept on said premises, or (iii) this Lease, without the prior consent of LANDLORD, shall be encumbered, assigned or transferred in any manner in whole or in part or shall, by operation of law, pass to or devolve upon any third party, except as herein provided, or (iv) if TENANT is in violation of laws, rules and regulations regarding minimum wages of its employees, or of any other law, rules and regulations applicable to his operations, but which have not been specifically mentioned in this Lease, LANDLORD may give to TENANT notice of any such default or the happening of any event referred to above and if at the expiration of thirty days after the service of such a notice the default or event upon which said notice was based shall continue to exist, or in the case of a default which cannot with due diligence be cured within a period of thirty days, if TENANT fails to proceed promptly after the service of such notice and with all due diligence to cure the same and thereafter to prosecute the curing of such default with all due diligence (it being intended that in connection with a default not susceptible of being cured with due diligence within thirty days that the time of TENANT within which to cure the same shall be extended for such period as may be necessary to complete the same with all due diligence), LANDLORD may give to TENANT a notice of expiration of the term of this Lease as of the date of the service of such second notice, and upon the giving of said notice of expiration the term of this Lease and all right, title and interest of TENANT hereunder shall expire as full and completely as if that day were the date herein specifically fixed for the expiration of the term, and TENANT or any party holding under him will then quit and surrender the Premises to LANDLORD, but TENANT shall ramain liable as hereinafter provided.

If, (i) TENANT shall default in the payment of the rent, the additional rent, or of any other payment as required under this Lease and such default shall continue for ten working days after notice thereof by LANDLORD, of (ii) if the default of the payment of the rent, continues for thirty days from the date any such payments became due and payble (AUTOMATIC DEFAULT TERMINATION), or (iii) if this Lease shall terminate as in paragraph One and Two of this Article provides, this Lease shall terminate and TENANT will then quit and surrender the Premises to LANDLORD, but TENANT shall remain liable as hereinafter provided, LANDLORD or LANDLORD'S agents and servants may immediately or at any time thereafter re-enter the Premises and remove all persons and all or any property therefrom, whether by summary dispossess proceedings or by any suitable action or proceeding at law, or with the license and permission of

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TENANT, which shall under this Contract be deemed given upon expiration of the strict thirty (30) days notice period of subdivision or paragraph Two of this Article, without LANDLORD being liable to indictment, prosecution or damages therefor and repossess and enjoy the Premises with all additions, alterations and improvements.

If TENANT shall fail to take possession of the Premises within ten (10) days after the commencement of the term of this Lease, or if TENANT shall vacate and abandon the Premises, LANDLORD shall have the right, at LANDLORD'S option, to terminate this Lease and the term hereof, as well as all the right, title and interest of TENANT hereunder, by giving TENANT five (5) days notice in writing of such intention, and upon the expiration of the time fixed in such latter notice, if such default be not cured prior thereto, this Lease and the term hereof, as well as all the right, title and interest of TENANT hereunder, shall wholly cease and expire in the same manner and with the same force and effect (except as to TENANT'S liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted; and TENANT shall immediately quit and surrender to LANDLORD the Premises and each and every part thereof and LANDLORD may enter into or repossess the Premises, either by force, summary proceedings or otherwise. The right granted to LANDLORD in this Article or any other Article of this Lease to terminate this Lease, shall apply to any extension or renewal of the term hereby granted, and the exercise of any such right by LANDLORD during the term hereby granted shall terminate any extension or renewal of the term hereby granted and any right on the part of TENANT thereto.

Upon the termination of this Lease by reason of any of the foregoing events, or in the event of the termination of this Lease by summary dispossess proceedings or under any provisions of law, now or at any time hereafter, in force by reason of, or based upon, or arising out of a default under or breach of this Lease on the part of TENANT, or upon LANDLORD recovering possession of the Premises in the manner or in any of the circumstances hereinbefore mentioned, or in any other manner or circumstances whatsoever, whether with or without legal proceedings, by reason of, or based upon, or arrsing out of a default under or breach of this Lease on the part of TENANT, LANDLORD, at its option, but without assuming any obligation to do so in any case, may at any time, and from time to time, relet the Premises or any part or parts thereof for the account of TENANT or otherwise on such terms as LANDLORD may elect, including the granting of concessions, and receive and collect the rents therefor, applying the same at a rental not higher than the one stipulated in this Contract, first to the payment of such reasonable expenses as LANDLORD may have incurred in recovering possession of the Premises, including reasonable legal expenses, and for putting the same into good order or condition or preparing or altering the same for re-rental, and expenses, commissions and charges paid, assumed, or incurred by LANDLORD in and about the reletting of the Premises or any portion thereof and then to the fulfillment of the covenants of TENANT hereunder. Any such reletting herein provided for, may be for the remainder of the term of this Lease or for a longer or shorter period or at a higher or lower rental. In any such case, whether or not, the Premises or any part thereof be relet, TENANT shall pay to LANDLORD the rent required to be paid by TENANT up to the time of such termination of this Lease, and/or the full rent provided for in the agreement for any holdover of such period after termination and up to the surrender or recovery of possession of the Premises by LANDLORD, as the case may be, and thereafter TENANT covenants and agrees, to pay to LANDLORD until the end of the term of this Lease as originally demised the equivalent of any deficiency amount of all the rent reserved herein, less the net avails of releting, if any, as specified hereinabove in this Article and the same shall be due and payable by TENANT to LANDLORD as provided herein, that is to say, TENANT shall pay to LANDLORD the amount of any deficiency then existing.

FORTY ONE: LANDLORD'S Remedies: In the event TENANT shall default in the performance of any of the terms, covenants or provisions herein contained, LANDLORD may, but without the obligation to do so, perform the same for the account of TENANT and any amount paid or expense incurred by LANDLORD in the performance of the same shall be repaid by TENANT on demand. In the event of a breach or threatened breach by TENANT or any subtenant or other person holding or claiming under TENANT of any of the covenants, conditions or provisions hereof, LANDLORD shall have the right of injunction to restrain the same, and the right to invoke any remedy allowed by law or in equity as if specific remedies, indemnity or reimbursement were not herein provided for. The rights and remedies given to LANDLORD in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by LANDLORD, shall be deemed to be a waiver, or an exclusion, of any of the others.

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FORTY TWO: Notice of Default: Anything in this Lease to the contrary notwithstanding, it is specifically agreed that there shall be no enforceable default against LANDLORD under any provisions of this Lease, unless notice of such default be given by TENANT to LANDLORD in which TENANT shall specify the default or omission complained of, and LANDLORD shall have thirty (30) days after receipt of such notice in which to remedy such default, or if said default or omission shall be of such a nature that the same cannot be cured within said period, then the same shall not be an enforceable default if LANDLORD shall have commenced taking the necessary steps to cure or remedy said default within said thirty (30) days and diligently proceeds with the correction thereof.

FORTY THREE: Definition of Capitalization: For the purpose of this Contract, specifically of Clause No. SIX, Capitalization means the total of owner's equity sources (preferred stock, common stock and surplus accounts) and long-term debts, it being agreed and understood that the amortization of any such debt shall in no way diminish the amount originally determined as Capitalization.

FORTY FOUR: Disclosure of Information: TENANT agrees to furnish to LANDLORD within ninety (90) days after the expiration of each fiscal year of TENANT, an annual statement certified by an independent Certified Public Accountant showing as of the end of each such fiscal year: (i) TENANT'S paid-in capital, (ii) long-term debts and capitalization as required by Articles SIX and FORTY THREE hereof, (iii) investment in machinery and its capacity to provide employment, (iv) taxes (including Social Security taxes) paid, and (v) any other information as required by this Lease.

In the event such statement is not filed with LANDLORD as herein provided, LANDLORD may obtain such information from TENANT at TENANT'S expense, and for such purpose TENANT shall make available to LANDLORD'S designated representatives, its books of accounts and other necessary data and facilities, all of which shall be provided and made available at TENANT'S principal office in Puerto Rico.

FORTY FIVE: Automatic Renewal: In the event TENANT does not vacate the Premises in the manner and under the conditions hereinbefore provided, within ninety (90) days after the normal expiration of the term hereof, LANDLORD shall have the option to be exercised at any time thereafter, to notify TENANT that the lease herein has been renewed for an additional term of ten (10) years from the date of the last normal expiration of the term hereof and, in such event, the parties agree that this Contract shall be held to have been renewed and to continue in full force and effect for such additional term of ten (10) years upon the mere mailing of such notice by LANDLORD to TENANT. This provision shall in no way prejudice, affect or deny any right which LANDLORD may otherwise have because, or at the time, of any such termination of the term hereof, particularly whenever the LANDLORD does not exercise such option; it being ageed and understood that such renewal shall be upon the same terms and conditions contained herein except that the rental rate to be charged shall be the rate then currently being charged by LANDLORD for similar buildings in the area, but in no event shall it be less than the rate herein stipulated.

FORTY SIX: Partial Invalidity and Applicable Law: If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease and 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, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law. This Contract is entered into and shall be interpreted in accordance with the laws of the Commonwealth of Puerto Rico.

FORTY SEVEN: Lease Termination and Holding Over: Upon the expiration or termination of this Lease: (i) TENANT shall furnish LANDLORD with a full and detailed report as to the environmental integrity of the landsite and Premises with specific reference to each and every environmental area of concern including, but not limited to, air emissions, effluent discharge, state of underground and surface waters, solid waste and hazardous and/or toxic wastes generation, storage, transportation, treatment and/or disposal, and any hazardous and/or toxic raw materials or by-products used or generated, stored, transported, treated and/or disposed of during the period of operation, state of the landsite, disclosure of any environmental regulatory violations, compliance plans, permits or any other regulatory procedures related to the operation. The report shall be accompanied by a Certification from TENANT as to the environmental state of the premises and landsite. In case there should be any damage or any remedial action to be performed or any other obligation to be fulfilled by TENANT, the

INITIAL HERE

Certification shall state so and present a plan of action with the appropriate financial provisions to execute it. LANDLORD shall hold TENANT responsible for any and all environmental damage, or any damage to third parties as a result of any environmental damage, or any remedial action (including monitoring) to be performed at landsite or otherwise as a result of TENANT'S operations after termination of Lease and until such a time as complete remediation or fulfillment of TENANT'S obligations is effected. In case TENANT fails to comply with the foregoing provisions, LANDLORD may elect to effect them at TENANT'S expense and responsibility.

(ii) TENANT shall remove all property of TENANT and that of any third party and failing to to do, TENANT hereby appoints LANDLORD its agent so that LANDLORD may cause all of the said property to be removed at the expense and risk of TENANT. TENANT covenants and agrees to give full and timely observance and compliance to this covenant to remove all his property and surrender the Premises broom clear. TENANT hereby agrees to pay all reasonable necessary cost and expenses thereby incurrred by LANDLORD. If, as the sole result of the removal of TENANT'S property any portion of the Premises or of the building of which they are a part, are damaged, TENANT shall pay to LANDLORD the reasonable cost of repairing such damages unless due to the gross negligence of LANDLORD, its agents, servants, employees and contractors. TENANT'S obligation to observe or perform this covenant shll survive the expiration or other termination of the term of this Lease.

FORTY EIGHT: Change of Address: TENANT shall promptly notify LANDLORD of any change in the address other than the Premises that is required from him in Article SEVEN hereof.

FORTY NINE: Additional Covenant(s): This Lease contains Nine (9)---------- additional Articles numbered FIFTY (50)--------to FIFTY EIGHT (58), which are annexed hereto as Schedule "B", ~~XXXXX~~, and made part hereof.

IN WITNESS WHEREOF, LANDLORD and TENANT have respectively signed upon proper authority this Lease, this 25th day of May, 1984.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
G.P.O. BOX 2350
San Juan, Puerto Rico 00936
(LANDLORD)

BY: _____

WALLACE INTERNATIONAL DE P.R., INC.

(TENANT)

BY: _____
Vice President - Financial Affairs

DESCRIPTION OF LANDSITE AND BUILDING
LOT NO. 3
LOCATED AT RETIRO WARD INDUSTRIAL SUBDIVISION
SAN GERMAN, PUERTO RICO
(PROJECTS NO. T-0343-0-56 AND T-0343-1-60)

LANDSITE:

Parcel of land, Lot No. 3, located at Retiro Ward Industrial Subdivision, San Germán, Puerto Rico.

It bounds: by the NORTH, with Lot No. 2 of the same industrial subdivision; by the SOUTH, with Lot No. 5 of the same industrial subdivision; by the EAST, with "B" Street; and by the WEST; with land owned by Ernesto Quiñones Sambolín.

It has an area of 8,746.94 square meters, equivalent to 2.2256 'cuerdas".

BUILDING:

T-0343-0-56

This is a pitched roof type building consisting of reinforced concrete foundations, columns and girders supporting 30 ft. long concrete joists which in turn support prestressed concrete boards, covered by 1/2" cellotex insulation and a 3-ply built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 120'-10" x 90'-11" out to out dimensions for an area of 10,985.86 sq. ft. of manufacturing space; an entrance porch 18'-0" x 7'-0" and 2'-7" x 7'-0" for an area of 144.06 sq. ft. and a lean-to 31'-2" x 11'-2" for an area of 348.16 sq. ft. to be used for sanitary facilities. This gives a total area of 11,478.08 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete floor slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and stairs quarry tiles on the entrance porch and ceramic tiles on the men and ladies toilet rooms. Exterior walls are of concrete blocks plastered and painted except on the front wall which is plastered and painted together with joo-tile and a stucco finish.

Interior walls at the lean-to are plastered and painted together with a 5'-11" high sprayed on glazed finish wainscoat at the men and ladies toilet rooms.

Ceiling are rubbed and painted throughout the building.

Windows are miami aluminum louvers throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood except for one flush steel double swing door at the main entrance; flush steel double swing door with antipanic hardware set at the rear entrance, and one double sliding door at the loading platform.

Clearance in the manufacturing area from finish floor to lowest part of beams at the sides eaves is 12'-0" ft. and 15'-9" at the highest point of the building.

T-0343-1-60

This is a pitched roof type building consisting of reinforced concrete foundations, columns and girders supporting 30 ft. long concrete joists which in turn support prestressed

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concrete boards, covered by 1/2" cellotex insulation and a 3 ply built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 180'-10" x 90'-11" out to out dimensions with an area of 16,441.06 sq. ft. of manufacturing space, and a lean-to 31'-2" x 10'-6" for an area of 327.28 sq. ft. This gives a total area of 16,768.34 sq. ft.

The floor consists of a 4" thick reinforced concrete floor slab with a monolithic cement finish on the manufacturing area, janitor's room, storage room and stairs quarry tiles on the entrance porch and ceramic tiles on the men and ladies' toilet rooms. Exterior walls are of concrete blocks plastered and painted except on the front wall which is plastered and painted together with Joo-tile and a stucco finish.

Interior walls at the lean-to are plastered and painted together with a 5'-11" high sprayed-on glazed finish wainscoat at the men and ladies toilet rooms.

Ceilings are rubbed and painted throughout the building.

Windows are miami aluminum louvers throughout the building, except for pivoted metal sash at the front wall.

Doors are flush plywood except for one flush steel double swing door at the main entrance; flush steel swing door with anti-panic hardware set at the rear entrance, and one double sliding door at the loading platform.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0" and 15'-9" at the highest point of the building.

ENCUMBRANCES:

This lot affected by a 12.5 feet wide right of way in favor of P.R.E.P.A. running along its western boundary.

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SCHEDULE "A"

DESCRIPTION OF LANDSITE AND BUILDING
LOT NUMBER 2
LOCATED AT RETIRO WARD INDUSTRIAL SUBDIVISION
SAN GERMAN, PUERTO RICO
(PROJECTS NO.: T-0261-54, T-0261-1-62, T-0261-2-72)

LANDSITE:

Parcel of land, Lot No. 2, located at Retiro Ward Industrial Subdivision, San Germán, Puerto Rico.

It bounds: by the NORTH, with Street "B" of the same industrial subdivision; by the SOUTH, with land owned by Ernesto Quiñones Sambolín; by the EAST with Lot No. 3 of the same industrial subdivision; and by the WEST, with Street "A" of the same industrial subdivision.

It has a surface area of 4,666.22 square meters, equivalent to 1.1873 cuerdas.

BUILDING:

T-0261-0-54

The building is a pitched roof type consisting of reinforced concrete foundations, columns and girders supporting thirty (30) feet long steel joists which in turn support pre-cast (Porete) slabs, covered by 1/2" cellotex insulation and a 3-ply built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 121'-0" x 90'-10" plus two closets of 8'-0" x 1'-7" out to out dimensions for an area of 11,018.71 sq. ft. of manufacturing space; an entrance porch 18'-0" x 8'-6" for an area of 153.00 sq. ft. and a lean-to 31'-4" x 10'-6" for an area of 328.96 sq. ft. to be used for sanitary facilities. This fives a total area of 11,497.67 sq. ft. of covered floor space.

The floor consists of a four (4) inch thick reinforced concrete floor slab with a monolithic cement finish on the manufacturing area, janitor's room, stairs, and storage room; quarry tiles, on the entrance porch and ceramic tile on the men's and ladies' toilet rooms.

Exterior walls are of clay tile blocks unplastered and unpainted except on the front wall which is plastered and painted together with a V-shaped finish and interior walls at the lean-to which are plastered and painted together with a 5'-0" high sprayed-on glazed finish wainscoat at the men's and ladies' toilet rooms.

Ceilings are rubbed and painted throughout the building.

Windows are Miami aluminum louvers throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood, except for one flush steel over at the main entrance; a flush steel with antipanic hardware at the rear entrance, and one metal and glass, double sliding one, at the loading platform.

Clearance in the manufacturing area from finish floor to lowest part of beams at the side eaves is 12'-0" and 14'-9 3/8" at the center of the building.

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SCHEDULE "A"

BUILDING:

T-0261-1-62

This is a pitched roof type building consisting of reinforced concrete foundations, columns and girders supporting thirty (30) feet long steel joists which in turn support pre-cast (porete) slabs, covered by 1/2" cellotex insulation and a 3-ply built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 90'-10" x 90'-6" out to out dimensions for an area of 8,220.39 sq. ft. of manufacturing space; and a lean-to 30'-0" x 10'-6" for an area of 315.00 sq. ft. to be used for sanitary facilities. This gives a total area of 8,535.39 sq. ft. of covered floor space.

The floor consists of a four (4) inch thick reinforced concrete floor slab with a monolithic cement finish on the manufacturing area, stairs, janitors' and storage rooms; and ceramic tiles on the men's and ladies' toilet rooms.

Exterior walls are of concrete blocks plastered and painted on both sides. Interior walls at the lean-to are plastered and painted together with a 5'-11" high sprayed-on glazed finish wainscoat at the men's and ladies' toilet rooms.

Ceilings are rubbed and painted throughout the building.

Windows are miami aluminum louvers throughout the building.

Doors are made of plywood, except for one steel double swing door on one of the sides, and a metal and glass double sliding door at the loading platform.

Clearance in the manufacturing area from finish floor to lowest part of beams at the side eaves is 12'-0" and 14'-9" at the center of the building.

BUILDING:

T-0261-2-72

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting twenty-five (25) feet long steel joists which in turn support prestressed concrete slab (poretes), covered by 1/2 " fiberglass insulation and a 3-ply built-up roofing.

This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 117'-8" x 50'-0" out to out dimensions for an area of 5,883.30 sq. ft. plus a annex of 60'-0" x 16'-10" adjacent to the lean-to of extension 4-261-A-62 with an area of 1,009.98 sq. ft. for a total of 6,893.28 sq. ft. of manufacturing area.

The floor consists of a four (4) inch thick reinforced concrete floor slab with a monolithic cement finish; floor slab designed for a load capacity of 150 pounds p.s.f.

Exterior walls are of concrete blocks plastered and painted on both sides.

No lean-to sanitary facilities are provided.

Windows are miami aluminum type throughout the building.

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There is one steel double swing door in the above mentioned annex and one rolling door facing the street.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0".

The sum of the covered floor spaces in the Projects 4-261-55, 4-261-A-62 and 4-261-B-73 totals 26,926.34 sq. ft.

***

ENCUMBRANCES:

It is affected by a 5.0 ft. wide right of way in favor of P.R.E.P.A. running along its Southern boundary.

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FIFTY: Tenant shall pay to Landlord, as rent for Projects Number T-0343-0-56 and T-0343-1-60, an annual rental of $1.20 per square foot of gross building area during the first one hundred eight (108) months of the term of this Lease and of $2.00 per square foot of gross building area during the last twelve (12) months. This rental shall be paid in equal monthly installments of (RENT) $2,824.64 for the first one hundred eight (108) months and of (RENT) $4,707.74 for the last twelve (12) months.

Tenant shall pay to Landlord, as rent for Projects Number T-0261-0-54, T-0261-1-62 and T-0261-2-72, an annual rental of $1.60 per square foot of gross building area during the first sixty (60) months of the term of this Lease and of $2.00 per square foot of gross building area during the last sixty (60) months. This rental shall be paid in equal montly installments of (RENT) $3,590.18-------for the first sixty (60) months and of (RENT) $4,487.72-------for the last sixty (60) months.

The monthly installments for rent specified herein, which shall be payable for a period of ten (10) years to commence on January 1, 1984, shall be paid in advance on the first day of each month at Landlord's office or at any other place that Landlord may notify.

FIFTY ONE: Tenant hereby acknowledges having been informed by Landlord that in the industrial park there are other industries; therefore Tenant hereby specifically agrees and undertakes to take such steps and install such equipment as may be necessary to prevent that any hazard and/or noise which may be created by its operations may in any way or manner unduly affect the operations of the other industries and therefore Tenant hereby releases and saves Landlord harmless from any and all claims or demands arising therefrom or in connection therewith.

In as much as the manufacture of the product to be manufacturedat the demised premises may produce hard noises, the effectiveness of this Lease will be subject to and conditioned upon the specific approval of the Environmental Quality Board and any

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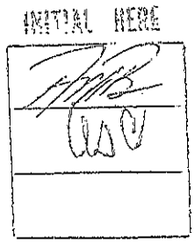

other agency having jurisdiction thereon, evidence of approval to be submitted to Landlord upon request.

FIFTY TWO: Inasmuch as Tenant has represented that in order to carry out is operations it is necessary to install and operate diesel fuel generators, oven boiler and degreaser equipment; it is hereby specifically agreed and understood that:

(1) Such installations shall be made in coordination and with the approval of Landlord;

(2) Tenant shall request and obtain the necessary permit to operate said installations from the Environmental Quality Board, and, thereafter, shall abide by and comply with all requisites imposed by said Board for such operations.

It being further agreed and understood that non-compliance by Tenant with the foregoing provisions shall constitute an additional event of default under the provisions of this Lease.

FIFTY THREE: This Lease is made and entered into subject to and conditioned upon the endorsement and approval of the Planning Department of the Puerto Rico Industrial Development Company, the Office of Economic Studies of the Economic Development Administration and the Environmental Quality Board of Puerto Rico; provided that such approvals shall be understood to constitute conditions of this Lease which, if not complied with, shall entitle Landlord to rescind this Lease.

FIFTY FOUR: Tenant agrees to submit to Landlord, within thirty (30) days from the date of execution of this Lease: (a) evidence of its registration in the Department of State of the Commonwealth of Puerto Rico and the name and address of its resident agent; and (b) a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Lease.

FIFTY FIVE: Tenant agrees to accept possession of the demised premises, under the provisions of this Contract, in its present condition and further agrees and undertakes to put the aforementioned premises in thorough repair, good order and safe

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conditions, in coordination with Landlord's Maintenance Department.

FIFTY SIX: Should Tenant be denied tax exemption under the Industrial Incentives Act of Puerto Rico for the production of eligible manufactured products as defined in said Act, for which it has applied, or will promptly apply, to the Office of Industrial Tax Exemption,* then, Tenant at its option, to be exercised within thirty (30) days after having been notified of such denial, may cancel and terminate this contract; provided, however, that Tenant shall be liable, until satisfied in full, for all its obligations hereunder, including, but without limitation, the payment of rent, prior and up to the date it exercises such option and delivers the premises to the Landlord, and upon performance of all such obligations Tenant shall be thereafter free and fully released from this lease contract.

FIFTY SEVEN: Inasmuch as Tenant has represented to the Landlord that in order to establish its intended operations in the demised premises it was necessary to carry out certain improvements thereon, including, but without limitation, support foundations for machinery and equipment and pits in the floor of the building; all in accordance with plans and specifications submitted to Landlord for its approval it being agreed and understood that, anything to the contrary notwithstanding, upon termination of this lease whether by expiration of its terms or otherwise, such improvements shall be removed by Tenant, at its own cost and expense, any damages to the demised premises during the course of such removal to be repaired by Tenant and insofar as the pits are concerned, Tenant shall, at its own cost and expense, cover such pits restouring the floor to its original state.

FIFTY EIGHT: This Lease and Landlord's obligations hereunder are made subject to and conditioned upon their approval by Landlord's Board of Directors, the action taken thereby to be promptly notified to Tenant.

* and in the event that the tax exemption treatment described in Cases Nos. 83-26-I-107 and EI-82-18(72-57-I-169)-C is not granted in the manner requested or in a manner acceptable to Tenant,

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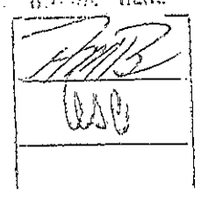
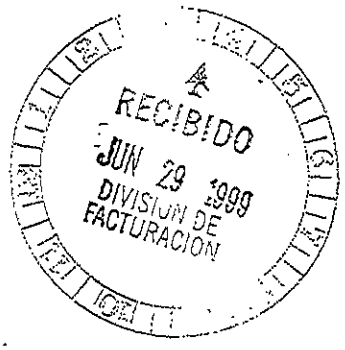


GOVERNMENT OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

355 F.D. ROOSEVELT AVE.
HATO REY, PUERTO RICO 00918
TELEPHONE (787) 758-4747

June 29, 1999



Mr. E. Merle Randolph
Executive Vice President
Wallace International of P.R., Inc.
P.O Box 1177
San Germán, Puerto Rico 00683

Dear Mr. Randolph:

Projects T-0261-0-54, 1-62, 2-72,
T-0343-0-56 and 1-60
San Germán, Puerto Rico

We refer to the Lease Contract (Lease) of May 25, 1984, as amended, executed by and between Wallace International de P.R., Inc. (Tenant) and the Puerto Rico Industrial Development Company (Landlord), covering the above captioned projects.

The term of the Lease expired on December 31, 1994. On February 3, 1995 Tenant agreed to renew the aforementioned Lease for an additional term of ten (10) years at a lower rental rate. Subsequently, on May 16, 1996 a new Lease was forwarded in order to formalize the agreement among the parties.

Many attempts have been made to have this new Lease signed and returned to our Real Estate Administration Division with no success. This situation has become unusually serious and for that reason we shall refer to clause 45 of the Lease, which states that Landlord shall have the option to be exercised at any time after, to notify Tenant that the Lease has been renewed for an additional term of ten (10) years from the date of last normal expiration of the term hereof.

Commencing on May 1, 1999 the Lease shall be renewed under the same terms and conditions, except for the rental rates established in the Agreement Letter of February 3, 1995:

PERIOD	RENT PER SQ. FT. PER ANNUM	MONTHLY INSTALLMENTS
01/01/1995-12/31/1996	$2.00	$ 9,128.70
01/01/1997-12/31/1997	2.10	9,585.13
01/01/1998-12/31/1999	2.20	10,041.56
01/01/2000-12/31/2000	2.30	10,498.00
01/01/2001-12/31/2001	2.45	11,182.65
01/01/2002-12/31/2002	2.60	11,867.30
01/01/2003-12/31/2004	2.75	12,551.96

It is understood that this Lease has been renewed on a month by month basis from January 1, 1995 through April 30, 1999.

All other terms and conditions of the Lease, not consistent with the term hereof, shall be deemed modified, and as such, shall remain in full force and effect.

Cordially,

Alberto J. Rivera
Executive Deputy Director
Real Estate & Industrial Services

ANNEX 6

ESTADO LIBRE ASOCIADO DE PUERTO RICO
ADMINISTRACION DE FOMENTO ECONOMICO
APARTADO 2350 SAN JUAN, P. R. 00936

26 de agosto de 1987

M E M O R A N D O

A : Lcdo. Antonio J. Colorado

DE : Alba I. Maldonado Díaz

ASUNTO : Evaluación
Wallace International de P. R., Inc.
(Syratech Corp.)
(R.P. NB-No Local)
San Germán, P. R.

Endoso	:Favorable
Análisis del Proyecto	:Favorable
Incentivos	:Favorable

Sometemos para su consideración nuestra recomendación de endoso promocional e incentivos para Wallace International de P. R., Inc. El caso fue sometido por el Sr. Federico A. Irizarry, del Area de Promoción del Exterior, el 8 de abril de 1987.

I. Endoso Promocional

La firma Syratech Co. adquirió los activos de la firma Wallace International Silversmith. Las operaciones fabriles establecidas en Puerto Rico se conocen como Wallace International de P. R., Inc. Debido a problemas con el mercado para sus productos había decidido liquidar las operaciones en Puerto Rico. Syratech Co. adquirió las operaciones de Wallace

International de P. R., Inc. evitando un cierre y el despido de 112 personas.

Al momento de la compra de activos, Wallace International P. R. Inc. contaba con 112 personas y la nueva casa matriz se compromete a reclutar 49 empleados adicionales lo que elevaría la nómina anual estimada a $1,185,000. La nueva cifra de inversión en maquinaria y equipo y la total ascienden a $2,340,000, respectivamente. Seguirán ubicados en 55,172 pies cuadrados en los edificios #T-0343-0-56 (11,478 pies cuadrados), #T-0343-1-60 (16,768 pies cuadrados), #T-0261-0-54 (11,498 pies cuadrados), #T-0261-1-62 (8,535 pies cuadrados) y el #T-0261-2-72 (6,893 pies cuadrados). La empresa se dedica a la manufactura de envases para cosméticos, regalos, etc. en plata esterlina (SIC-3914). Estos productos están destinados en un 100 por ciento al mercado estadounidense.

Conforme al Memorando Administrativo Número 4-82 sobre definiciones de la gestión promocional el proyecto se clasifica como un Reactivación (RP). La empresa se propone salvar las operaciones manufactureras de un proyecto en vías de desaparecer y se compromete a emplear personal adicional al actual (112 personas).

II. Análisis del Proyecto

Wallace International de P. R., Inc. es una subsidiaria de Syratech, Inc. Las oficinas principales están situadas en 175 Mc Glellan Highway E. Boston, Massachussetts.

La empresa continuará disfrutando de la exención contributiva industrial (Caso EI-86-201 (83-107). Wallace International de P. R. Inc., corporación de Delaware, está autorizada para hacer negocios en Puerto Rico bajo el Certificado de Registro número 6566 del 16 de noviembre de 1983.

El estado financiero de Syratech y subsidiarias para diciembre de 1986 refleja un total de activos de $37,989,390 de los cuales $20,974,775 eran pasivos y $17,014,615 constituían el capital. Para ese mismo período las ventas fueron de $18,327,654 para un beneficio neto de $905,005.

Después de estudiar los aspectos generales del proyecto y el tiempo que llevan operando consideramos que debe ser un éxito.

III. Incentivos Solicitados

Conforme a las Normas para el Programa de Incentivos Especiales del 16 de octubre de 1980, el proyecto cualifica para incentivos de infraestructura por la cantidad de $89,000. Los mismos serán utilizados para lo siguiente:

1- construir una verja de seguridad ($9,000)

2- construir un túnel entre los dos edificios ($22,000)

3- instalar rociadores contra incendio en ambos edificios ($58,000)

Las mejoras serán desembolsadas mediante presentación de facturas, previa aceptación de la CFI. El desembolso no estará atado a la creación de empleo, inversión de maquinaria y equipo o inversión total. Las mejoras pasarán a ser propiedad de la CFI.

Alba I. Maldonado Díaz

FORMULARIO RESUMEN DE INCENTIVOS

Clasificación: RP-NB

Origen: No Local

Nombre de la Empresa: Wallace International de P. R.,Inc.

Principales de la Firma: Syratech Co.

Municipio: San Germán

Edificio: T-0343-0-56, T-0343-1-60, T-0261-0-54, T-0261-1-62, T-0261-2-72

Historial de Pago Renta CFI: _____

Producto: Envases de cosméticos, regalos, etc. en plata esterlina

Empleo Propuesto: 161

Empleo Comprometido (XT): -

Empleo Actual (XT): _____

Incentivos:

Por Localización:

Cantidad Solicitada: $_____

Usos de los Incentivos: _____

Historial de Incentivos Previamente Recibidos:

Cantidad Aprobada:$_____

Cantidad Desembolsada: $_____

Para Infraestructura:

Cantidad Solicitada:$89,000

Usos de los Incentivos: Ver memorando de Evaluación
(Indicar si la mejora será propiedad de la CFI)

Balance de Fondos Disponibles Programa de Incentivos:$ 4,693,260

Comentarios: _____

CFIPR

ESTADO LIBRE ASOCIADO DE PUERTO RICO
ADMINISTRACION DE FOMENTO ECONOMICO
SAN JUAN, PUERTO RICO

RECOMENDACION PARA LA CONCESION DE INCENTIVOS

A : ADMINISTRADOR DE FOMENTO ECONOMICO — Fecha : 26 de agosto de 1987

DE : Director, Oficina de Estudios Económicos

ASUNTO

Nombre Wallace International de P. R., Inc.

Dirección P. O. Box 4875, New York

Ubicación del Proyecto: Calle B- Reparto Industrial El Retiro, San Germán, P. R. — Industria Puertorriqueña: | Industria Continental: x

Tipo de Proyecto: Nuevo | Expansión | Otros (Explique): RP

Producto : Envases de cosméticos, regalos, etc. en plata esterlina

Cantidad Recomendada $ 89,000 infraestructura — Cantidad Cualifica $ —

REQUISITOS

EMPLEO	INVERSION TOTAL	MAQUINARIA

DESEMBOLSO :
Primeros . . . . . $
Adicionales hasta 100. . $
Adicionales a 100 . . . $

NIVELES ANTERIORES :
Empleo
Inversión Total
Inversión Mqa. y Eqpo.

FACILIDADES FISICAS NECESARIAS: x | Edificio CFI: | Privado: | Area Espacio 55,172 p.c.

P R O Y E C T O A C T U A L (Si expansión)

Ubicación :

Si local | Empleo : | Nómina :

Edificio CFI | Privado | Espacio en p/c :

Inversión Total : $ | Inversión en Maquinaria:

D A T O S F I N A N C I E R O S Fecha: 12/31/86

Syratech Corp and Subsidiaries — Certificado: | No Certificado: x

ACTIVOS CORRIENTES	$32,930,678	VENTAS	$18,329,654
ACTIVOS FIJOS (Otros Activos $ 7,634)	$ 5,051,078		
TOTAL ACTIVOS	$ 37,989,390	GANANCIAS NETAS	$ 905,005
TOTAL PASIVOS	$ 20,974,775	TOTAL CAPITAL	$17,014,615

PARA USO EXCLUSIVO DEPARTAMENTO ANALISIS FINANCIERO

DETERMINACION DE POSICION FINANCIERA	SATISFACTORIA	x	NO SATISFACTORIA		(EXPLIQUE)	
EVALUACION DE DATOS : PRO FORMAS	SATISFACTORIA	x	NO SATISFACTORIA		(EXPLIQUE)	
MERCADO	ADECUADO	x	INADECUADO		(EXPLIQUE)	
CAPACIDAD EMPRESARIAL	ADECUADA	x	INADECUADA		(EXPLIQUE)	
REFERENCIAS DE CREDITO	BUENA	x	REGULAR		MALA	(EXPLIQUE)

AYUDA PREVIA:

EXENCION CONTRIBUTIVA : SOLICITADA | APROBADA
NO CUALIFICA (EXPLIQUE)

EXPERIENCIA CFI	BUENA		REGULAR		MALA		(EXPLIQUE)
DE CONFORMIDAD CON LAS NORMAS Y OBJETIVOS	SI		NO		Inicieles:	MZNG	

RECOMENDADO :

APROBADO : 9-IX-87

Annex 6 G

ECONOMIC DEVELOPMENT ADMINISTRATION

Transfer Report

(Form to transfer projects from Industrial Promotion to PRIDCO for contract negotiations for plant facilities whether PRIDCO or private.)

TO: PRIDCO Treasurer's Office

Industrial Promotion Dept. Report #_____

1. Origin & Source of Project:

x	U.S.
	RP/NB
x	Referred
Boston	COB or Europe Office
E. Castro	COB or Europe IR
F.A.Irizarry	SJO IR
6-86	Date 1st EDA contact
10-86	Date classified P-full
10-86	Date 1st visit to P. R.
	Number of Visits
	Foreign
	C/O-NB
	Direct

2. Information on Parent Co.:

Parent Co.: Syratech Co.
Address: P.O. Box 4875, New York
175 McGlellan Highway Phone: (617)561-2
E. Boston, MASS. 02128
Name & Title of Negotiating Officers: Messrs. Dr.Leonard Florence, Chairman/Syratech, Merle Rymdolph, V.P.&Chief Financial Officer
Net Worth & D&B Rating ___
Annual Sales _____ Employment _____
Marketing outlets U.S.
Size of plant _____
Francisco Altieri, Gen. Mgr. Wallace Intl. Silversmiths de Puerto Rico.

3. Proposed Project for P. R.

Local Name: Wallace International Silversmiths de P.R. PRIDCO Project# ___ Pvt. bldg.
If c/o give name & address of plant considered Street B El Retiro Ind. Ward, San Germán CPI 4-261-86 To be built X Completed
Is it operating at present? Yes CPI 5-343-86
At what level of capacity? 85% 55,172 s.f. Area Same contract Rental Rate
__ Land __ Cost of bldg. & land
Description of Products & SIC#
Sterling & Brass Flatware, Sterling Cosmetics, Sterling type gift items.
Location & Address (if private state owner's name, address & telephone number) _____
175 McGlellan Highway, E. Boston, MA. 02128
Tel. (617)561-2200

Employment:

112	6 months	125	12 months
161	18 months	161	Full Production
	Min. Wage	$1,185,000	Annual Payroll (full production)

If c/o state additional employment _____

Investment Requirements:

2340,000.	Total
2,340,000.	Machinery & equipment
	Earned Surplus
	Subordinated Loans
	Paid in Capital

If c/o state additional investment:

Effective date lease contract _____
TE filed: X SL # _____
Attorney Roberto Suárez
Other sites & bldgs. inspected: _____

Contract subject:
TE, ___ Incentives, ___ Loans
Other _____
If incorporated, give name _____
Temporary Contract Assignment: _____ (name of individual)

4. Financing & assistance recommeded for proposed project:

X	Incentives		Incentives
Standard Case		Special Case	
X	Trng. Assistance		Loans
	Special facilities	Bank, PRIDCO ARA or SBA	

5. Information included in folder:

	D&B		Bank & Trade Ref.
X	SRGO	X	Financial Reports
	Samples		Omnibus Form
	Other		OER Recommendation
		X	Prom. Dept. Recomm.

6. Pending Action for Promotion of Case

- E.A.D.
- Planning Department
- O.E.R.

Approved for Transfer to PRIDCO:

Rafael Figueroa Longo
Director or Sub Director Ind. Promotion

/lmm

Date sent to PRIDCO

Approved for Contract Negotiations:

Treasurer or Assistant Treasurer-PRIDCO

Date Accepted in Negotiations

Distribution:

Original - PRIDCO Treasurer
cc: PRIDCO - President
Planning Dept. Chief
SJO - Division Chief
Administrative Assistant
COB - Industrial Promotion Director
IR thru Office Manager
Central File

SYRATECH
175 McClellan Highway
East Boston, MA 02128

A reflection of you

March 10, 2006

Via: Federal Express

Puerto Rico Industrial Development Company
P.O. Box 362350
San Juan, Puerto Rico 00936

Re: Lease Agreement, as amended and extended, by and between Wallace International de P.R., Inc. and the Puerto Rico Industrial Development Company ("PRIDCO").

Dear Sir or Madam:

We are pleased to inform you that Syratech Corporation has entered into an Asset Purchase Agreement to sell substantially all of its assets to Lifetime Brands, Inc. We expect that this transaction will be completed in approximately three weeks.

In accordance with the contract we have with your company, Syratech hereby requests that you acknowledge the change of control of Syratech's business and the assignment of the contract that will result from the above sale of Syratech's assets, and accordingly, agree to consent that no default will occur under the contract as a result of such event. This will not affect any other right you have or waive any other claim you may have under the contract. To confirm this, we would appreciate it if you would sign and return the attached consent form to me as promptly as possible by facsimile at 617-568-1361 and then return the original to me in the enclosed self-addressed envelope.

Lifetime Brands is a leading designer, developer and marketer of a broad range of consumer products used in the home and the combination of internal growths and acquisitions has made it one of the leading companies in its industry. (Lifetime Brands website is www.lifetimebrands.com).

Please feel free to contact me at 617-568-1397 if you have any questions regarding this matter.

Thank you for your cooperation.

Yours sincerely,

SYRATECH CORPORATION

By: _____
Name: Albert L. Kramer
Title: Counsel

cc: Gregory W. Hunt, Co-Chief Executive Officer
Alan R. Kanter, Co-Chief Executive Officer
Debra R. Thompson, Esq.
Luis Santiago

ARTICLE I
BASIC TERMS OF LEASE

The following sections set forth basic information referred to in this Lease Agreement and, where appropriate, constitute definitions of the terms hereinafter listed.

1.01 **LANDLORD:** Puerto Rico Industrial Development Company (PRIDCO).

1.02 (a) **LANDLORD'S POSTAL ADDRESS:** P.O. Box 362350
San Juan, P.R. 00936-2350
Attn.: Real Estate Office
(Contracts Administration Division)

(b) **LANDLORD'S PHYSICAL ADDRESS:** 355 F.D. Roosevelt Avenue
Hato Rey, Puerto Rico 00918
Telephone: (787) 758-4747
Fax: (787) 753-7367

1.03 (a) **TENANT:** WALLACE SILVERSMITHS DE PUERTO RICO LTD.

(b) **TENANT'S TRADE NAME:** Wallace Silversmiths de Puerto Rico

1.04 (a) **TENANT'S POSTAL ADDRESS**

Sr. Luis A. Santiago Figueroa
Comptroller
Wallace Silversmiths de PR
P.O. Box 1177
San Germán, PR 00683-1177
Tel. 787-892-2065 email: Lsantiago@syratech.com

(b) **TENANT'S PHYSICAL ADDRESS:** _____
other than the Leased Premises) _____
_____
Telephone: (787) 892-2065
Fax: (787) 892-5550

1.05 **TENANT'S EMPLOYER IDENTIFICATION NO.** 66-0402645

1.06 **LEASED PREMISES:** Projects No. T-0261-0-54, 1-62, 2-72 & T-0343-0-56, 1-60 , as described in separate Attachment to this Lease Agreement, consisting of a parcel of land and a buildings thereon having a gross construction area of 54,772.17 sq. ft. (the "Building"), located at **San Germán**, Puerto Rico. The Leased Premises include the special facilities, if any, described in Attachment A. For purposes of this Lease Agreement, the Building's gross construction area includes, without limitation, bathrooms, ramps, access stairs, loading docks, exterior shelters, corridors between buildings or structures and other roofed structures on the parcel of land, as described in Attachment A. Should the Leased Premises consist of various projects, the term "Building" shall be construed to include each and all of the buildings described in Attachment A.

#2010-001008
27-abr-10

INITIALS

O.I.M.

1.07 **PERMITTED USE:** The Leased Premises shall be used exclusively to: **sterling silver and other source metals for the manufacture of flatware, giftware, and houseware products and fabricated metal products.**

1.08 **CAPITALIZATION, INVESTMENT AND EMPLOYMENT LEVELS:** The minimum level of Capitalization, Investment and number of Employees that TENANT is required to have for its operations at the Leased Premises, as defined in Section 4.02(c) of this Lease Agreement. TENANT will be required to maintain the following levels:

(a) Capitalization $ N/A
(b) Machinery and Equipment $ N/A
(c) Employees N/A

As used in this Lease Agreement, the term "capitalization" includes the stream of total value ("equity") of the owner (preferred stock, common stock and surplus) plus long-term debt. Amortization of the long-term debt will not reduce the amount originally established as the minimum capitalization amount.

1.09 **LEASE TERM:** ONE (1) year beginning on **January 1st, 2010.** Renewals will not take affect until Tenant and Landlord agree on Basic Rent terms for each follow-on years as defined in paragraph 1.13. Basic Rent for a renewal period of one year will be agreed and executed in writing within 90 days of expiration of the current one year term. One year renewals will take affect upon the expiration of the term in force unless one of the parties hereto, no later than ninety (90) days before the expiration of such term, notifies the other party of its intention to terminate the lease upon conclusion of the term in force..

1.10 **YEAR:** "Year" shall mean 365 consecutive days unless the year in question is a leap year, in such case the term "Year" shall mean 366 consecutive days.

1.11 **DATE OF DELIVERY OF POSSESSION:** N/A

1.12 **RENT COMMENCEMENT DATE:** The date on which TENANT's obligation to pay Basic Rent commences on **January 1st, 2010.** Inasmuch as TENANT is presently in possession of the demised premises pursuant to a certain Lease Contract executed between the parties hereto, TENANT hereby accepts the premises in their present condition.

1.13 **BASIC RENT:** The Basic Rent to be paid to LANDLORD shall be based on the gross construction area of the Building as follows:

YEAR	PERIOD	RENT PER SQ. FT.	MONTHLY BASIC RENT	ANNUAL BASIC RENT
1	01/01/2010- 12/31/2010	$2.00	$9,128.70	$109,544.34
Renewal 2 to 10	**The Basic Rent for a renewal period shall be negotiated as agreed.**			

TENANT's obligation to pay Basic Rent shall commence on the date set forth in Section 1.12 of this Lease Agreement.

1.14 **SECURITY DEPOSIT:** A sum equivalent to the aggregate of i) the payment(s), below identified as "Reservation Payment", made by TENANT prior to the

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execution of this Lease Agreement to reserve the Leased Premises and ii) the amount below identified as the "Security Deposit Balance", which amount is the remaining balance to complete the security deposit required under Section 6.01 of this Lease Agreement.

Total Security Deposit **$13,145.32**

Previous Contract Deposit $6,414.82-Cash Receipt No. 115833 Date: 5/25/1984 & $4,066.36- Cash Receipt No. 146282 Date: 2/2/2000

Security Deposit Balance $2,664.14 Cash Receipt No. 171374 **Date** 4/21/10

The Security Deposit Balance payment, **($2,664.14)** shall be made with a manager's or official bank check and delivered by TENANT together with this Lease Agreement.

1.15 **GUARANTOR:** **Intentionally omitted**

1.16 **EFFECT OF REFERENCE TO A DEFINED TERM IN ARTICLE I.** Each of the defined terms used in Article I shall be construed in conjunction with the definition thereof contained in this Lease Agreement. In the event of any conflict between the defined term and the balance of the Lease Agreement, the latter shall prevail.

1.17 **ATTACHMENTS.** The following marked attachments are incorporated in this Lease Agreement by reference as if set forth at length herein and form an integral part hereof:

[X] **Attachment A - Description of Each of the Leased Premises**
[ ] **Attachment B - Lease of Additional Parcel**
[ ] **Attachment C - Certificate of Delivery of Leased Parcel (Form BRN-023A)**
[ ] **Attachment D - Certificate of Delivery of Keys (Form - BRN-033)**
[ ] **Attachment E - Work to be Performed by TENANT**
[ ] **Attachment F - Notice of Delivery of Possession**
[ ] **Attachment G - Form of Lease Guaranty**
[ ] **Attachment H - List of Improvements (Deficiencies)**
[ ] **Attachment I - Acknowledgment of Flood Zone**
[ ] **Attachment J - Disaster Impact Quantification Form**

ARTICLE II
TITLE, AUTHORITY AND DEMISE

2.01 **Title and Authority**. LANDLORD is the owner of the property described in Attachment A hereto and, in such capacity, has full right and lawful authority to lease said property to TENANT and to grant to TENANT all the rights pertaining thereto, subject to the liens, encumbrances and restrictions which may affect it, if any, and the terms and conditions of this Lease Agreement and of its attachments.

2.02 **Demise**. Subject to the terms, covenants and conditions of this Lease Agreement, LANDLORD leases the property described in Attachment A (the "Leased Premises") to TENANT, and TENANT accepts same.

ARTICLE III
LEASE TERM AND POSSESSION

3.01 Term. The term of this Lease Agreement (hereinafter the "Term") shall commence on **January 1st, 2010** and shall expire on the last day of the last Year of the Term (including any possible extension as per Section 1.09 hereof), unless otherwise terminated in accordance with the provisions of Article XVIII of this Lease Agreement.

3.02 Delivery of Possession of Leased Premises. The exact date on which the Leased Premises shall be delivered to TENANT shall either be set forth in Section 1.11 of this Lease Agreement or attested to in writing by LANDLORD and TENANT in a document in form substantially similar to Attachment D of this Lease Agreement (the "Certificate of Delivery of Keys"). **(N/A- it is a renewal- Tenant is in possession of the premises)**

ARTICLE IV
USE OF THE LEASED PREMISES, RESTRICTIONS AND OPERATIONAL REQUIREMENTS

4.01 Use of Leased Premises. (a) Authorized Use. TENANT shall use and occupy the Leased Premises solely and exclusively as authorized in Section 1.07 of this Lease Agreement. Any change in the authorized use must be previously approved in writing by LANDLORD.

(b) Restrictions. LANDLORD reserves exclusively to itself the air rights over any building or structure forming part of Leased Premises, for any purpose.

4.02 Ongoing Operation; Levels of Capitalization, Investment and Employment.

(a) Purpose. TENANT acknowledges that this Lease Agreement is entered into in furtherance of the Government of Puerto Rico's economic and industrial development plan. Accordingly, strict compliance with the provisions of this Section 4.02 is a paramount and indispensable requirement of this Lease Agreement.

(b) Interruption of Operations. In accordance with the previous paragraph, TENANT shall make every effort necessary to maintain uninterrupted its operations at the Leased Premises. However, nothing contained in this section shall be deemed to require TENANT to conduct its operations in any other way than in compliance with sound business principles. The temporary shutdown or interruption of operations for reasonable cause shall not constitute a breach of this Lease Agreement if TENANT has satisfied the following conditions:

(i) TENANT shall notify LANDLORD in writing of any interruption or temporary shutdown of the entire operation that is planned in excess of 3 weeks at least thirty (30) days prior to the scheduled occurrence thereof, except in the event of an emergency interruption or shut down, in which case notice shall be given as quickly as possible but not later than the next business day;

(ii) the interruption or temporary shutdown of operations shall not last for more than three (3) consecutive months; and

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(iii) during the period of interruption or temporary shutdown of operations, TENANT shall observe and comply with all the terms, conditions and obligations of this Lease Agreement, including, but not limited to, the payment of Rent (Basic and Additional) and the maintenance of the Leased Premises.

ARTICLE V
RENT

5.01 **Basic Rent**. As of the Rent Commencement Date set forth in Section 1.12 hereof, TENANT shall pay to LANDLORD the Basic Rent specified in Section 1.13 of this Lease Agreement. The Basic Rent for any renewal period shall be negotiated and agreed to in accordance with paragraphs 1.13 and 1.09. TENANT shall pay the Basic Rent in monthly installments in the amount indicated in Section 1.13 in advance on or before the first day of each calendar month (the "Monthly Rent"); provided, however, that if the Rent Commencement Date does not fall on the first day of a calendar month, the rent for the initial partial month shall be prorated based on a 30 day month and included with the first payment of Monthly Rent due the first day of the first full calendar month following the Rent Commencement Date.

5.02 **Additional Rent**. Any amount TENANT is obligated to pay or reimburse LANDLORD under this Lease Agreement that is not Basic Rent shall be considered to be Additional Rent.

5.03 **Payment Method**. The Basic Rent and the Additional Rent (hereinafter collectively, the "Rent") shall be paid in legal currency of the United States of America. Any payment or charge identified in this Lease Agreement as Additional Rent shall be made on or before the first day of the month following the date the request for payment was sent by LANDLORD to TENANT. All Rent shall be remitted to LANDLORD, delivered either personally or by mail to the address indicated in Section 1.02 of this Lease Agreement, or to any other address that LANDLORD may from time to time notify to TENANT, it being TENANT's duty to take the necessary measures and precautions to ensure that the Rent is received by LANDLORD on or before its due date. The payment of Rent is separate from any other agreement or obligation contained in this Lease Agreement, and shall be paid without the need of previous request or notice by LANDLORD, without set off, adjustment or abatement of any kind, except as otherwise provided for herein. LANDLORD may demand at any time that Rent payments be made by a manager's or official bank check.

ARTICLE VI
SECURITY DEPOSIT

6.01 **Security Deposit**. Simultaneously with the execution of this Lease Agreement, TENANT shall deliver to LANDLORD a manager's or official bank check, for the amount specified in Section 1.14 of this Lease Agreement (the "Security Deposit"), to guarantee the faithful performance of each and every one of TENANT's obligations, including, but not limited to, the payment of all the Basic Rent, any other expenditure TENANT is responsible for hereunder, and the surrender of the Leased Premises upon expiration of the Term, or at the termination of this Lease Agreement, in the condition and good order required by

Article XIX of this Lease Agreement. TENANT shall not have the right to receive interest on the Security Deposit.

6.02 **Use of Security Deposit.** LANDLORD may use all or part of the Security Deposit at any time to cover any payment (including Rent) or expense that, according to the terms and conditions of this Lease Agreement, is TENANT's responsibility. Should it become necessary for LANDLORD to use the Security Deposit as a result of a default or violation of the Lease Agreement by TENANT, TENANT must replace the amount used by LANDLORD within fifteen (15) days of a written demand therefor by LANDLORD.

6.03 **Surrender of Security Deposit.** Upon termination of this Lease Agreement, TENANT shall request in writing the Security Deposit (or the remaining balance after use by LANDLORD to cover any payment (including Rent) or other allowable expense under this Lease Agreement) after LANDLORD (i) has inspected the Leased Premises; (ii) confirms that the Leased Premises have been surrendered according to Article XIX and the other pertinent terms and conditions of this Lease Agreement; and (iii) determines that no environmental deficiencies exist which are attributable to or a consequence of the operations of TENANT at the Leased Premises.

6.04 **Transfer of Security Deposit.** In the event of sale, assignment or transfer of the Leased Premises by LANDLORD to a third party, LANDLORD shall be entitled to transfer the Security Deposit to its successor, who shall thereafter be solely and exclusively liable for the return of the Security Deposit, and LANDLORD shall be released upon said transfer from any claim or liability towards TENANT regarding the Security Deposit or its return upon termination of this Lease Agreement.

ARTICLE VII
ALTERATIONS AND IMPROVEMENTS

7.01 **General Provisions.** Inasmuch TENANT is in possession of the Leased Premises, acknowledges that said property is in good state of repair.

7.02 **Alterations and Improvements**. Except for the work described in Attachment E hereto, if any, for which LANDLORD has agreed to reimburse TENANT; all alterations, changes, additions or improvements necessary for the Leased Premises to be used for the purposes set forth in Section 1.07 of this Lease Agreement, shall be paid for by TENANT. TENANT shall make no alterations, changes, additions or improvements without LANDLORD's prior written consent except for the work described in Attachment E, if any, which LANDLORD expressly authorizes TENANT to undertake.

7.03 **Air Conditioning; Electric Power Generator.** TENANT may, at its own expense, install an air conditioning system and/or an electric power generator at the Leased Premises, subject to LANDLORD's previous written approval. Any installations of such equipment shall be made in coordination with LANDLORD.

7.04 **Sprinkler System**. TENANT shall implement the necessary security measures to avoid or reduce the risk of fire due to the storage of flammable materials or products. If required by law, TENANT shall install a sprinkler system at its own cost and expense. It shall be TENANT's obligation to obtain the necessary endorsements and/or approvals of the Puerto Rico Fire Department for such installation.

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7.05 **Floor Load**. TENANT acknowledges having been informed by LANDLORD that the Building's maximum sustainable floor load is one hundred and fifty (150) pounds per square foot. In the event that the type of machinery and/or equipment to be installed, stored and/or utilized by TENANT for its operations in the Building exceeds said maximum floor load limit, TENANT shall, at its own expense, make the necessary improvements to the Building which will allow the Building floor to sustain the maximum load required by TENANT's operations without affecting or damaging the strength or stability of the Building.

7.06 **Liens and Encumbrances**. (a) TENANT may not create nor allow the filing of any lien against the Leased Premises.

(b) TENANT certifies and guarantees that all materials used in or for any construction or work in the Leased Premises shall be free of liens and encumbrances at the time said materials are incorporated into the Leased Premises. At the time the construction or work begins, TENANT shall certify to LANDLORD that the materials to be used are free of liens and encumbrances.

(c) TENANT shall immediately notify LANDLORD regarding any lien or attachment on materials or supplies used in construction or work at the Leased Premises which become incorporated into the Leased Premises. Should an attachment be placed upon the Leased Premises or any other type of lien be created that may directly or indirectly affect the Leased Premises, TENANT will quickly take any action, including payment of the amount claimed, necessary to cancel said attachment or lien and release the Leased Premises from the lien in a term not greater than thirty (30) days from the date that the lien is filed. Should the lien not be canceled within the period provided above, in addition to any other rights or remedies available to LANDLORD, LANDLORD may, but is not obligated to, obtain the cancellation of the lien by making payment of the amount claimed, by posting of a bond for the amount of the lien, or by any other procedure that LANDLORD deems appropriate; and any expense incurred in said effort, including attorneys' fees incurred by LANDLORD, shall be paid by TENANT as Additional Rent.

7.07 **Ownership of Improvements; Surrender**. (a) Upon termination of the Lease Agreement, all alterations, changes, additions, or improvements made by TENANT to the Leased Premises with incentives, credits, or other economic assistance from LANDLORD shall be deemed incorporated into the Leased Premises and therefore property of LANDLORD, with no rights of TENANT to any compensation or reimbursement therefore by LANDLORD. LANDLORD may require TENANT to remove, at TENANT's expense, any or all such alterations, changes, additions, or improvements made by TENANT during the period of its operations on the leased premises, upon termination of the Lease Agreement.

(b) Upon termination of the Lease Agreement, TENANT, unless specifically permitted by LANDLORD, shall remove, at TENANT's expense, those improvements i) installed by TENANT in the Leased Premises at TENANT's cost and expense, or ii) described on Attachment H hereto, installed by a prior TENANT and whose ownership was accepted by TENANT, or iii) not identified as special facilities on Attachment A.

(c) TENANT, after removal of any alterations, changes, additions or improvements, shall restore the Leased Premises to a condition reasonably similar to their condition when delivered to TENANT.

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7.08 **Plans and Specifications**. Should TENANT request the consent of LANDLORD to effect any alteration, change, addition, or improvement, LANDLORD may, at its option and in its discretion, require TENANT to submit to LANDLORD for approval plans and specifications for the proposed work, including such work, if any, as described in Attachment E. Said plans and specifications must be submitted and approved by the pertinent governmental entities prior to TENANT's commencement of any work.

ARTICLE VIII
MAINTENANCE AND REPAIRS

8.01 **TENANT's Duties and Responsibilities**. (a) Except for those repairs that according to Section 8.02 hereof are LANDLORD's responsibility, TENANT shall maintain in good condition, at its own cost and expense, the Leased Premises, with all improvements including, but not limited to, the exterior premises, the Building, the special facilities, stairs, elevators, ramps, sidewalks, curbs, roads, landscaping, the ground and underground of the Leased Premises, and the pipes, lines, cables or ducts and other utility connections that service the Leased Premises. Any repair to the Leased Premises is TENANT's responsibility, unless said repair is necessary as a consequence of the negligence or some intentional act of LANDLORD, its agents, employees or contractors. As appropriate, TENANT shall (i) repair or replace doors, windows and their frames; the electrical system; the air conditioning and/or ventilation system; the plumbing, sanitary and sewage systems as well as the equipment, machinery, facilities or objects within the Leased Premises or that form part of the Leased Premises with the same type and quality; and (ii) paint the interior and exterior of the Building.

(b) TENANT shall also maintain the Leased Premises and its surroundings free of insects, rodents and pests; (ii) free of garbage, refuse, debris and any other solid waste; and (iii) free from unpleasant or offensive odors. Moreover, TENANT shall maintain the drainage and sewer systems of the Leased Premises free from obstructions.

(c) If TENANT fails to make any repair or if any repair is performed in an unsatisfactory manner, or if equipment is not replaced when necessary, LANDLORD may, but is not obligated to, undertake any such repair or replacement. TENANT shall reimburse LANDLORD for all costs incurred in any such repair or replacement plus an additional thirty percent (30%) of the cost of any such repair or replacement in order to cover LANDLORD's administrative costs. Any such costs reimbursed by TENANT including the additional percentage charge established above shall be considered Additional Rent, and as such, shall be paid within the period provided in Article V of this Lease Agreement. TENANT shall hold LANDLORD harmless from any damage or inconvenience suffered by TENANT as a consequence of any repairs performed by LANDLORD as provided in this paragraph, and TENANT shall have no rights of adjustment or reduction in Rent in connection therewith.

(d) TENANT shall perform all maintenance work necessary to ensure that all its equipment and operations fully comply with the applicable fire prevention standards and environmental requirements, legal or regulatory.

(e) The provisions of this Section 8.01 shall not be applicable in the case of damage or destruction resulting from fire or any other event covered by Article XIII of this Lease Agreement.

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8.02 **LANDLORD's Duties and Responsibilities.** LANDLORD shall be solely and exclusively responsible for any necessary repairs or restorations due to defects in the design of the Building or construction defects thereof, not apparent at the moment TENANT inspected the Leased Premises prior to occupancy. Except as provided in this Section 8.02, LANDLORD shall not be responsible for any repair, replacement or improvement to the Leased Premises or to equipment, machinery, facilities, furniture or any other object within the Leased Premises, all of which shall be the responsibility of TENANT as provided in Section 8.01 of this Lease Agreement.

8.03 **Roof Care and Maintenance**. TENANT shall not, without the previous written consent of LANDLORD: (i) place any fixture, equipment or other load on the roof of the Building; (ii) perforate the Building's roof; or (iii) use the roof of the Building for storage. TENANT shall take all necessary measures to maintain the roof's drainage system free from obstructions and in good and working condition at all times. Prior to undertaking any repairs to the Building's roof, TENANT shall submit in writing to LANDLORD a detailed description of the work to be performed and provide any other pertinent information related to said repairs LANDLORD may request.

ARTICLE IX
PUBLIC UTILITIES

9.01 **TENANT's Duties and Responsibilities**. TENANT shall pay for the cost of electricity, water, gas, telephone and any other utility service to the Leased Premises during the Term of this Lease Agreement, including the period of time, if any, between the Date of Delivery of Possession and the Rent Commencement Date. TENANT shall request and coordinate the installation of metering devices and other mechanisms or systems necessary to obtain the various utility services for the Leased Premises, and shall be liable for any deposit and/or installation charge required by the corresponding agency or utility company.

9.02 **Service Interruption**. TENANT shall not make adjustments to the Rent nor hold LANDLORD liable for any utility service interruption to the Leased Premises or for damages suffered as a consequence of any interruption.

9.03 **Electricity**. (a) Basic System. The Leased Premises, at a minimum, are equipped with a basic electrical power system for general lighting and wall outlets connected to a 200 amp meter box designed for a secondary voltage of 120-208 volts. In the event that the Leased Premises are not connected to the power lines of the Puerto Rico Electric Power Authority (hereinafter "PREPA"), said connection shall be made by TENANT and in coordination with LANDLORD, at TENANT's expense, including the purchase and installation of any equipment necessary to make the connection, which equipment must meet PREPA's requirements.

(b) Electrical Substation. TENANT, at its own cost and expense and without any right to reimbursement from LANDLORD, may build, install and maintain in coordination with LANDLORD an electrical substation on the Leased Premises and connect it to PREPA's distribution lines, subject to compliance with PREPA's requirements. Under no circumstances shall TENANT install an electrical substation without LANDLORD's prior approval as to the capacity and power of said substation, its location within the Leased Premises, and the routing path of the power lines.

(c) Additional Equipment. TENANT covenants not to install or use any equipment that will exceed or which reasonably could exceed the capacity of the Leased Premises' power lines without LANDLORD's prior consent. TENANT, at its cost and expense, will upgrade the electrical service lines in accordance with the plans and specifications previously approved in writing by LANDLORD should TENANT's operations require greater electrical service line capacity. TENANT will have to build its own electrical substation if its electric power needs exceed 50 KVA.

9.04 **Water Supply.** (a) Should TENANT require water volume and/or water pressure greater than that existing in the area of the Leased Premises, the construction and/or installation of any improvements (including structures), that are necessary, convenient or required by the Puerto Rico Aqueduct and Sewer Authority (hereinafter "PRASA") to increase said volume and/or pressure, shall be made at TENANT's own expense and coordinated with LANDLORD, but without any right to reimbursement from LANDLORD for any such improvements.

(b) Should PRASA require improvements to the Leased Premises' water main connection, TENANT shall perform the corresponding improvements at its own expense, and only after written approval has been given by LANDLORD.

ARTICLE X
QUIET ENJOYMENT

10.01 **Quiet Enjoyment.** Upon TENANT's payment of Rent and observance of all other terms, covenants and conditions of this Lease Agreement that are to be observed and performed by TENANT, LANDLORD covenants that TENANT may peaceably and quietly enjoy the Leased Premises, during the Term, or until the termination of the Lease Agreement in accordance with Article XVIII.

ARTICLE XI
TAXES, ASSESSMENTS AND DUTIES

11.01 **Taxes, Assessments and Duties.** TENANT shall be liable for the payment of all taxes, assessments, duties or any other tax levied by any government entity having taxing authority over real property, personal property, and/or the activities directly or indirectly related to TENANT's operations at the Leased Premises, including, but not limited to, personal property taxes on equipment and machinery located at the Leased Premises. TENANT shall pay these taxes, assessments, and duties before their due date.

ARTICLE XII
ENVIRONMENTAL

12.01 **Governmental Regulations and Environmental Protection.** TENANT shall comply with all laws, rules, regulations, executive orders, administrative orders and requirements of local and federal governmental agencies having jurisdiction over TENANT's operations at the Leased Premises. Upon request by LANDLORD, TENANT shall submit evidence of said compliance and of any permits, and agency endorsements such as, but not limited to:

(i) the Puerto Rico Fire Department;
(ii) the Puerto Rico Department of Health;

(iii) the U.S. Food and Drug Administration (FDA);
(iv) the Puerto Rico Occupational Safety and Health Office (PROSHO);
(v) the Puerto Rico Environmental Quality Board (EQB);
(vi) the U.S. Environmental Protection Agency (EPA);
(vii) the Puerto Rico Aqueduct and Sewer Authority (PRASA);
(viii) the Puerto Rico Natural and Environmental Resources Department (DNER);
(ix) the Regulations and Permits Administration (ARPE);
(x) the Puerto Rico Planning Board.
(xi) the Solid Waste Administration
(xii) the pertinent Municipal Government

TENANT shall maintain the Leased Premises and conduct its operations thereat in compliance with the terms, conditions, and requirements specified in i) the Environmental Impact Statement, or any other document prepared for the evaluation of environmental aspects of its operations at the Leased Premises; and ii) the permits issued by the governmental agencies with jurisdiction over the operations at the Leased Premises.

TENANT, at its own cost and expense, shall install on the Leased Premises the necessary equipment to prevent its operations from affecting adversely the environmental integrity of the Leased Premises, or causing any disturbance to the adjacent properties or to the community in general.

Any improvements or installation of equipment for pollution controls required by any agency or governmental entity having jurisdiction thereof shall be at TENANT's expense and subject to Article VII of this Lease Agreement. TENANT shall also comply with the following permits and regulations, without limitation of any other applicable environmental requirements:

(a) Wells. LANDLORD will not allow the drilling of a water well at the Leased Premises unless TENANT's operations at the Leased Premises require a volume of water greater than that which PRASA can supply. In such case TENANT will obtain a construction permit and a franchise from the Department of Natural and Environmental Resources to drill such well and to extract water therefrom. For any other type of well (i.e., monitoring, injection, etc.) TENANT shall obtain the necessary permits and LANDLORD's written consent.

(b) Noise. TENANT shall not exceed the maximum noise levels allowed by the Noise Pollution Control Regulation of the Puerto Rico Environmental Quality Board.

(c) Air Emissions. TENANT shall obtain all the necessary construction and operational permits necessary to construct, install, and operate any air emissions source or atmospheric pollution source, as defined by the Regulation for the Control of Atmospheric Pollution Sources of the Environmental Quality Board and the Federal Regulations. This includes, but is not limited to (i) ventilation systems to disperse atmospheric emissions resulting from TENANT's operations; (ii) electric power generators for emergency use; (iii) storage tanks for flammable gases with a capacity greater than five hundred (500) gallons; and (iv) fuel storage tanks (gasoline, diesel, kerosene, acetone, alcohol and others) having a capacity of more than ten thousand (10,000 gallons). TENANT, at its own cost and expense, shall establish the necessary measures and shall install the equipment required to maintain the air quality standards established by the

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existing laws and regulations and any amendments thereto as required by the permits issued by the Environmental Protection Agency and the Environmental Quality Board.

(d) Gas Storage Tanks. TENANT shall obtain a permit from the Public Service Commission to install and/or store flammable gases in aboveground storage tanks.

(e) Underground Storage Tanks. TENANT shall not install underground tanks to store fuels, raw materials or chemical substances. In the event that any such tanks have been previously installed at the Leased Premises and removal thereof would constitute a risk to the Leased Premises or to TENANT's operations, such tanks shall be used only if they comply with federal and state regulations for underground storage tanks.

(f) Aboveground Storage Tanks. TENANT, if applicable, shall prepare and implement a Spill Prevention, Control and Countermeasure Plan (SPCC Plan) as required by 40 CFR 112 and comply with the requirements of the Environmental Quality Board for the installation and operation of aboveground storage tanks.

(g) Chemicals. Storage of any chemical substance shall be undertaken in full observance of the applicable safety measures required by the governmental agencies having jurisdiction thereof so as to prevent any leakage or spillage that may contaminate the Leased Premises or adjacent properties.

(h) Storage of Hazardous Materials. TENANT shall strictly abide by the rules and regulations established by the Occupational Safety and Health Administration (OSHA) for the storage of hazardous materials (29 CFR Part 1910 Subpart H) as well as with the Puerto Rico Code for Fire Prevention. TENANT will comply with the minimum distances set forth in the federal and local codes for the storage of hazardous materials, particularly those materials which are inflammable.

(i) Industrial and Sanitary Effluents. TENANT shall not discharge its sanitary or industrial effluents into the sewer system nor into any other place until TENANT has obtained the necessary authorization to do so, be it from the Puerto Rico Aqueduct and Sewer Authority, from the Environmental Quality Board, or the Environmental Protection Agency (EPA), as applicable. TENANT shall request and obtain the necessary permits and/or endorsements from the Environmental Quality Board or any other local or federal agency with jurisdiction in order to install and operate any treatment or pretreatment plant or system for said effluents. TENANT must obtain LANDLORD's endorsement and approval to install a treatment or pretreatment plant or system prior to any request for the permits and endorsements of the other pertinent government agencies with jurisdiction. TENANT shall treat its effluents as required prior to discharge, as required by the pertinent governmental agency having jurisdiction.

(j) Septic Tanks and Systems. Should the Leased Premises have a septic tank or system, such facility can be used only to discharge sanitary effluents. Therefore, TENANT shall not discharge industrial effluents nor any substance nor material other than sanitary effluent into the septic tank or system. Moreover, TENANT must obtain from the Environmental Quality Board a permit to operate said septic tank or system. Any industrial effluent that may be generated and that is not discharged into the Aqueduct and Sewer Authority

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sewer system or through a discharge permit from the National Pollutant Discharge Elimination System ("NPDES"), shall be disposed of by transporting it to an Aqueduct and Sewer Authority treatment plant, with previous authorization, or to another entity authorized to handle such effluents.

(k) NPDES Permit. TENANT shall not discharge any industrial effluent into the ground. TENANT shall obtain an NPDES permit to discharge stormwater or other effluents into a body of water. TENANT shall obtain an NPDES permit, if stormwater run-off is exposed to raw materials, unfinished or finished products, waste, by-products, industrial machinery or equipment, a materials handling area or a process area. TENANT shall obtain, when applicable, the pertinent industrial discharge permit or pre-treatment permit required by PRASA.

(l) Hazardous Substances. TENANT will not treat, store or dispose of any hazardous substance at the Leased Premises, unless TENANT possesses the necessary permits from the agencies with jurisdiction and such activities are performed in compliance with applicable regulations and the terms and conditions of the permit. TENANT will not generate or store any hazardous substance or waste at the Leased Premises without first obtaining the necessary permits from the local and federal agencies with jurisdiction. The generation and storage of hazardous substances shall be conducted in compliance with applicable environmental laws, regulations and permits. Also, TENANT shall not store hazardous waste at the Leased Premises, without first giving notice to LANDLORD of the location of the storage area and providing evidence of compliance with state and federal regulations as well with the measures LANDLORD considers necessary to protect the Leased Premises. At no time shall TENANT dispose of any hazardous substances or waste at the Leased Premises.

(m) Non-hazardous Solid Waste. Non-hazardous solid waste generated from the operations at the Leased Premises shall be stored, handled, transported and disposed of in accordance with the Environmental Quality Board's Hazardous and Non-hazardous Waste Control Regulations. TENANT must obtain a permit from the Environmental Quality Board for a Non-hazardous Waste Generating Activity (DS-3), when it generates more than fifteen (15) cubic yards of non-hazardous solid waste weekly during construction activities. TENANT, at its own cost and expense, shall keep the grounds clean and free of solid wastes, rubbish, garbage and debris.

(n) Equipment or Materials containing Polychlorinated Biphenyls (PCB). TENANT shall not install or introduce equipment or materials containing PCB's at the Leased Premises.

(o) Reports to LANDLORD - In addition to any other information or document that may be required hereunder, TENANT shall provide LANDLORD with the following:

1. Written notice, within forty-eight (48) hours, of any event that requires verbal or written notice to the Environmental Protection Agency, the Environmental Quality Board or any entity designated by them, together with, a copy of any order, communication or report regarding the event. This includes, but is not limited to, any notice required under the provisions of the "Emergency Planning and Community Right to Know Act."

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2. Written notice within forty-eight (48) hours of any change to the hazardous materials handled at the Leased Premises, or if TENANT observes or has any knowledge of an environmental problem at the Leased Premises even if such problem is not a result of TENANT's activities.

3. A copy of all the permits mentioned in this Article XII.

(p) Audits and Access to the Property. LANDLORD reserves the right to inspect the Leased Premises, from time to time, during the Term of this Lease Agreement as deemed necessary, for the purpose of evaluating the environmental condition of the Leased Premises, and as to TENANT's compliance with federal and state environmental regulations and the provisions of this Article XII. TENANT, for this purpose, will provide LANDLORD with access to all areas or structures on the Leased Premises. TENANT shall provide access to all the books, registers, documents or instruments that LANDLORD deems necessary to determine the environmental condition of the Leased Premises, or compliance with environmental regulations.

In the event that LANDLORD believes, based upon any inspection performed on the Leased Premises, that TENANT, as a result of TENANT's operations at the Leased Premises, is in material violation of a federal or local environmental law or regulation, LANDLORD shall request TENANT to perform, at TENANT's cost, the environmental site assessments necessary to determine the existence and extent of contamination at the Leased Premises, if any and all activities of removal, mitigation and remediation needed to correct any environmental problem caused by the TENANT at the Leased Premises. TENANT, upon LANDLORD's request, at the termination of this Lease Agreement, shall submit an environmental site assessment, Phase I and/or Phase II, of the environmental condition of the Leased Premises prepared by an environmental consultant of proven experience. The assessment shall determine whether the activities performed by TENANT affected the conditions of the Building and the lot. The assessment shall be performed following the standards established for preparing such reports by the scientific community (ASTM). The assessments shall be signed and certified by an engineer or chemist licensed to practice in Puerto Rico.

In the event that an environmental audit or inspection reveals an environmental deficiency or condition at the Leased Premises, caused by TENANT's operations at the Leased Premises, TENANT shall submit an action plan to remedy such situation together with a bond or guarantee to secure payment of the remediation. The plan shall be reviewed and its execution coordinated with LANDLORD.

(q) Emergency Remediation Response Action. In the event of any hazardous substance spill, leak, or escape or any other occurrence, during the period of TENANT's operations at the Leased Premises, which requires the removal of hazardous substances or environmental remediation, TENANT shall be responsible to remedy it immediately. TENANT shall be responsible for hiring, at its own expense, those companies with proven experience and reputation to perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation. Prior to the formation of any contractual agreement with any company or consultant for the removal and/or, remediation, the company or consultant must be approved by LANDLORD. The scope of work prepared by the LANDLORD authorized company shall be submitted to LANDLORD for its

approval. In the event of any violation or contamination of the Leased Premises, caused by TENANT's operations at the Leased Premises, LANDLORD may request TENANT to remain in the Leased Premises and to continue paying Rent until the Leased Premises are in compliance with local and federal regulations. At all times, TENANT shall be obligated to immediately notify LANDLORD in writing upon occurrence of any event that requires removal of contaminants or environmental remediation and shall coordinate with LANDLORD any clean-up, contamination removal, or environmental remediation before commencement thereof provided that if the event which requires removal of contaminants or environmental remediation should occur during non-working periods, in which case (such as weekends or holidays) TENANT shall immediately notify LANDLORD the next working day. The notice to LANDLORD by TENANT in the event of a spill, leak or escape does not release TENANT of its obligation to notify the pertinent governmental agencies as required by law, regulation, municipal ordinance, judicial order, executive order, administrative order or by any other legal requirement.

Should any environmental mishap occur, such as, but not limited to, a spill, release or leak that poses an imminent danger to human health or to the environment, in addition to taking all such protective measures, responses and notifications as are required by environmental laws, regulations, and permits, TENANT shall cease its operations if TENANT's operations are the direct cause of said environmental mishap until said mishap is controlled and all risk to human life or to the environment is suppressed.

(r) Environmental Conditions Liability. TENANT shall be liable for any environmental damage and the necessary or remedial action as results from TENANT's operations. TENANT shall indemnify LANDLORD for any lawsuit, civil or criminal action, administrative action, fine, claim, remedial action and/or clean-up and/or pollutant removal action, toxic or hazardous substance or waste as defined in local and federal laws and regulations, that may arise as a result of TENANT's operations or during TENANT's occupation of the Leased Premises. The term contaminant includes petroleum and its derivatives, asbestos, and PCB. TENANT shall also be liable and shall indemnify LANDLORD for any complaint, civil or criminal action, administrative action, fine or claim that arises as a result of any violation of any law, regulation, rule, Administrative Order, Executive Order or environmental requirement of any local or federal governmental entity that arises as a result of TENANT's operations or during the term TENANT occupied the Leased Premises. TENANT's liability toward LANDLORD and its obligation to indemnify LANDLORD shall survive the termination of this Lease Agreement.

ARTICLE XIII
DESTRUCTION OF PREMISES

13.01 **Notice of Event.** TENANT shall immediately notify LANDLORD after any fire, explosion, spill of hazardous wastes or pollutants (except as otherwise provided in Article XII and Section 13.06 hereof) or any other kind of accident or extraordinary event which causes or threatens damage to the Leased Premises.

13.02 **LANDLORD's Duty to Repair.** Should the Leased Premises be damaged by fire, explosion or any other casualty covered by the insurance policies as required by this Lease Agreement, LANDLORD shall repair or restore the Leased Premises to a condition substantially similar to that before the accident or event, provided that:

(i) LANDLORD has received the corresponding insurance proceeds from the insurance company; and

(ii) the accident or event causing the damage is not attributable to or did not occur as a consequence of negligence, an omission, or intentional act of TENANT or any of its employees, agents, visitors or representatives; nor as a result of acts by any of them in violation of a federal, state, or municipal law regulation, order, ordinance, or breach of any obligation or condition under this Lease Agreement.

TENANT recognizes that LANDLORD's duty to repair damage or destruction to the Leased Premises is limited to those repairs made possible by the proceeds received as a result of the insurance policies required hereunder, and that TENANT shall be responsible for the deductibles or the amount in excess of the insurance proceeds necessary to cover the costs to repair, reconstruct, or replace the Leased Premises.

13.03 **Lease Agreement Termination.** Notwithstanding the provisions of Section 13.02 hereof, LANDLORD shall have the option to terminate this Lease Agreement in any of the following circumstances:

(i) should the insurance policy as required by this Lease Agreement not provide coverage for the accident or event which damages the Leased Premises;

(ii) the damage suffered by the Leased Premises is such that it exceeds the cost of replacement; or

(iii) if the Building and other structures of the Leased Premises, in the opinion of LANDLORD, cannot be repaired in a period of one hundred twenty (120) days from the day the accident or event occurred;

(iv) should the damage to the Building be so extensive that LANDLORD decides to demolish it; or

(v) should the accident or event occur at any time during the last two (2) years of the Term of this Lease Agreement.

In any of the above circumstances LANDLORD may terminate this Lease Agreement by written notice to TENANT within ninety (90) days from the date the accident or event occurred, in which case both parties are released of any further liability under this Lease Agreement as of the effective date of termination except for those that survive termination pursuant to Article XII hereof.

13.04 **Restoration.** Should LANDLORD have the obligation to repair or restore the Leased Premises according to Section 13.02 hereof, or should LANDLORD not terminate this Lease Agreement as provided in Section 13.03 hereof, and proceeds to repair or restore the Lease Premises, TENANT shall hold LANDLORD harmless for the loss of any equipment, machinery or any other property that TENANT had placed, joined, built-in or installed, or kept at the Leased Premises.

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13.05 **Rent Adjustment.** Should the Leased Premises be damaged or destroyed and LANDLORD elects to repair (provided that the cause of the fire or accident is not the result of any negligence, omission, or any intentional act of TENANT, its employees, agents, guests or representatives, nor the violation by any of them of any federal, state, or municipal law, regulation, order, ordinance, nor the failure to comply with any obligation or condition under this Lease Agreement), TENANT shall have a right to adjust the Basic Rent in proportion to the total area of the Leased Premises that becomes untenantable during the repair period (i.e., from the date of the accident or event until the date LANDLORD finishes the repair work). Should LANDLORD terminate this Lease Agreement due to any of the causes set forth in Section 13.03 hereof, the Rent shall be due until the date of the casualty or destruction.

13.06 **Damage Report.** In the event of a casualty or disaster, TENANT shall complete and deliver to LANDLORD the form "Disaster Impact Quantification (CD1001)" (Attachment J hereto) within eighteen (18) hours after the occurrence of the event.

ARTICLE XIV
WAIVER OF CLAIMS; INDEMNIFICATION

14.01 **Indemnification.** TENANT shall defend, indemnify and hold harmless LANDLORD, its directors, officers, employees, invitees, representatives, successors and assignees of liability from any loss, claim, fine, penalty, attachment, action or complaint of any type or kind, including any incidental expense or cost (including, but not limited to, defense costs, settlement and attorney fees) in relation to or as a consequence of any damage to a third party (including death), or any damage, loss or destruction of any third party's property, (a) in or around the Leased Premises due to any act or omission of the TENANT or any of its employees (whether or not said act is within the scope of employee's job), agents, authorized persons, visitors, successors or assignees, or caused wholly or in part by any act or omission of any of the former or (b) due to the use or occupation of the Leased Premises by TENANT, its agents, employees, invitees, or visitors; (ii) violation of any federal or state law or regulation, or municipal ordinance, or of any judicial or administrative order, as a direct indirect consequence of the use or occupation of the Leased Premises by TENANT; (iii) or due to breach of any of the obligations under this Lease Agreement. The provisions of this Article XIV shall survive and remain in full force after the expiration of the Term or the termination of this Lease Agreement.

14.02 **Waiver of Claims.** LANDLORD shall not be liable, and TENANT releases LANDLORD and waives any claim against LANDLORD, for any damage to or loss of any property located at the Leased Premises which belongs to LANDLORD and/or its agents, employees, invitees and/or visitors, and for any other damage or loss suffered by TENANT, or any damage or loss to TENANT which arises from fire, steam, or smoke; short circuit; water, electricity, gas or other utility failure; rain, storms, hurricanes or other weather conditions; flood or leakage; defects in pipes, cables, appliances, plumbing and/or air conditioning systems, regardless if such damage or inconvenience is the result of the condition or working order of the Leased Premises, or any part of it. LANDLORD shall not be liable for any damage or loss suffered by TENANT and/or its agents, employees, invitees and visitors as a result of criminal conduct, intentional acts, and/or negligent or intentional acts of a third party or of TENANT, its agents, employees, invitees and/or visitors. TENANT waives and shall be barred from filing any claim against LANDLORD for any damage or loss at the Leased

Premises or to any person or property within the Leased Premises for any cause other than gross negligence by LANDLORD.

14.03 **TENANT Responsible for Personal Property.** TENANT recognizes that LANDLORD shall not be liable and waives any claim for any damage to personal property in the Leased Premises that belongs to TENANT, or for the theft or misappropriation thereof. TENANT bears all risk for any damage or loss of any personal property of TENANT.

ARTICLE XV
INSURANCE

15.01 **Insurance.** During the Term of this Lease Agreement, TENANT shall maintain in force the following insurance policies:

(a) commercial general liability, including contractual liability, with limits of not less than $1,000,000 for bodily injury (including death) and $1,000,000 for property damage, per occurrence, which will insure TENANT against any claim for accidents in or around the Leased Premises due to use or occupation of the Leased Premises by TENANT. This insurance shall include LANDLORD and its agents, officers, directors and employees as additional insured, and said policy shall include a "fire legal liability" endorsement;

(b) property insurance with "All Risk" coverage, for one hundred percent (100%) real property replacement cost, including foundations, with an extended coverage endorsement, which names LANDLORD as beneficiary in case of loss. This insurance shall include coverage for fire, hurricanes, floods, earthquakes and other events of a similar nature, vandalism and malicious mischief, boilers and machinery (if applicable) in building format and content, including all changes, alterations, extensions and improvements made by TENANT to the Leased Premises;

(c) pollution liability if required by LANDLORD because of the type of the operations carried on by TENANT; and,

(d) any other insurance over the Leased Premises which provides adequate coverage for those insurable risks that are common for property similar to the Leased Premises.

The deductibles of the insurance policies herein required shall be TENANT's responsibility and should LANDLORD undertake any repairs after any loss or damage to the Leased Premises, TENANT shall reimburse LANDLORD the deductible payable under the insurance policy, together with any amount paid by any insurance provider.

15.02 **Insurance During Construction.** During any construction period at the Leased Premises, including the work to be performed by TENANT described in Attachment E, if any, TENANT must have in force the following insurance policies:

(i) "builders risk" insurance which provides coverage for all improvements that are being constructed, equivalent to one hundred percent (100%) of their replacement value;

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(ii) if the estimated cost of construction is over five thousand dollars ($5,000), TENANT must, at TENANT's own cost and expense, provide LANDLORD with a performance bond from a surety company recognized and approved by LANDLORD, or other satisfactory guarantee acceptable to LANDLORD, in a sum equal to the estimated cost of said construction to guarantee completion of any construction within a reasonable time. At LANDLORD's option, instead of TENANT's obtention of a separate bond or guarantee for each project that may be in process at any given time, TENANT shall provide LANDLORD with one bond or guarantee that covers all alterations, changes, additions or improvements and other construction occurring at the same time; and,.

(iii) Workers' Compensation from the State Insurance Fund Corporation in such coverage amounts as required by law.

15.03 **Insurance Policy Increase.** TENANT will pay any premium increase required by an insurance company to cover additional risks resulting from any alteration, change,.addition or improvement made by TENANT to the Leased Premises.

15.04 **General Requirements.** All insurance policies required of TENANT under this Article XV must comply in form and substance to LANDLORD's requirements, and must provide the following: (i) that the insurance coverage may not be reduced, canceled or not renewed by the insurance company without written notice to LANDLORD and TENANT at least sixty (60) days in advance (unless said cancellation is due to failure to pay premium, in which case notice must be sent at least thirty (30) days in advance); and (ii) that the policy shall be immediately renewed by TENANT on or before its expiration date. TENANT must obtain said policies from insurance companies duly authorized to do business in Puerto Rico, and acceptable to LANDLORD. Said insurance companies shall have a classification of not less than "A" and a financial rating of "IV" or better, as rated by A.M. Best and Company.

15.05 **Insurance Certificates.** Before the Date of Delivery of Possession TENANT shall submit to LANDLORD the policies (or certified copies) of same required under this Article XV with all the mentioned endorsements, and certificates of insurance which evidence the required coverage by Sections 15.01 and 15.02 of this Lease Agreement. TENANT expressly recognizes LANDLORD's right not to deliver the Leased Premises to TENANT until two (2) days after the policies (or certified copies) and the insurance certificates have been submitted to LANDLORD, as required in this section.

15.06 **Evidence of Payment; Renewal of Policies.** TENANT must deliver to LANDLORD satisfactory evidence of payment of the insurance premiums within fifteen (15) days of the respective renewal dates of the respective policies and at the same time submit the corresponding insurance certificate or certified copy of each renewed policy.

15.07 **Claims.** TENANT shall cooperate with LANDLORD in the collection of claims against the corresponding insurance companies in those cases where LANDLORD handles such claims, including the preparation of damage reports and other documents required to process the claim. In the event TENANT does not provide said documents, LANDLORD, as TENANT's agent and attorney-in-

fact, shall, in addition to any other remedy available to LANDLORD, execute and submit any evidence of loss and/or any other document necessary for collection of the claim.

15.08 **Periodic Reviews.** LANDLORD reserves the right to review and demand periodically increases in the limits of the coverages required in this Lease Agreement as results from the effects of inflation.

15.09 **Penalties.** Notwithstanding the provisions of Section 22.08, and without affecting the general terms of the matters stipulated therein, should TENANT breach its duty to obtain any of the policies required in Article XV, which as a result renders it necessary for LANDLORD to obtain said policies, in addition to reimbursement for the premium paid for said policies, TENANT shall pay LANDLORD a sum equal to twelve percent (12%) of the cost of the policies obtained by LANDLORD to cover LANDLORD's administrative costs.

15.10 **Waiver of Subrogation.** (a) LANDLORD and TENANT agree that all fire and extended coverage and other property damage insurance carried by either of them in relation to the Leased Premises shall be endorsed with a clause providing that any release from liability or waiver of claim for recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder, provided that the insurer waives all rights of subrogation which such insurer might have against the other party. Any release or any waiver of claim shall not be operative in any case where the effect of such release or waiver is to invalidate any insurance coverage or invalidate the right of the insured to recover thereunder. Should any waiver of subrogation result in a premium increase, TENANT shall, within ten (10) days of notice, pay said increase in order to maintain the effectiveness said release or waiver.

(b) Neither LANDLORD nor TENANT shall be liable to the other or the insurance company that provided the coverage for any loss or damage to any building or structure of the Leased Premises for the loss of income either through subrogation or any other form, regardless if such loss or damage be, in whole or in part, caused by a negligent act or omission of the other party, its agents, officers, directors or employees, to the extent that such loss or damage is covered by insurance policy in favor of the affected party.

ARTICLE XVI
LANDLORD'S RIGHTS

16. 01 **Access to Leased Premises.** LANDLORD shall be entitled to enter the Leased Premises for the purposes of inspection to perform any repairs or work required pursuant to the provisions of this Lease Agreement, or for those repairs or work which TENANT has failed to do despite being responsible therefor under this Lease Agreement, or to show the Leased Premises to persons interested to lease or acquire the same. This right to access is subject to the following conditions: (a) if due to any emergency situation, which LANDLORD shall determine at its discretion, LANDLORD shall have full access to the Leased Premises at any time; (b) under any other circumstances LANDLORD shall have access to the Leased Premises during normal business hours; and (c) LANDLORD must maintain at a minimum any interruption to TENANT's operations during any exercise of its rights under this Article.

ARTICLE XVII

TENANT BANKRUPTCY

17.01 Lease Agreement Assumption Requirements. The following provisions shall apply upon commencement of a voluntary or involuntary case under Title 11, United States Code, wherein TENANT is a debtor under 11 U.S.C. §§101 et. seq. (the "Bankruptcy Code"), and only insofar as the Bankruptcy Code applies or affects the provisions of this Lease Agreement.

(a) Should the trustee or "debtor in possession" not elect to assume this Lease Agreement within a period of sixty (60) days from the commencement of proceedings under the Bankruptcy Code, this Lease Agreement shall be deemed rejected and terminated as provided under Article XVIII of this Lease Agreement (including any provisions as to damages) giving LANDLORD the immediate right to repossess the Leased Premises.

(b) Any assumption and/or assignment of this Lease shall not take effect unless there is compliance with the following:

(i) all TENANT's defaults have been cured and LANDLORD has been provided with adequate and reasonably satisfactory assurances of TENANT's future performance; if the Lease Agreement is assigned, TENANT shall provide (1) any guarantee and/or deposit reasonably required, and (2) any other reasonable assurance that there will be sufficient funds and personnel available to operate the Leased Premises in strict compliance with the provisions of this Lease Agreement;

(ii) neither the assumption of this Lease Agreement nor the operation of the Leased Premises after this Lease Agreement has been assumed or assigned, in the reasonable opinion of LANDLORD, will cause or result in breach or violation of any of its provisions or of any other applicable contract with LANDLORD;

(iii) the assumption, and if applicable, the assignment of this Lease Agreement fully complies with the provisions of the Bankruptcy Code, including, but not limited to Sections 365(b)(1) and (3) and 365(f)(1) and (2) thereof; and

(iv) the assumption and/or assignment has been ratified and approved through an order of the Bankruptcy Court or any other court having jurisdiction.

(c) No assignment of this Lease Agreement by the trustee or the "debtor in possession" shall be valid unless the proposed assignee has also satisfied the conditions provided in paragraphs (b) (i), (ii), (iii) and (iv) of this section, and all other requirements established in this Lease Agreement which further LANDLORD's public policy of promoting employment and the industrial development of Puerto Rico, which is accomplished by observing the capitalization, investment and employment levels stated in Section 1.08 and the continuance of operational requirements set forth in Section 4.02 of this Lease Agreement.

(d) Whenever a "debtor in possession" is required under the Bankruptcy Code to comply with its obligations as TENANT under this Lease

Agreement, the Basic Rent and the other charges identified in this Lease Agreement as Additional Rent shall not be subject to adjustment and must be paid in full as provided in the pertinent sections of this Lease Agreement.

(e) Pursuant to Section 22.01 of this Lease Agreement, except where the provisions of the Bankruptcy Code mandate otherwise, the assignment of this Lease Agreement is prohibited.

(f) Unless agreed to by LANDLORD, under no circumstances will this Lease Agreement be renewed if the Term has expired or the Lease Agreement has terminated according to its provisions. No bankruptcy procedure shall annul, postpone or affect the expiration or termination of the Term of this Lease Agreement as provided in Article XVII or prevent LANDLORD from recovering possession of the Leased Premises at the expiration of the Term or upon earlier termination of this Lease Agreement.

ARTICLE XVIII
TERMINATION BY BREACH

18.01 **Breach by TENANT as Cause for Termination.** In addition to, and separate from, any other cause for termination set forth in this Lease Agreement or available under applicable law, each of the following events or acts shall be considered a breach and constitute cause for termination, which termination will be effective upon written notice to TENANT:

(a) TENANT's failure to pay the Rent to LANDLORD within the term provided in Section 5.01 of this Lease Agreement, or upon failure to pay any other sum required to be paid hereunder within ten (10) days after its due date;

(b) TENANT's failure to pay the Rent to LANDLORD on or before the first day of the month, or failure to pay any other amount when due, on two or more occasions within any consecutive twelve (12) month period;

(c) TENANT's abandonment of the Leased Premises (as defined in Section 18.03 of this Lease Agreement), upon certification of such abandonment by the procedure provided in clause (b) of Section 18.03;

(d) if TENANT encumbers, assigns or transfers this Lease Agreement, in whole or in part, except as otherwise provided in this Lease Agreement;

(e) if TENANT makes a general assignment of its assets in benefit of its creditors;

(f) if TENANT fails to take physical possession of the Leased Premises within ten (10) days following the Date of Delivery of Possession;

18.02 **Other Causes for Termination.** In addition to the causes for termination set forth in Section 18.01, LANDLORD may terminate this Lease Agreement if TENANT fails to comply with any of TENANT's principal obligations hereunder within fifteen (15) days of receipt of written notice from LANDLORD requesting performance of any principal obligation. However, if TENANT shall have begun efforts toward performance within said fifteen (15) day period and continues to act diligently and makes every reasonable effort to perform, said period of fifteen (15) days may be extended by LANDLORD for a maximum period of sixty (60) days, as necessary for TENANT's performance of any principal obligation.

Principal obligations under this Lease Agreement include, but are not limited to, the following:

(i) the duty of TENANT to not interrupt operations at the Leased Premises without prior notice to LANDLORD as provided in Section 4.02(b) of this Lease Agreement and that such interruption will not last for a period in excess of that period notified to LANDLORD. No interruption shall exceed three (3) months;

(ii) the obligation of TENANT, when required hereunder, to submit any plans for LANDLORD's approval or any other information in connection with improvements and alterations to be made by TENANT to the Leased Premises;

(iii) the compliance by TENANT of the environmental provisions of Article XII of this Lease Agreement; and

(iv) the prohibition to use or allow the Leased Premises or any part thereof to be used for illegal purposes or for a use that is not permitted by Section 1.07.

18.03 Abandonment. TENANT acknowledges that the Puerto Rico Industrial Development Company was established with the public purpose of promoting the creation of jobs and the continuous industrial development of Puerto Rico; that the capitalization, investment and employment levels, as detailed in Section 1.08 hereof, and the requirement of continued operations at the Leased Premises, in compliance with the provisions of Section 4.02 hereof, serve to that public purpose. In order to continuously and consistently comply with said public purpose, LANDLORD must maintain as available inventory the largest possible number of industrial facilities for the development of new projects or industries. Acts such as those described in clause (a) below, of this Section 18.03, defeat the purpose of this Lease Agreement, diminish the powers of the LANDLORD to maintain the largest number of industrial facilities in operation and in turn, impair LANDLORD's ability to pursue its established purpose. Therefore, TENANT recognizes that the delivery to LANDLORD of the keys to the Leased Premises constitutes conclusive proof of TENANT's intention to abandon the Leased Premises and any equipment, machinery, furniture or other property found within. TENANT also recognizes the fact that the voluntary abandonment of property at the Leased Premises through the delivery of the keys is incontrovertible evidence of TENANT's decision to forsake such property and renounce ownership thereof, giving LANDLORD the absolute right to dispose of said property, as established in clause (b)(ii) below.

(a) For the purposes of this Lease Agreement TENANT has abandoned the Leased Premises upon the occurrence of any of the following events:

(i) should the TENANT deliver to LANDLORD the keys to the Leased Premises;

(ii) should the TENANT cease operations and close down the Leased Premises, notwithstanding that equipment, machinery, furniture or other property remain thereat; and/or

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(iii) if TENANT removes or transfers its operations, personnel or equipment at the Leased Premises to another location, without the consent of LANDLORD.

(b) The following procedure is adopted by the parties hereto to confirm the act of "abandonment" by TENANT under clause (a) of this Section 18.03:

(i) If TENANT has incurred in any act of abandonment described in Section 18.03(a) hereof, LANDLORD will send TENANT, by certified mail, return receipt requested, a notice which will describe the act of abandonment committed by TENANT. From the date of said notice, TENANT shall have fifteen (15) days to discontinue the abandonment or to dispute in writing the information contained in LANDLORD's notice. Should the act of abandonment notified by LANDLORD continue for more than the fifteen (15) days provided herein, LANDLORD shall send a second notice to reconfirm the act of abandonment, which notice will be effective at the time the notice is sent.

(ii) Once the act of abandonment is reconfirmed as provided in clause (b)(i) above, LANDLORD may declare this Lease Agreement terminated by notice to TENANT and such termination shall be effective as of the date mailed. The notice will contain a request to TENANT to remove within ten (10) days all equipment, machinery furniture or other property remaining at the Leased Premises, and contain a warning to TENANT that if such property is not removed in that time period, LANDLORD may either remove and store said property, at its own discretion, at the expense and cost of TENANT, or dispose freely of said property as it deems convenient and TENANT will have no right to claim or be compensated for the value of the abandoned property or for any damage or loss caused by such removal by LANDLORD.

(c) Subject to the performance of the procedure previously described, TENANT waives any claim and releases and holds LANDLORD harmless from any damage or loss that TENANT may suffer as a consequence of the removal and disposal of the property that TENANT has abandoned at the Leased Premises.

18.04 **Termination by TENANT.** TENANT may terminate this Lease Agreement, without penalty, should any of the following events occur:

(a) TENANT moves its operations to another of LANDLORD's premises having greater capacity, for the purpose of augmenting its operations in terms of capitalization, investment, or employment, if at such time TENANT is in compliance with the terms and conditions of this Lease Agreement; provided, however, that all expenses related to or resulting from said relocation shall be TENANT's responsibility; or

(b) should TENANT be denied a tax exemption for the production of one or more eligible manufactured products under the Puerto Rico Industrial Incentives Act, after having applied for said exemption with the Office of

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Industrial Tax Exemption; provided that the right to termination for this cause may only be exercised within thirty (30) days from the date of notice of denial. No TENANT whose manufacturing process was determined to be non-eligible for a tax exemption prior to entering into this Lease Agreement is eligible to terminate the Lease under this section.

18.05 **LANDLORD's Options.** (a) LANDLORD may terminate this Lease Agreement upon TENANT's breach of any of its obligations hereunder, or upon occurrence of any of the events of termination set forth in Sections 18.01 and 18.02 hereof. Said notice shall be given by certified mail with return receipt requested. The termination of this Lease shall become effective on the date indicated in said notice,.

(b) Notwithstanding subsection (a), LANDLORD may always compel specific performance of the terms and conditions of this Lease Agreement and demand and protect its rights under this Lease Agreement through legal proceedings in law or equity to obtain the faithful performance of the covenants and obligations hereunder, including the payment of all amounts due under this Lease Agreement.

(c) Should any cause for termination arise, LANDLORD shall have available all the rights and remedies provided herein, which are separate and independent. LANDLORD's resort to any particular right and/or remedy will not deprive LANDLORD of any other right or remedy available at law or in equity.

(d) In the event LANDLORD terminates this Lease Agreement, TENANT's economic and environmental obligations and any other obligations of TENANT hereunder shall survive the termination and remain in effect until they are complied with to LANDLORD's satisfaction.

18.06 **Damages.** If Tenant elects to terminate this lease before its expiration, **TENANT shall be responsible for the payment of the following:**

(i) all Rent due and unpaid up to the date of termination;

(ii) all losses, damages and costs incurred by LANDLORD as a consequence of the early termination of this Lease Agreement including, but not limited to expenses related to any notices by LANDLORD to terminate this Lease Agreement; collection costs; attorneys' fees during the termination process; and the costs of court proceedings, if any; the costs to repair the Leased Premises in order to restore them to the condition in which TENANT would have been obligated to deliver the premises had an early termination not been effected; and expenses incurred by LANDLORD to relet the Leased Premises in accordance with Section 18.07 of this Lease Agreement; and

(iii) damages equivalent to the total amount of Basic Rent corresponding to the unexpired portion of the Term (i.e., the Basic Rent for the period between the date of termination and the expiration date of the Term in accordance with Sections 1.09 and 3.01 hereof), that LANDLORD would have received had the Lease Agreement not been terminated.

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18.07 **Right to Relet**. (a) At any time after LANDLORD recovers possession of the Leased Premises or any portion thereof, whether or not this Lease Agreement is terminated pursuant to Section 18.05, LANDLORD may, but is not obligated to, relet the Leased Premises or part thereof, in TENANT's name (as a sublease) or in LANDLORD's own name, as LANDLORD deems it convenient. The reletting of the Leased Premises, or part thereof, shall be for a term and under conditions as LANDLORD, in its own discretion, determines advisable; including that the term of any relet may be for a period longer or shorter than the remaining balance of the Term hereunder. Any relet may include special provisions, such as rent credits, a rent lower than that fixed under this Lease Agreement, or no rent. TENANT acknowledges that the damages formula under Section 18.06 is not subject to adjustments should LANDLORD elect not to relet the Leased Premises or because the Leased Premises or part thereof is leased to a third party at a rent lower than that of this Lease Agreement.

ARTICLE XIX
RETURN OF LEASED PREMISES

19.01 **Surrender of Possession**. Upon termination of this Lease Agreement, at the expiration of the Term or otherwise, TENANT must vacate and surrender the Leased Premises to LANDLORD in good condition, reasonable wear and tear excepted, including all improvements, changes, or alterations made thereto by TENANT, during the period of its operations on the leased premises with LANDLORD's consent and which LANDLORD does not require to be removed.

19.02 **Holding Over**. Should TENANT remain in possession of the Leased Premises after the expiration of the Term and does not execute a new lease agreement with LANDLORD, LANDLORD at its option may consider the tenancy of the Leased Premises to be on a month-to-month basis, with a Rent equal to one hundred fifty percent (150%) of the last Monthly Rent amount under the Lease Agreement, subject to all other terms and conditions of this Lease Agreement consistent with a month-to-month term. TENANT shall indemnify LANDLORD for, and hold LANDLORD harmless from and against any damages, liabilities or expenses (including attorneys' fees) which result from TENANT's delay in surrendering the Leased Premises, including, without limitation, any claims made by succeeding TENANTS or third parties with LANDLORD had committed the Leased Premises, or part thereof. Acceptance of Rent after termination of this Lease Agreement shall not constitute in itself a renewal or novation of this Lease Agreement. None of the foregoing shall be deemed to constitute a waiver by LANDLORD of its right to recover the Leased Premises or any other right or remedy that LANDLORD may have under law, equity, or under this Lease Agreement.

19.03 **Inspection of Leased Premises**. Upon expiration of the Term or termination of this Lease Agreement and prior to LANDLORD's acceptance of possession, the Leased Premises shall be inspected by LANDLORD, who shall certify in an inspection report the physical and environmental condition of the Leased Premises. The inspection report shall identify any deficient physical or environmental condition(s) of the Leased Premises, specifically caused by Tenant's operations or during Tenant's occupation of the Leased Premises, that must be corrected, remedied, or repaired at TENANT's cost as a condition precedent to LANDLORD's acceptance of possession of the Leased Premises. Should TENANT fail take the corrective action required by the deficient condition of the Leased Premises as indicated in the inspection report within a reasonable

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time, LANDLORD may, but is not obligated to, perform the same, and TENANT shall reimburse LANDLORD for the cost of the corrective action.

19.04 **Equipment, Machinery, and Furniture Not Removed.** Any equipment, machinery, furniture or other property of TENANT remaining at the Lease Premises after termination of the Term or the termination of this Lease Agreement may be removed by LANDLORD and stored in another location, and TENANT will be responsible for the removal and storage costs. In no event shall LANDLORD be liable for the value, preservation, or care of said property. Any sum that LANDLORD must pay or spend for removal and storage of the property shall be reimbursed by TENANT. Any equipment, machinery, furniture or other property not claimed within a term of thirty (30) days after the expiration or termination of this Lease Agreement, shall be deemed abandoned by TENANT. At LANDLORD's option, the property deemed abandoned by TENANT shall be transferred to LANDLORD without any other formality or document, and LANDLORD shall be entitled to freely dispose of the same without TENANT having any right or claim to any payment or consideration for said property.

19.05 **TENANT's Liabilities**. Neither the expiration or termination of this Lease Agreement, nor the repossession of the Leased Premises or part thereof, nor the reletting of the Leased Premises or any part thereof, pursuant to the provisions hereof, shall release the TENANT of its financial or other obligations under this Lease Agreement, which obligations shall survive the expiration or termination of this Lease Agreement, as well as repossession or reletting of the Leased Premises.

ARTICLE XX
LEGAL REQUIREMENTS

20.01 **Legal and Insurance Compliance**. (a) TENANT, at its own cost and expense, shall observe and comply with (i) any requirement or condition under any federal, state or municipal law or regulation (including any executive order or municipal ordinance) applicable now or in the future to the Leased Premises, or to the use of the Leased Premises (including but not limited to any federal, state or local law, regulation or ordinance applicable to air and water quality, toxic or hazardous materials or substances, waste disposal, emissions or any other environmental matter); (ii) all requirements or conditions to obtain, maintain, and when appropriate, renew all permits and endorsements necessary to use the Leased Premises for the purposes allowed by this Lease Agreement and by the use permit issued by ARPE for the Leased Premises; (iii) the requirements of the insurance companies having issued policies for the Leased Premises as provided by Article XV of this Lease Agreement; (iv) any real estate condition, lien or encumbrance affecting the Leased Premises; (v) all zoning and land use requirements; and (vi) any other requirement imposed by law that compels any duty or obligation with respect to the use or occupation of the Leased Premises.

(b) TENANT's compliance with any requirement described above shall be at TENANT's cost and expense, including, but not limited to, any other expense related to improvements or installations required by any agency or government instrumentality with jurisdiction, as a condition to the issuance or renewal of a permit or endorsement for the operations that TENANT is to carry out at the Leased Premises.

(c) TENANT, upon request of LANDLORD, shall submit evidence of its compliance with the above requirements or of the validity of permits and

endorsements of the administrative agencies TENANT requires for its operations at the Lease Premises.

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ARTICLE XXI
ASSIGNMENT AND SUBLEASE

21.01 **Assignment and Sublease.** TENANT shall not (i) assign this Lease Agreement, sublet the Leased Premises or any part thereof, mortgage its leasehold right over the Leased Premises or otherwise place a lien upon its right or any interest in this Lease Agreement in favor of any person or entity; (ii) allow by operation of law the constitution of any lien over TENANT's leasehold right over the Leased Premises or the transfer of TENANT's leasehold right over the Leased Premises to a third party; (iii) allow the use or occupation of the Leased Premises, or part thereof, by any person or entity that is not TENANT, its agents or employees. Except as provided in Article XVII of this Lease Agreement, under no circumstances may this Lease Agreement be assigned in a voluntary or involuntary bankruptcy proceeding, and under no circumstances shall this Lease Agreement or the rights or privileges granted to TENANT herein constitute an asset of TENANT under a bankruptcy, insolvency or reorganization proceeding.

21.02 **Change of Control.** The transfer of TENANT's voting stock, a change of control in TENANT or change in the persons or entities having a direct or indirect interest in a TENANT that is not a corporation (any of the foregoing hereinafter a "change of control"), shall be considered as an assignment for purposes of this Article XXI. Nevertheless, the above shall not apply to transfers of shares of voting stock traded in a nationally recognized stock exchange or reported through a national quotation system, provided that those shares transferred remain outstanding in said market or quotation system after the transfer. For purposes of this Section 21.02, a change of control of a corporation shall be deemed to have occurred at any time and as frequently as the persons who hold the majority of voting stock of said corporation as of the date of this Lease Agreement, or who immediately after the date on which any change of control occurs, cease to be owners of the majority of said stock, be it in one or a series of transactions. The term "voting stock" means the stock of a corporation regularly having voting rights in the election of corporate directors. In the case of a partnership, a change of control shall be deemed to have occurred at any time that a change in any of the managing partners of said partnership occurs.

21.03 **Permitted Assignments and Subleases.** As an exception to the general rule established in Section 21.01 of this Lease Agreement, and subject to LANDLORD's prior consent, TENANT may assign its rights under this Lease Agreement, or sublease the Leased Premises or a part thereof, to any parent, affiliate, or subsidiary whose operations are compatible with those of TENANT. LANDLORD's consent to the assignment or sublease will require TENANT to be in full compliance with its obligations under this Lease Agreement, including the payment of Rent.

ARTICLE XXII
GENERAL PROVISIONS

22.01 **Signs and Advertising.** TENANT shall not install or permit to be installed or erected any poster, sign or structure of any kind on the roof or exterior walls of the Building or in any other part of the Leased Premises without previous written consent of LANDLORD.

22.02 **Parking**. Should the number of parking spaces available at the Leased Premises not satisfy TENANT's requirements, LANDLORD shall not be responsible for TENANT's parking requirements, and TENANT hereby releases LANDLORD of any duty or responsibility with respect to parking.

22.03 **Attorneys' Fees.** TENANT shall pay all of LANDLORD's charges and expenses, including court costs and attorneys' fees in any action (a) commenced by LANDLORD in order to obtain TENANT's compliance with any of its obligations and commitments under this Lease Agreement, or said charges and expenses incurred by LANDLORD in any action filed by TENANT in which LANDLORD prevails. TENANT shall pay all charges and expenses including court costs and attorneys' fees incurred by LANDLORD in any litigation, negotiation, or transaction in which TENANT requires LANDLORD's intervention or participation, where no fault or negligence is claimed against LANDLORD.

22.04 **Successors and Assignees.** This Lease Agreement shall bind and inure to the benefit of each of the parties, in their respective capacities as LANDLORD and TENANT, and their respective successors and assigns; provided, however, should title to the Leased Premises be transferred, either voluntarily or by operation of law, the entity or natural person acquiring title shall take title free of all liability to perform this Lease Agreement, unless the entity or natural person expressly assumes and accepts the obligations as LANDLORD under this Lease Agreement by means of a written instrument in which the new titleholder and TENANT appear.

22.05 **LANDLORD's Obligations to Lease.** (a) The mere delivery to TENANT of an unsigned draft of this Lease Agreement for TENANT's review and consideration does not create in TENANT a right of option nor does it bind LANDLORD in any way to lease the Leased Premises to TENANT. LANDLORD's obligation to lease under this Lease Agreement shall not be binding until LANDLORD has executed same upon approval by LANDLORD's Board of Directors or LANDLORD's Executive Director, as the case may be.

(b) TENANT shall have thirty (30) days after receipt of the final lease agreement prepared for the Leased Premises to execute same. Should TENANT not execute and return the lease agreement to LANDLORD within thirty (30) days after receipt, LANDLORD shall have no obligation to lease, and any rights TENANT possessed in and to the Leased Premises shall be extinguished.

22.06 **Definition of the Term "TENANT".** The term "TENANT" as used in this Lease Agreement shall be construed as plural if there be more than one person or entity appearing and executing this Lease Agreement as TENANT. All changes and grammatical adjustments required to make the provisions of this Lease Agreement apply equally to corporations, partnerships or other entities, or individuals shall, in all instances, be construed as incorporated into the text of the document. Whenever TENANT consists of two or more persons or entities each shall be jointly and severally ("solidariamente") bound hereunder.

22.07 **Headings.** The headings of the articles and sections of this Lease Agreement are for convenience only and do not limit, expand, or define the contents of the articles and sections hereof.

22.08 **Late Charges**. (a) All payments that TENANT is obligated to make under this Lease Agreement, including without limitation, the Deposit, the Basic Rent, the Additional Rent, and any adjustment thereto, shall bear interest from its due date

until payment in full, at a rate of one percent (1%) over the prime rate charged by the principal commercial banks in the city of New York as of the date the payment is due. Should the interest be held as usurious, then interest shall be deemed to have accrued at and continue to accrue at accrue the maximum rate of interest permissible, as established by the Interest Rate and Finance Charges Regulatory Board created by Act No. 1, of October 15, 1973, as amended (P.R. Laws Ann. Tit 10, sec. 998), or any future law or regulation.

(b) Should TENANT fail to make a Rent payment within ten (10) days after its due date, then TENANT shall also pay to LANDLORD a penalty to recover LANDLORD's administrative expenses and collection costs equal to (i) one hundred dollars ($100.00) per day, or (ii) for each day the amount owed is past due, one half of one percent (0.05%) of the overdue amount, whichever is greater. Anything contained in this section regarding the payment of overdue amounts shall not constitute an extension of the due date of any amount TENANT is obligated to pay under this Lease Agreement, nor or shall it constitute a waiver of TENANT's obligation to pay such amounts as provided in this Lease Agreement.

22.09 **Lease Guaranty**. Simultaneously with the execution and delivery of this Lease Agreement, if required by LANDLORD, TENANT shall deliver the Lease Guaranty to LANDLORD duly executed by the Guarantor identified in Section 1.15 hereof, if any, which Lease Guaranty shall be in form substantially similar to Attachment G hereto.

22.10 **Performance**. Whenever a requirement, obligation, or liability is imposed upon one of the parties hereto, the concerned party shall comply with or satisfy said requirement, obligation or liability at its own expense, unless specifically provided to the contrary.

22.11 **Entire Agreement**. This Lease Agreement, along with its attachments contains all the terms, conditions, agreements and covenants between the parties with respect to the Leased Premises; it substitutes and nullifies any other lease agreement or other agreement, oral or written, between the parties regarding the occupation and use of the Leased Premises by TENANT, including any letter of agreement that governed the relationship between the parties prior to and during the negotiation of this Lease Agreement. This Lease Agreement shall only be modified, amended, altered, or canceled by a written document subscribed by both parties.

22.12 **Force Majeure**. In the event that LANDLORD shall be hindered or delayed in the performance of any of its obligations or commitments under this Lease Agreement by reason of force majeure, the performance of such act shall be excused for the period of time which it is reasonably understood that said act or event hinders its performance. Force majeure is understood as any incident or occurrence beyond LANDLORD's control, including, but not limited to, lock-outs, strikes, shut downs or labor disputes; inability to obtain necessary materials; riots, acts of war and insubordination; fires, explosions, accidents and acts of sabotage; lack of electricity or fuel; floods, earthquakes, torrential rains and hurricanes; administrative, governmental or court orders or injunctions; federal, state or municipal laws and regulations; the revocation, modification or suspension of a permit, license or other necessary authorization; matters of national security; acts or occurrences directly or indirectly caused by TENANT (its agents, employees, contractors, or invitees); or any other situation or event reasonably beyond LANDLORD's control. In said situation, the period of time for

LANDLORD to comply with any obligation or commitment shall automatically be extended for a period equivalent to the period of duration of such force majeure.

22.13 **Safety Programs.** TENANT agrees to cooperate, assist and participate in any program LANDLORD develops or adopts to address any emergency or occurrence constituting force majeure.

22.14 **Estoppel Certificate.** TENANT, upon LANDLORD's request, shall provide LANDLORD with an Estoppel Certificate wherein TENANT certifies that (i) this Lease Agreement is unmodified and in full force and effect (or if any modifications, TENANT will specify such modifications and certify that this Lease Agreement as modified is in full force and effect); (ii) the date upon which TENANT began paying Basic Rent and the dates in which all Rent payments were made; (iii) that LANDLORD is not in default under any provision of this Lease Agreement; (iv) that the work by LANDLORD to the Leased Premises, was completed as agreed and that TENANT is in possession of the Leased Premises, (iv) TENANT has no claims against LANDLORD under this Lease Agreement, and (vi) that there is no petition, whether voluntary or otherwise, pending as to TENANT under the bankruptcy laws of the United States.

22.15 **TENANT's Duties; LANDLORD's Rights.** All obligations and agreements which TENANT is to perform or carry out under the terms of this Lease Agreement, shall be done exclusively at TENANT's expense, and without a right to set-off or adjustment against Rent. Should TENANT breach or fail to perform any of the obligations under this Lease Agreement, and said default persists for more than ten (10) days from the delivery by hand or the U.S. Mail of LANDLORD's notice demanding performance thereof, LANDLORD shall be entitled, but shall not be obligated, to act as required to remedy said situation, without waiving or releasing TENANT from its liability with respect to said obligation. Any sum paid or expense incurred by LANDLORD in said efforts shall accrue interest pursuant to the provisions of Section 22.08 hereof and must be paid by TENANT to LANDLORD upon demand.

22.16 **Relationship Between the Parties.** The relationship existing between the parties hereto is that of LANDLORD and TENANT exclusively, and nothing provided for in this Lease Agreement shall be interpreted as creating a partnership, joint venture, principal and agent relationship or any other type of relationship between parties.

22.17 **Nullity or Partial Invalidity.** If any term, clause, section or article of this Lease Agreement, or the application or enforceability thereof, be declared null, invalid or unenforceable by a final order or judgment from a court having jurisdiction, the remainder of the Lease Agreement, or the application of said term, clause, section or article to persons or circumstances other than those against whom the nullity, invalidity or unenforceability was declared, shall not be affected by said order or judgment, and each term and condition in this Lease Agreement shall be valid and enforceable to the extent permitted by law and consistent with said order or judgement.

22.18 **Accord and Satisfaction.** No payment by TENANT, or the acceptance by LANDLORD of an amount less than the Rent herein stipulated shall be deemed to be other than a payment toward the stipulated Rent, nor shall any endorsement or statement on any check or any letter or other communication accompanying any check or payment as Rent be deemed an accord and satisfaction, and LANDLORD may accept such check or payment without

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prejudice to LANDLORD's right to recover the balance of such Rent or pursue any other remedy provided in this Lease Agreement or at law or equity.

22.19 **Applicable Law.** This Lease Agreement is executed, and its terms and conditions shall be construed and enforced , in accordance with the laws of the Commonwealth of Puerto Rico.

22.20 **Jurisdiction and Competency.** The parties agree that any action, proceeding, claim, counterclaim or any other kind of judicial action that either of the parties initiates against the other regarding (i) any matter that arises out of or related to this Lease Agreement; (ii) the legal relationship existing between LANDLORD and TENANT; (iii) the use or occupation of the Leased Premises by TENANT; (iv) any claim for damages; and/or (v) any statutory remedy, shall be filed and litigated before the Court of First Review of Puerto Rico.

22.21 **Net Lease.** TENANT recognizes and admits, without limiting the meaning of any other terms and conditions of this Lease Agreement, and as otherwise provided in this Lease Agreement, that the intentions of the parties in this Lease Agreement are that all Rent to be paid by TENANT to LANDLORD under this Lease Agreement, must be paid to LANDLORD, without deduction or setoff of any kind, and that any and all expenses incurred regarding the Leased Premises, or regarding TENANT's operations in the Leased Premises, including any assessments, taxes, municipal operating licenses, charges, special license and permit fees, insurance premiums, electricity, water, gas, telephone bills and other similar services, cost of repair, maintenance and operation of the Leased Premises or Property, together with all such fixtures that are placed on, attached to, installed or contained in the Leased Premises, shall be paid by TENANT.

22.22 **Notices.** All notices, claims or communications between the parties referred to or required by this Lease Agreement shall be in writing and sent by certified mail, return receipt requested, or personally delivered, to the addresses of the parties set forth in Sections 1.02 and 1.04 of this Lease Agreement. Any address change shall be notified to the other party in writing not less than thirty (30) days before the effective date of said change.

22.23 **Non-Waiver.** The failure of either party to demand strict performance of any of the provisions of this Lease Agreement upon default of any provision by the other party shall not constitute nor may it be construed as a waiver of said party's right to demand performance of any provision in the future if the default continues, or if the other party should later repeat the default with respect to the same provision. The receipt or acceptance by LANDLORD of the Rent or any other amount payable by TENANT under this Lease Agreement, with or without knowledge of TENANT's default on any obligation or condition under this Lease Agreement, shall not be deemed as release by LANDLORD in favor of TENANT from compliance with said obligation or condition, nor a waiver of LANDLORD's rights or remedies under this Lease Agreement with regard to said default. The consent or approval given by LANDLORD for any act by TENANT which requires said consent or approval, is solely and exclusively limited to the act or event for which said consent or approval was given, and should not be understood as a waiver of any requirement for prior consent or approval for a similar act by TENANT in the future.

22.24 **Cumulative Remedies.** The rights and remedies of each of the parties in this Lease Agreement are independent, separate and cumulative. The exercise, or failure to exercise any right or remedy, shall not be interpreted or deemed to

exclude or bar the exercise of any other right or remedy of either party under this Lease Agreement or under any law or regulation.

22.25 **Brokers**. Each party represents and warrants to the other party that it has not engaged nor used the services of a real estate broker or agent in connection with this lease, and that no real estate agent has participated at any time in the negotiation of this Lease Agreement. Notwithstanding the foregoing, the liability for the payment of any commission or compensation claimed by any real estate professional who may have rendered services to any party with respect to this Lease Agreement shall be borne by the party that engaged said real estate professional, and furthermore said party shall indemnify the other against any damages, liability, expenses and/or attorney's fees, arising from any claim or lawsuit of any real estate professional for any commission allegedly owed for any service rendered.

22.26 **Cross Default.** Any default by TENANT under any other agreement with LANDLORD shall be considered a default under this Lease Agreement.

22.27 **Representations**. TENANT expressly represents that neither LANDLORD nor its directors, officers, agents, employees or representatives has made any representations or promises with respect to the Leased Premises, except as expressly provided in this Lease Agreement.

22.28 **Financial Statements**. Upon request of LANDLORD, TENANT must to submit to LANDLORD, within ninety (90) days after the expiration of TENANT's fiscal year, a certified financial statement issued by an authorized certified public accountant. The certified financial statement will include: (a) TENANT's capital; (b) TENANT's long-term debts and capitalization; (c) TENANT's investment in machinery and its ability to provide employment; (d) taxes paid by TENANT, including Social Security payments; and (e) any other information that is required by this Lease Agreement. Should TENANT fail to deliver the certified financial statement, LANDLORD shall obtain this information at TENANT's cost and TENANT shall permit LANDLORD access to TENANT's books and records at TENANT's main offices in Puerto Rico for this purpose.

22.29 **Additional Documents**. If TENANT is a corporation, TENANT agrees to submit to LANDLORD contemporaneously with the execution and delivery of this Lease Agreement (a) evidence of TENANT's registration with the State Department of the Commonwealth of Puerto Rico, including the name and address of its resident agent; and (b) a certificate of corporate resolution of TENANT's Board of Directors which authorizes or ratifies the execution of this Lease Agreement. If TENANT is a partnership, TENANT represents and warrants that this Lease Agreement has been subscribed by all managing partners or administrators representing TENANT, and that the same constitutes a valid and enforceable agreement for the partnership and each and every one of the partners, and also, that each and every one of TENANT's present and future partners are now and shall remain at all times jointly and severally liable under this Lease Agreement. TENANT represents and warrants that the death, resignation or retirement of any partner shall not release said partner from its liability under the terms of this Lease Agreement without LANDLORD's consent in writing.

22.30 **Fiscal Liabilities**. (a) TENANT represents and warrants that, at the time of execution of this Lease Agreement (i) it has filed tax returns for the last five (5) years; (ii) that TENANT has no outstanding tax debt with the Government of Puerto Rico nor with the United States Government (if applicable) that is not

subject to a payment plan which is current as of the date of execution of this Lease Agreement; (iii) and has paid its unemployment taxes, disability and social security taxes (as applicable), or is in compliance with a payment plan therefor and in compliance with the terms and conditions thereof.

(b) TENANT expressly recognizes that the compliance with the provisions of this Section 22.30 is an essential condition of this Lease Agreement, and if any representation or warranty is not accurate, in whole or in part, the same shall constitute cause for LANDLORD to terminate this Lease Agreement.

22.31 **Debt Certification.** TENANT warrants to LANDLORD that neither TENANT nor its partners (or if TENANT is a corporation, its directors, officers or stockholders) owe any amount to LANDLORD or to any agency or instrumentality of the Government of Puerto Rico, either personally or under this or any other corporate or partnership name.

22.32 **Non-Conflict Certification.** TENANT represents and warrants to LANDLORD that there is no conflict of interest, neither actual or potential, between LANDLORD and any of TENANT's directors, officers, employees, partners and agents, as a result of business, labor, economic, or family relationships, or for any other reason. TENANT hereby covenants that upon LANDLORD's request TENANT shall deliver to LANDLORD a sworn statement from any of its directors, officers, employees, and/or agents that will confirm the veracity of TENANT's representation and warranty contained in this provision.

22.33 TENTANT has been notified by LANDLORD that it has retained the professional service of a credit reporting agency in order to obtain credit references of its TENANTS and that its results can be used for financial and credit evaluations.

IN WITNESS WHEREOF, the parties subscribe this Lease Agreement on the dates below stated.

LANDLORD

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
S.S.P: #66-0292871

By: _____
Name: Jorge A. Junquera Amadeo
Title: Chief Financial Officer

Date: 4/13/10

TENANT

WALLACE SILVERSMITHS DE PUERTO RICO
S.S.P. #66-0402645

By: _____
Name: Ronald Shifton
Title: Vice President and Assistant Secretary

Date: February 12, 2010

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Puerto Rico Industrial Development Company
P.O. Box 362350
San Juan, Puerto Rico 00936-2350

Lease Contract Renewal

The Puerto Rico Industrial Development Company, (Landlord) and Wallace Silversmiths de Puerto Rico LTD, (Tenant) executed a lease agreement, (the lease) of the properties as below identified, on April 23, 2010, for a term which expired on December 31, 2010.

Clause number 1.09 of said agreement read as follows: Renewals beyond December 31, 2014 will not take affect until Tenant and Landlord agree on Basic Rent terms for each follow-on years beyond that date as defined in paragraph 1.13. Basic Rent for a renewal period of one year will be agreed and executed in writing within 90 days of expiration of the current one year term. One year renewals will take affect upon the expiration of the term in force unless one of the parties hereto, no later than ninety (90) days before the expiration of such term, notifies the other party of its intention to terminate the lease upon conclusion of the term in force.

The parties agreed to renew the lease term according to the following:

Projects: T-0261-0-54, 1-52, 2-72 & T-0343-0-56, 1-60, located in San Germán, Puerto Rico (54,772.17 sq. ft.)

Renewal Term: 01/01/2011 to 12/31/2011

Monthly Payment: $9,585.13 ($2.10 per sq ft)

Additional deposit: $657.27

Furthermore, in the event that Tenant decides to renew the lease once the term herein agreed expires, the rental payment shall be subject to an annual increase of four percent (4%) for each year that Tenant decides to renew the lease as follows:

From January 1st 2012 to December 31, 2012..... $2.18 per sq. ft.
January 1st, 2013 to December 31, 2013..... $2.27 per sq. ft.
January 1st, 2014 to December 31, 2014.....$2.36 per sq. ft.

Tenant shall notify Landlord 60 days prior the expiration date, its intention to terminate the lease upon conclusion of the term then in force. Notwithstanding any of the foregoing with respect to future lease rates after December 31, 2011, in no event shall Tenant be required to renew the Lease after the current term, which expires on December 31, 2011.

#2011-001095
11-may-11

Terms and conditions of the lease executed on April 23, 2010 shall be deem modified only in those aspects as set forth above in this renewal and, therefore, all other terms and conditions shall remain in full force and effect.

In witness whereof, the parties hereby executes this agreement, on April May 03, 2011, in San Juan, Puerto Rico.

Jorge A. Junquera Arnadeo
Chief Financial Officer
Puerto Rico Industrial
Development Company

Wallace Silversmiths de Puerto Rico LTD
SSN 66-0402645

WALLACE SILVERSMITHS DE PUERTO RICO, LTD
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

1. ORGANIZATION, NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of operations

Wallace Silversmiths de Puerto Rico, LTD (the Company) is organized under laws of the Cayman Islands on April 2006 and is engaged in the design and manufacture of sterling silver and stainless steel flatware and frames in San German, Puerto Rico. The Company is a wholly owned subsidiary of Syratech Acquisition Corporation. During April 2006 Syratech Acquisition Corporation purchased the assets and acquires certain liabilities of Wallace International de Puerto Rico, Inc. as part of an asset purchase agreement. The assets purchased by Syratech Acquisition Corporation were then transferred to Wallace Silversmiths de Puerto Rico, LTD.

Summary of significant accounting policies

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Property and equipment

Property and equipment are stated at cost. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed as incurred; major additions and improvements are capitalized.

Asset impairment

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. An amount of impairment is recognized when the future net cash flows estimated to be generated by the asset are insufficient to recover the current carrying value of the asset. The company did not have any asset impairment for the year ended December 31, 2012 and 2011.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. INCOME TAXES

The Company's has a tax exemption grant under the provisions of the Puerto Rico Industrial Incentive Act of 1997, as amended. The Grant provides for an exemption period of 15 years commencing on January 1, 2004 for income and property tax purposes, and July 1, 2004 for municipal license tax purpose. The Grant provides for an income tax rate of 4% on all net industrial development income earned, 90% exemption on property taxes and 60% exemption on municipal license tax. Under the terms of the Grant, the Company has to maintain certain employment levels which, if not met, will result in the increase of the fixed income tax rate. In addition, the Grant provides exemption from withholding tollgate taxes on distributions to Syratech. During October 2007 the decree was transferred to the Company from Wallace International de Puerto Rico, Inc. by means of a grant amendment.

6. CONTINGENCY

Legal proceedings

Wallace Silversmiths de Puerto Rico, Ltd. ("Wallace de Puerto Rico"), a wholly-owned subsidiary of the Company, operates a manufacturing facility in San Germán, Puerto Rico that is leased from the Puerto Rico Industrial Development Company ("PRIDCO"). In March 2008, the United States Environmental Protection Agency (the "EPA") announced that the San Germán Ground Water Contamination site in Puerto Rico (the "Site") had been added to the Superfund National Priorities List due to contamination present in the local drinking water supply.

In May 2008, Wallace de Puerto Rico received from the EPA a Notice of Potential Liability and Request for Information Pursuant to 42 U.S.C. Sections 9607(a) and 9604(e) of the Comprehensive Environmental Response, Compensation, Liability Act. The Company responded to the EPA's Request for Information on behalf of Wallace de Puerto Rico. In July 2011, Wallace de Puerto Rico received a letter from the EPA requesting access to the property that it leases from PRIDCO, and the Company granted such access. In February 2013, the EPA requested access to conduct further environmental investigation at the property. The Company granted such access and further EPA investigation is pending. The Company is not aware of any determination by the EPA that any remedial action is required for the Site, and, accordingly, is not able to estimate the extent of any possible liability.

The Company is, from time to time, involved in other legal proceedings. The Company believes that other current litigation is routine in nature and incidental to the conduct of the Company's business and that none of this litigation, individually or collectively, would have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

ARTICLE I
BASIC TERMS OF LEASE

The following sections set forth basic information referred to in this Lease Agreement and, where appropriate, constitute definitions of the terms hereinafter listed.

1.01 **LANDLORD:** Puerto Rico Industrial Development Company (PRIDCO).

1.02 (a) **LANDLORD'S POSTAL ADDRESS:**

P.O. Box 362350
San Juan, P.R. 00936-2350
Attn.: Contracts Division
omarcano@pridco.com

(b) **LANDLORD'S PHYSICAL ADDRESS:**

355 F.D. Roosevelt Avenue
Hato Rey, Puerto Rico 00918
Telephone: (787) 758-4747
Fax: (787) 753-7367

1.03 (a) **TENANT: WALLACE SILVERSMITHS DE PUERTO RICO LDT.**

1.04 (a) **TENANT'S POSTAL ADDRESS:**

Mr. Ronald Shiftan / Vice-President & Assistant Secretary
Mr. Ramón A. Pérez Flores / General Manager
PO Box 1177
San Germán, PR 00683-1177
Phone No. (787) 892-2065
Email: ramon.perez@lifetimebrands.com

1.05 **TENANT'S EMPLOYER IDENTIFICATION NO. (last page)**

1.06 **LEASED PREMISES:** Project No. **T-0261-0-54, 1-62 & 2-72; T-0343-0-56 & 1-60** as described in Attachment A to this Lease Agreement, consisting of a parcel of land and a building thereon having a gross construction area of **54,772.17** sq. ft. (the "Building"), located in **San German,** Puerto Rico. The Leased Premises include the special facilities, if any, described in Attachment A. For purposes of this Lease Agreement, the Building's gross construction area includes, without limitation, bathrooms, ramps, access stairs, loading docks, exterior shelters, corridors between buildings or structures and other roofed structures on the parcel of land, as described in Attachment A. Should the Leased Premises consist of various projects, the term "Building" shall be construed to include each and all of the buildings described in Attachment A.

1.07 **PERMITTED USE:** The Leased Premises shall be used exclusively for **sterling silver and other source metals for the manufacture of flatware, giftware, and housewares products and fabricated metal products.**

1.08 **CAPITALIZATION, INVESTMENT AND EMPLOYMENT LEVELS:** Intentionally Omitted

1.09 **LEASE TERM: Ten (10)** years beginning on **January 1st, 2015.** Renewals shall take effect automatically upon the expiration of the term then in force, unless one of the parties hereto, no later than one hundred eighty (180) days before the expiration of such term, notifies the other party of its intention to terminate the lease upon conclusion of the term then in force.

1.10 **YEAR:** "Year" shall mean 365 consecutive days unless the year in question is a leap year, in such case the term "Year" shall mean 366 consecutive days.

1.11 **DATE OF DELIVERY OF POSSESSION: Tenant is in possession of the premises.**

1.12 **RENT COMMENCEMENT DATE: January 1st, 2015.**

1.13 **BASIC RENT:** The Basic Rent to be paid to LANDLORD shall be based on the gross construction area of the Building as follows:

Term	Rent per Sq. Ft.	Monthly Rent	Annual Rent
01/01/2015 – 12/31/2024	$3.45	$15,747.00	$188,964.00

1.14 **SECURITY DEPOSIT:** A sum equivalent to the aggregate of i) the payment(s), below identified as "Reservation Payment", made by TENANT prior to the execution of this Lease Agreement to reserve

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the Leased Premises and ii) the amount below identified as the "Security Deposit Balance", which amount is the remaining balance to complete the security deposit required under Section 6.01 of this Lease Agreement.

Total Security Deposit: $19,717.98

Previous Contracts Deposit:	$6,414.82	Cash Receipt No. 115833	Date 05/25/1984
	$4,066.36	Cash Receipt No. 146282	Date 02/02/2000
	$2,664.14	Cash Receipt No. 171374	Date 04/21/2010

The Security Deposit Balance payment $6,572.66 shall be made with a manager's or official bank check and delivered by TENANT together with this Lease Agreement.
AU182270 $6572.66 1/9/15 QR

1.15 **GUARANTOR: N/A**

1.16 **EFFECT OF REFERENCE TO A DEFINED TERM IN ARTICLE I.** Each of the defined terms used in Article I shall be construed in conjunction with the definition thereof contained in this Lease Agreement. In the event of any conflict between the defined term and the balance of the Lease Agreement, the latter shall prevail.

1.17 **ATTACHMENTS.** The following marked attachments are incorporated in this Lease Agreement by reference as if set forth at length herein and form an integral part hereof:

[X] **Attachment A - Description of Leased Premises**
[X] **Attachment B - Authorization to ACH Payment**

ARTICLE II
TITLE, AUTHORITY AND DEMISE

2.01 **Title and Authority.** LANDLORD is the owner of the property described in Attachment A hereto and, in such capacity, has full right and lawful authority to lease said property to TENANT and to grant to TENANT all the rights pertaining thereto, subject to the liens, encumbrances and restrictions which may affect it, if any, and the terms and conditions of this Lease Agreement and of its attachments.

2.02 **Demise.** Subject to the terms, covenants and conditions of this Lease Agreement, LANDLORD leases the property described in Attachment A (the "Leased Premises") to TENANT, and TENANT accepts same.

ARTICLE III
LEASE TERM AND POSSESSION

3.01 **Term.** The term of this Lease Agreement (hereinafter the "Term") shall commence on **January 1st, 2015** (as defined in Section 1.13 hereof) and shall expire on the last day of the last Year of the Term (including any possible optional extension as per Section 1.09 hereof), unless earlier terminated in accordance with the provisions of Article XVIII of this Lease Agreement.

3.02 **Delivery of Possession of Leased Premises.** Tenant is in possession of the leased premises.

ARTICLE IV
USE OF THE LEASED PREMISES, RESTRICTIONS AND OPERATIONAL REQUIREMENTS

4.01 **Use of Leased Premises.** (a) Authorized Use. TENANT shall use and occupy the Leased Premises solely and exclusively as authorized in Section 1.07 of this Lease Agreement. Any change in the authorized use must be previously approved in writing by LANDLORD.

(b) Restrictions. LANDLORD reserves exclusively to itself the air rights over any building or structure forming part of Leased Premises, for any purpose.

4.02 **Ongoing Operation: Levels of Capitalization, Investment and Employment.** Intentionally Omitted.

ARTICLE V
RENT

5.01 **Basic Rent.** As of the Rent Commencement Date set forth in Section 1.12 hereof, TENANT shall pay to LANDLORD the Basic Rent specified in Section 1.13 of this Lease Agreement. The Basic Rent for any renewal period shall be the prevailing lease rate charged by LANDLORD at the time of

the renewal period for similar properties in the zone in which the Leased Premises are located; provided, however, that the Basic Rent for a renewal period shall not be less than that of the preceding lease period. TENANT shall pay the Basic Rent in monthly installments in the amount indicated in Section 1.13 in advance on or before the first day of each calendar month (the "Monthly Rent"); provided, however, that if the Rent Commencement Date does not fall on the first day of a calendar month, the rent for the initial partial month shall be prorated based on a 30 day month and included with the first payment of Monthly Rent due the first day of the first full calendar month following the Rent Commencement Date.

5.02 Additional Rent. Any amount TENANT is obligated to pay or reimburse LANDLORD under this Lease Agreement that is not Basic Rent shall be considered to be Additional Rent.

5.03 Payment Method. The Basic Rent and the Additional Rent (hereinafter collectively, the "Rent") shall be paid in legal currency of the United States of America. Any payment or charge identified in this Lease Agreement as Additional Rent shall be made on or before the first day of the month following the date the request for payment was sent by LANDLORD to TENANT. **All Rent shall be remitted to LANDLORD, through an electronic transfer/debit (ACH-Automatic Clearing House) from Tenant's bank account. Tenant's account information and withdrawal authorization is included in Attachment "B" of this agreement.** It is TENANT's duty to take the necessary measures and precautions to ensure that the Rent is received by LANDLORD on or before its due date. The payment of Rent is separate from any other agreement or obligation contained in this Lease Agreement, and shall be paid without the need of previous request or notice by LANDLORD, without set off, adjustment or abatement of any kind, except as otherwise provided for herein. LANDLORD may demand at any time that Rent payments be made by a manager's or official bank check.

ARTICLE VI
SECURITY DEPOSIT

6.01 Security Deposit. Simultaneously with the execution of this Lease Agreement, TENANT shall deliver to LANDLORD a manager's or official bank check, for the amount specified in Section 1.14 of this Lease Agreement (the "Security Deposit"), to guarantee the faithful performance of each and every one of TENANT's obligations, including, but not limited to, the payment of all the Basic Rent, any other expenditure TENANT is responsible for hereunder, and the surrender of the Leased Premises upon expiration of the Term, or at the termination of this Lease Agreement, in the condition and good order required by Article XIX of this Lease Agreement. TENANT shall not have the right to receive interest on the Security Deposit.

6.02 Use of Security Deposit. LANDLORD may use all or part of the Security Deposit at any time to cover any payment (including Rent) or expense that, according to the terms and conditions of this Lease Agreement, is TENANT's responsibility. Should it become necessary for LANDLORD to use the Security Deposit as a result of a default or violation of the Lease Agreement by TENANT, TENANT must replace the amount used by LANDLORD within fifteen (15) days of a written demand therefore by LANDLORD.

6.03 Surrender of Security Deposit. Upon termination of this Lease Agreement, TENANT shall request in writing the Security Deposit (or the remaining balance after use by LANDLORD to cover any payment (including Rent) or other allowable expense under this Lease Agreement) after LANDLORD (i) has inspected the Leased Premises; (ii) confirms that the Leased Premises have been surrendered according to Article XIX and the other pertinent terms and conditions of this Lease Agreement; and (iii) determines that no environmental deficiencies exist which are attributable to or a consequence of the operations of TENANT at the Leased Premises.

6.04 Transfer of Security Deposit. In the event of sale, assignment or transfer of the Leased Premises by LANDLORD to a third party, LANDLORD shall be entitled to transfer the Security Deposit to its successor, who shall thereafter be solely and exclusively liable for the return of the Security Deposit, and LANDLORD shall be released upon said transfer from any claim or liability towards TENANT regarding the Security Deposit or its return upon termination of this Lease Agreement.

ARTICLE VII
ALTERATIONS AND IMPROVEMENTS

7.01 General Provisions. Tenant is in possession of the leased premises and acknowledges that it is in good state of repair.

7.02 Alterations and Improvements. All alterations, changes, additions or improvements necessary for the Leased Premises to be used for the purposes set forth in Section 1.07 of this Lease Agreement, shall be paid for by TENANT. TENANT shall make no alterations, changes, additions or improvements without LANDLORD's prior written consent.

7.03 Air Conditioning; Electric Power Generator. TENANT may, at its own expense, install an air conditioning system and/or an electric power generator at the Leased Premises, subject to LANDLORD's previous written approval. Any installations of such equipment shall be made in coordination with LANDLORD.

7.04 Sprinkler System. TENANT shall implement the necessary security measures to avoid or reduce the risk of fire due to the storage of flammable materials or products. If required by law, TENANT shall install a sprinkler system at its own cost and expense. It shall be TENANT's obligation to obtain the necessary endorsements and/or approvals of the Puerto Rico Fire Department for such installation.

7.05 Floor Load. TENANT acknowledges having been informed by LANDLORD that the Building's maximum sustainable floor load is one hundred and fifty (150) pounds per square foot. In the event that the type of machinery and/or equipment to be installed, stored and/or utilized by TENANT for its operations in the Building exceeds said maximum floor load limit, TENANT shall, at its own expense, make the necessary improvements to the Building which will allow the Building floor to sustain the maximum load required by TENANT's operations without affecting or damaging the strength or stability of the Building.

7.06 Liens and Encumbrances. (a) TENANT may not create nor allow the filing of any lien against the Leased Premises.

(b) TENANT certifies and guarantees that all materials used in or for any construction or work in the Leased Premises shall be free of liens and encumbrances at the time said materials are incorporated into the Leased Premises. At the time the construction or work begins, TENANT shall certify to LANDLORD that the materials to be used are free of liens and encumbrances.

(c) TENANT shall immediately notify LANDLORD regarding any lien or attachment on materials or supplies used in construction or work at the Leased Premises which become incorporated into the Leased Premises. Should an attachment be placed upon the Leased Premises or any other type of lien be created that may directly or indirectly affect the Leased Premises, TENANT will quickly take any action, including payment of the amount claimed, necessary to cancel said attachment or lien and release the Leased Premises from the lien in a term not greater than thirty (30) days from the date that the lien is filed. Should the lien not be canceled within the period provided above, in addition to any other rights or remedies available to LANDLORD, LANDLORD may, but is not obligated to, obtain the cancellation of the lien by making payment of the amount claimed, by posting of a bond for the amount of the lien, or by any other procedure that LANDLORD deems appropriate; and any expense incurred in said effort, including attorneys' fees incurred by LANDLORD, shall be paid by TENANT as Additional Rent.

7.07 Ownership of Improvements; Surrender. (a) Upon termination of the Lease Agreement, all alterations, changes, additions, or improvements made by TENANT to the Leased Premises with incentives, credits, or other economic assistance from LANDLORD shall be deemed incorporated into the Leased Premises and therefore property of LANDLORD, with no rights of TENANT to any compensation or reimbursement therefore by LANDLORD. LANDLORD may require TENANT to remove, at TENANT's expense, any or all such alterations, changes, additions, or improvements upon termination of the Lease Agreement.

(b) Upon termination of the Lease Agreement, TENANT, unless specifically permitted by LANDLORD, shall remove, at TENANT's expense, those improvements i) installed by TENANT in the Leased Premises at TENANT's cost and expense, or ii) described on Attachment H hereto, installed by a prior TENANT and whose ownership was accepted by TENANT, or iii) not identified as special facilities on Attachment A.

(c) TENANT, after removal of any alterations, changes, additions or improvements, shall restore the Leased Premises to a condition reasonably similar to their condition when delivered to TENANT.

7.08 Plans and Specifications. Should TENANT request the consent of LANDLORD to effect any alteration, change, addition, or improvement, LANDLORD may, at its option and in its discretion, require TENANT to submit to LANDLORD for approval plans and specifications for the proposed work, including such work. Any plans and specifications must be submitted and approved by the pertinent governmental entities prior to TENANT's commencement of any work.

ARTICLE VIII
MAINTENANCE AND REPAIRS

8.01 TENANT's Duties and Responsibilities. (a) Except for those repairs that according to Section 8.02 hereof are LANDLORD's responsibility, TENANT shall maintain in good condition, at its own

cost and expense, the Leased Premises, with all improvements including, but not limited to, the exterior premises, the Building, the special facilities, stairs, elevators, ramps, sidewalks, curbs, roads, landscaping, the ground and underground of the Leased Premises, and the pipes, lines, cables or ducts and other utility connections that service the Leased Premises. Any repair to the Leased Premises is TENANT's responsibility, unless said repair is necessary as a consequence of the negligence or some intentional act of LANDLORD, its agents, employees or contractors. As appropriate, TENANT shall (i) repair or replace doors, windows and their frames; the electrical system; the air conditioning and/or ventilation system; the plumbing, sanitary and sewage systems as well as the equipment, machinery, facilities or objects within the Leased Premises or that form part of the Leased Premises with the same type and quality; and (ii) paint the interior and exterior of the Building.

(b) TENANT shall also maintain the Leased Premises and its surroundings free of insects, rodents and pests; (ii) free of garbage, refuse, debris and any other solid waste; and (iii) free from unpleasant or offensive odors. Moreover, TENANT shall maintain the drainage and sewer systems of the Leased Premises free from obstructions.

(c) If TENANT fails to make any repair or if any repair is performed in an unsatisfactory manner, or if equipment is not replaced when necessary, LANDLORD may, but is not obligated to, undertake any such repair or replacement. TENANT shall reimburse LANDLORD for all costs incurred in any such repair or replacement plus an additional thirty percent (30%) of the cost of any such repair or replacement in order to cover LANDLORD's administrative costs. Any such costs reimbursed by TENANT including the additional percentage charge established above shall be considered Additional Rent, and as such, shall be paid within the period provided in Article V of this Lease Agreement. TENANT shall hold LANDLORD harmless from any damage or inconvenience suffered by TENANT as a consequence of any repairs performed by LANDLORD as provided in this paragraph, and TENANT shall have no rights of adjustment or reduction in Rent in connection therewith.

(d) TENANT shall perform all maintenance work necessary to ensure that all its equipment and operations fully comply with the applicable fire prevention standards and environmental requirements, legal or regulatory.

(e) The provisions of this Section 8.01 shall not be applicable in the case of damage or destruction resulting from fire or any other event covered by Article XIII of this Lease Agreement.

8.02 LANDLORD's Duties and Responsibilities. LANDLORD shall be solely and exclusively responsible for any necessary repairs or restorations due to defects in the design of the Building or construction defects thereof, not apparent at the moment TENANT inspected the Leased Premises prior to occupancy. Except as provided in this Section 8.02, LANDLORD shall not be responsible for any repair, replacement or improvement to the Leased Premises or to equipment, machinery, facilities, furniture or any other object within the Leased Premises, all of which shall be the responsibility of TENANT as provided in Section 8.01 of this Lease Agreement.

8.03 Roof Care and Maintenance. TENANT shall not, without the previous written consent of LANDLORD: (i) place any fixture, equipment or other load on the roof of the Building; (ii) perforate the Building's roof; or (iii) use the roof of the Building for storage. TENANT shall take all necessary measures to maintain the roof's drainage system free from obstructions and in good and working condition at all times. Prior to undertaking any repairs to the Building's roof, TENANT shall submit in writing to LANDLORD a detailed description of the work to be performed and provide any other pertinent information related to said repairs LANDLORD may request.

ARTICLE IX
PUBLIC UTILITIES

9.01 TENANT's Duties and Responsibilities. TENANT shall pay for the cost of electricity, water, gas, telephone and any other utility service to the Leased Premises during the Term of this Lease Agreement, including the period of time, if any, between the Date of Delivery of Possession and the Rent Commencement Date. TENANT shall request and coordinate the installation of metering devices and other mechanisms or systems necessary to obtain the various utility services for the Leased Premises, and shall be liable for any deposit and/or installation charge required by the corresponding agency or utility company.

9.02 Service Interruption. TENANT shall not make adjustments to the Rent nor hold LANDLORD liable for any utility service interruption to the Leased Premises or for damages suffered as a consequence of any interruption.

9.03 Electricity. (a) Electrical Substation. TENANT, at its own cost and expense and without any right to reimbursement from LANDLORD, may build, install and maintain in coordination with LANDLORD an electrical substation on the Leased Premises and connect it to PREPA's distribution lines, subject to

compliance with PREPA's requirements. Under no circumstances shall TENANT install an electrical substation without LANDLORD's prior approval as to the capacity and power of said substation, its location within the Leased Premises, and the routing path of the power lines.

(b) Additional Equipment. TENANT covenants not to install or use any equipment that will exceed or which reasonably could exceed the capacity of the Leased Premises' power lines without LANDLORD's prior consent. TENANT, at its cost and expense, will upgrade the electrical service lines in accordance with the plans and specifications previously approved in writing by LANDLORD should TENANT's operations require greater electrical service line capacity. TENANT will have to build its own electrical substation according to its electric power needs.

9.04 **Water Supply.** (a) Should TENANT require water volume and/or water pressure greater than that existing in the area of the Leased Premises, the construction and/or installation of any improvements (including structures), that are necessary, convenient or required by the Puerto Rico Aqueduct and Sewer Authority (hereinafter "PRASA") to increase said volume and/or pressure, shall be made at TENANT's own expense and coordinated with LANDLORD, but without any right to reimbursement from LANDLORD for any such improvements.

(b) Should PRASA require improvements to the Leased Premises' water main connection, TENANT shall perform the corresponding improvements at its own expense, and only after written approval has been given by LANDLORD.

ARTICLE X
QUIET ENJOYMENT

10.01 **Quiet Enjoyment.** Upon TENANT's payment of Rent and observance of all other terms, covenants and conditions of this Lease Agreement that are to be observed and performed by TENANT, LANDLORD covenants that TENANT may peaceably and quietly enjoy the Leased Premises, during the Term, or until the termination of the Lease Agreement in accordance with Article XVIII.

ARTICLE XI
TAXES, ASSESSMENTS AND DUTIES

11.01 **Taxes, Assessments and Duties.** TENANT shall be liable for the payment of all taxes, assessments, duties or any other tax levied by any government entity having taxing authority over real property, personal property, and/or the activities directly or indirectly related to TENANT's operations at the Leased Premises, including, but not limited to, personal property taxes on equipment and machinery located at the Leased Premises. TENANT shall pay these taxes, assessments, and duties before their due date.

ARTICLE XII
ENVIRONMENTAL

12.01 **Governmental Regulations and Environmental Protection.** TENANT shall comply with all laws, rules, regulations, executive orders, administrative orders and requirements of local and federal governmental agencies having jurisdiction over TENANT's operations at the Leased Premises. TENANT shall submit evidence of said compliance of any permits, and agency endorsements, **provided that Tenant shall submit to Landlord all operational permits related with the leased premises and its operations.**

TENANT shall maintain the Leased Premises and conduct its operations thereat in compliance with the terms, conditions, and requirements specified in i) the Environmental Impact Statement, or any other document prepared for the evaluation of environmental aspects of its operations at the Leased Premises; and ii) the permits issued by the governmental agencies with jurisdiction over the operations at the Leased Premises.

TENANT, at its own cost and expense, shall install on the Leased Premises the necessary equipment to prevent its operations from affecting adversely the environmental integrity of the Leased Premises, or causing any disturbance to the adjacent properties or to the community in general.

Any improvements or installation of equipment for pollution controls required by any agency or governmental entity having jurisdiction thereof shall be at TENANT's expense and subject to Article VII of this Lease Agreement. TENANT shall also comply with the following permits and regulations, without limitation of any other applicable environmental requirements:

(a) Wells. LANDLORD will not allow the drilling of a water well at the Leased Premises unless TENANT's operations at the Leased Premises require a volume of water greater than that which PRASA can supply. In such case TENANT will obtain a construction permit and a franchise from the government authorized agencies.

(b) Noise. TENANT shall not exceed the maximum noise levels allowed by the Noise Pollution Control Regulation of the Puerto Rico Environmental Quality Board or the agency with jurisdiction over that matter.

(c) Air Emissions. TENANT shall obtain all the necessary construction and operational permits necessary to construct, install, and operate any air emissions source or atmospheric pollution source, as defined by the Regulation for the Control of Atmospheric Pollution Sources according to the Local and Federal Regulations. This includes, but is not limited to (i) ventilation systems to disperse atmospheric emissions resulting from TENANT's operations; (ii) electric power generators for emergency use; (iii) storage tanks for flammable gases with a capacity greater than five hundred (500) gallons; and (iv) fuel storage tanks (gasoline, diesel, kerosene, acetone, alcohol and others) having a capacity of more than ten thousand (10,000 gallons). TENANT, at its own cost and expense, shall establish the necessary measures and shall install the equipment required to maintain the air quality standards established by the existing laws and regulations and any amendments thereto as required by the permits issued by the Environmental Protection Agency and the local government authority.

(d) Gas Storage Tanks. TENANT shall obtain a permit from the Public Service Commission to install and/or store flammable gases in aboveground storage tanks.

(e) Underground Storage Tanks. TENANT shall not install underground tanks to store fuels, raw materials or chemical substances. In the event that any such tanks have been previously installed at the Leased Premises and removal thereof would constitute a risk to the Leased Premises or to TENANT's operations, such tanks shall be used only if they comply with federal and state regulations for underground storage tanks.

(f) Aboveground Storage Tanks. TENANT, if applicable, shall prepare and implement a Spill Prevention, Control and Countermeasure Plan (SPCC Plan) as required by 40 CFR 112 and comply with the applicable law requirements for the installation and operation of aboveground storage tanks.

(g) Chemicals. Storage of any chemical substance shall be undertaken in full observance of the applicable safety measures required by the governmental agencies having jurisdiction thereof so as to prevent any leakage or spillage that may contaminate the Leased Premises or adjacent properties.

(h) Storage of Hazardous Materials. TENANT shall strictly abide by the rules and regulations established by the Occupational Safety and Health Administration (OSHA) for the storage of hazardous materials (29 CFR Part 1910 Subpart H) as well as with the Puerto Rico Code for Fire Prevention. TENANT will comply with the minimum distances set forth in the federal and local codes for the storage of hazardous materials, particularly those materials that are inflammable.

(i) Industrial and Sanitary Effluents. TENANT shall not discharge its sanitary or industrial effluents into the sewer system nor into any other place until TENANT has obtained the necessary authorization to do so, be it from the Puerto Rico Aqueduct and Sewer Authority, from the local authorities, or the Environmental Protection Agency (EPA), as applicable. TENANT shall request and obtain the necessary permits and/or endorsements from any local or federal agency with jurisdiction in order to install and operate any treatment or pretreatment plant or system for said effluents. TENANT must obtain LANDLORD's endorsement and approval to install a treatment or pretreatment plant or system prior to any request for the permits and endorsements of the other pertinent government agencies with jurisdiction. TENANT shall treat its effluents as required prior to discharge, as required by the pertinent governmental agency having jurisdiction.

(j) Septic Tanks and Systems. Should the Leased Premises have a septic tank or system, such facility can be used only to discharge sanitary effluents. Therefore, TENANT shall not discharge industrial effluents nor any substance nor material other than sanitary effluent into the septic tank or system. Moreover, TENANT must obtain from the applicable permit/s to operate said septic tank or system. Any industrial effluent that may be generated and that is not discharged into the Aqueduct and Sewer Authority sewer system or through a discharge permit from the National Pollutant Discharge Elimination System ("NPDES"), shall be disposed of by transporting it to an Aqueduct and Sewer Authority treatment plant, with previous authorization, or to another entity authorized to handle such effluents.

(k) NPDES Permit. TENANT shall not discharge any industrial effluent into the ground. TENANT shall obtain an NPDES permit to discharge stormwater or other effluents into a body of water. TENANT shall obtain an NPDES permit, if stormwater run-off is exposed to raw materials, unfinished or finished products, waste, by-products, industrial machinery or equipment, a materials handling area or a process area. TENANT shall obtain, when applicable, the pertinent industrial discharge permit or pre-treatment permit required by PRASA.

(l) Hazardous Substances. TENANT will not treat, store or dispose of any hazardous substance at the Leased Premises, unless TENANT possesses the necessary permits from the agencies with jurisdiction and such activities are performed in compliance with applicable regulations and the terms and conditions of the permit. TENANT will not generate or store any hazardous substance or waste at the Leased Premises without first obtaining the necessary permits from the local and federal agencies with jurisdiction. The generation and storage of hazardous substances shall be conducted in compliance with applicable environmental laws, regulations and permits. Also, TENANT shall not store hazardous waste at the Leased Premises, without first giving notice to LANDLORD of the location of the storage area and providing evidence of compliance with state and federal regulations as well with the measures LANDLORD considers necessary to protect the Leased Premises. At no time shall TENANT dispose of any hazardous substances or waste at the Leased Premises.

(m) Non-hazardous Solid Waste. Non-hazardous solid waste generated from the operations at the Leased Premises shall be stored, handled, transported and disposed of in accordance with the applicable local and federal laws and regulations and the hazardous Waste Control Regulations. TENANT must obtain the applicable permit for a Non-hazardous Waste Generating Activity (DS-3), when it generates more than fifteen (15) cubic yards of non-hazardous solid waste weekly during construction activities. TENANT, at its own cost and expense, shall keep the grounds clean and free of solid wastes, rubbish, garbage and debris.

(n) Equipment or Materials containing Polychlorinated Biphenyls (PCB). TENANT shall not install or introduce equipment or materials containing PCB's at the Leased Premises.

(o) Reports to LANDLORD - In addition to any other information or document that may be required hereunder, TENANT shall provide LANDLORD with the following:

1. Written notice, within forty-eight (48) hours, of any event that requires verbal or written notice to the Environmental Protection Agency, the Environmental Quality Board or any entity designated by them, together with, a copy of any order, communication or report regarding the event. This includes, but is not limited to, any notice required under the provisions of the "Emergency Planning and Community Right to Know Act."

2. Written notice within forty-eight (48) hours of any change to the hazardous materials handled at the Leased Premises, or if TENANT observes or has any knowledge of an environmental problem at the Leased Premises even if such problem is not a result of TENANT's activities.

3. A copy of any permits mentioned as previously stated.

(p) Audits and Access to the Property. LANDLORD reserves the right to inspect the Leased Premises, and to authorize the local and federal agencies from time to time, during the Term of this Lease Agreement as deemed necessary, to enter the premises for the purpose of evaluating the environmental condition of the Leased Premises, and as to TENANT's compliance with federal and state environmental regulations and the provisions of this Article XII. TENANT, for this purpose, will provide LANDLORD with access to all areas or structures on the Leased Premises. TENANT shall provide access to all the books, registers, documents or instruments that LANDLORD deems necessary to determine the environmental condition of the Leased Premises, or compliance with environmental regulations.

In the event that LANDLORD believes, based upon any inspection performed on the Leased Premises, that TENANT, as a result of Tenant's operations at the leased premises, is in material violation of a federal or local environmental law or regulation, LANDLORD shall request TENANT to perform, at TENANT's cost, the environmental site assessments necessary to determine the existence and extent of contamination at the Leased Premises, if any and all activities of removal, mitigation and remediation needed to correct any environmental problem caused by the TENANT at the Leased Premises. TENANT, upon LANDLORD's request, at the termination of this Lease Agreement, shall submit an environmental site assessment, Phase I and/or Phase II, of the environmental condition of the Leased Premises prepared by an environmental consultant of proven experience. The assessment shall determine whether the activities performed by TENANT affected the conditions of the Building and the lot. The assessment shall be performed following the standards established for preparing such reports by the scientific community (ASTM). The assessments shall be signed and certified by an engineer or chemist licensed to practice in Puerto Rico.

In the event that an environmental audit or inspection reveals an environmental deficiency or condition caused by Tenant's operations at the leased premises, Tenant shall submit an action plan to remedy such situation together with a bond or guarantee to secure payment of the remediation. The plan shall be reviewed and its execution coordinated with Landlord.

(q) Emergency Remediation Response Action. In the event of any hazardous substance spill, leak, or escape or any other occurrence during the period of Tenant's operations at the leased premises which requires the removal of hazardous substances or environmental remediation, TENANT shall be responsible to remedy it immediately. TENANT shall be responsible for hiring, at its own expense, those companies with proven experience and reputation to perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation. Prior to the formation of any contractual agreement with any company or consultant for the removal and/or, remediation, the company or consultant must be approved by LANDLORD. The scope of work prepared by the LANDLORD authorized company shall be submitted to LANDLORD for its approval. In the event of any violation or contamination caused by Tenant's operations of the Leased Premises, LANDLORD may request TENANT to remain in the Leased Premises and to continue paying Rent until the Leased Premises are in compliance with local and federal regulations. At all times, TENANT shall be obligated to immediately notify LANDLORD in writing upon occurrence of any event that requires removal of contaminants or environmental remediation and shall coordinate with LANDLORD any clean-up, contamination removal, or environmental remediation before commencement thereof provided that if the event which requires removal of contaminants or environmental remediation should occur during non-working periods, in which case (such as weekends or holidays) TENANT shall immediately notify LANDLORD the next working day. The notice to LANDLORD by TENANT in the event of a spill, leak or escape does not release TENANT of its obligation to notify the pertinent governmental agencies as required by law, regulation, municipal ordinance, judicial order, executive order, administrative order or by any other legal requirement.

Should any environmental mishap occur, such as, but not limited to, a spill, release or leak that poses an imminent danger to human health or to the environment, in addition to taking all such protective measures, responses and notifications as are required by environmental laws, regulations, and permits, TENANT shall cease its operations if TENANT's operations are the direct cause of said environmental mishap until said mishap is controlled and all risk to human life or to the environment is suppressed.

(r) Environmental Conditions Liability. TENANT shall be liable for any environmental damage and the necessary or remedial action as results from TENANT's operations. TENANT shall indemnify LANDLORD for any lawsuit, civil or criminal action, administrative action, fine, claim, remedial action and/or clean-up and/or pollutant removal action, toxic or hazardous substance or waste as defined in local and federal laws and regulations, that may arise as a result of TENANT's operations or during TENANT's occupation of the Leased Premises. The term contaminant includes petroleum and its derivatives, asbestos, and PCB. TENANT shall also be liable and shall indemnify LANDLORD for any complaint, civil or criminal action, administrative action, fine or claim that arises as a result of any violation of any law, regulation, rule, Administrative Order, Executive Order or environmental requirement of any local or federal governmental entity that arises as a result of TENANT's operations or during the term TENANT occupied the Leased Premises. TENANT's liability toward LANDLORD and its obligation to indemnify LANDLORD shall survive the termination of this Lease Agreement. Tenant will not be liable for preexisting environmental conditions, nor any environmental condition related to adjoining properties.

(s) Tenant acknowledges that at the termination of this Lease, if any environmental remedial situation related with Tenant's occupation of the premises is active in the Leased Premises, Tenant must continue to pay the monthly rental obligation as agreed, until all activities related with the remediation are completed to the satisfaction of the local or federal governmental agencies having primary jurisdiction over the remediation.

This obligation to pay rent will remain active regardless of the reasons for termination of the Contract or if the Tenant had delivered possession of the Leased Premises to Landlord, unless the environmental remedial situation does not interfere in the Landlord's ability to offer and make available, in whole or in part, the Leased Premises to third parties. In the event that any remediation activities related to Tenant's operation or occupation of the Leased Premises only encumber part of such premises, Tenant shall be only responsible for rent payment of its proportionate share of the rent corresponding to the area under active environmental remediation.

Once Landlord issues written certification acknowledging the completion of the remediation activities the rent payment obligation will be ceased.

ARTICLE XIII
DESTRUCTION OF PREMISES

13.01 Notice of Event. TENANT shall immediately notify LANDLORD after any fire, explosion, spill of hazardous wastes or pollutants (except as otherwise provided in Article XII and Section 13.06 hereof) or any other kind of accident or extraordinary event which causes or threatens damage to the Leased Premises.

Initials

O.I.M.

13.02 LANDLORD's Duty to Repair. Should the Leased Premises be damaged by fire, explosion or any other casualty covered by the insurance policies as required by this Lease Agreement, LANDLORD shall repair or restore the Leased Premises to a condition substantially similar to that before the accident or event, provided that:

(i) LANDLORD has received the corresponding insurance proceeds from the insurance company; and

(ii) the accident or event causing the damage is not attributable to or did not occur as a consequence of negligence, an omission, or intentional act of TENANT or any of its employees, agents, visitors or representatives; nor as a result of acts by any of them in violation of a federal, state, or municipal law regulation, order, ordinance, or breach of any obligation or condition under this Lease Agreement.

TENANT recognizes that LANDLORD's duty to repair damage or destruction to the Leased Premises is limited to those repairs made possible by the proceeds received as a result of the insurance policies required hereunder, and that TENANT shall be responsible for the deductibles or the amount in excess of the insurance proceeds necessary to cover the costs to repair, reconstruct, or replace the Leased Premises.

13.03 Lease Agreement Termination. Notwithstanding the provisions of Section 13.02 hereof, LANDLORD shall have the option to terminate this Lease Agreement in any of the following circumstances:

(i) should the insurance policy as required by this Lease Agreement not provide coverage for the accident or event which damages the Leased Premises;

(ii) the damage suffered by the Leased Premises is such that it exceeds the cost of replacement; or

(iii) if the Building and other structures of the Leased Premises, in the opinion of LANDLORD, cannot be repaired in a period of one hundred twenty (120) days from the day the accident or event occurred;

(iv) should the damage to the Building be so extensive that LANDLORD decides to demolish it; or

(v) should the accident or event occur at any time during the last two (2) years of the Term of this Lease Agreement.

In any of the above circumstances LANDLORD may terminate this Lease Agreement by written notice to TENANT within ninety (90) days from the date the accident or event occurred, in which case both parties are released of any further liability under this Lease Agreement as of the effective date of termination except for those that survive termination pursuant to Article XII hereof.

13.04 Restoration. Should LANDLORD have the obligation to repair or restore the Leased Premises according to Section 13.02 hereof, or should LANDLORD not terminate this Lease Agreement as provided in Section 13.03 hereof, and proceeds to repair or restore the Lease Premises, TENANT shall hold LANDLORD harmless for the loss of any equipment, machinery or any other property that TENANT had placed, joined, built-in or installed, or kept at the Leased Premises.

13.05 Rent Adjustment. Should the Leased Premises be damaged or destroyed and LANDLORD elects to repair (provided that the cause of the fire or accident is not the result of any negligence, omission, or any intentional act of TENANT, its employees, agents, guests or representatives, nor the violation by any of them of any federal, state, or municipal law, regulation, order, ordinance, nor the failure to comply with any obligation or condition under this Lease Agreement), TENANT shall have a right to adjust the Basic Rent in proportion to the total area of the Leased Premises that becomes untenantable during the repair period (i.e., from the date of the accident or event until the date LANDLORD finishes the repair work). Should LANDLORD terminate this Lease Agreement due to any of the causes set forth in Section 13.03 hereof, the Rent shall be due until the date of the casualty or destruction.

13.06 Damage Report. In the event of a casualty or disaster, TENANT shall complete and deliver to LANDLORD the form "Disaster Impact Quantification (CD1001)" Attachment J hereto) within eighteen (18) hours after the occurrence of the event.

ARTICLE XIV
WAIVER OF CLAIMS; INDEMNIFICATION

14.01 **Indemnification.** TENANT shall defend, indemnify and hold harmless LANDLORD, its directors, officers, employees, invitees, representatives, successors and assignees of liability from any loss, claim, fine, penalty, attachment, action or complaint of any type or kind, including any incidental expense or cost (including, but not limited to, defense costs, settlement and attorney fees) in relation to or as a consequence of any damage to a third party (including death), or any damage, loss or destruction of any third party's property, (a) in or around the Leased Premises due to any act or omission of the TENANT or any of its employees (whether or not said act is within the scope of employee's job), agents, authorized persons, visitors, successors or assignees, or caused wholly or in part by any act or omission of any of the former or (b) due to the use or occupation of the Leased Premises by TENANT, its agents, employees, invitees, or visitors; (ii) violation of any federal or state law or regulation, or municipal ordinance, or of any judicial or administrative order, as a direct indirect consequence of the use or occupation of the Leased Premises by TENANT; (iii) or due to breach of any of the obligations under this Lease Agreement. The provisions of this Article XIV shall survive and remain in full force after the expiration of the Term or the termination of this Lease Agreement.

14.02 **Waiver of Claims.** LANDLORD shall not be liable, and TENANT releases LANDLORD and waives any claim against LANDLORD, for any damage to or loss of any property located at the Leased Premises which belongs to LANDLORD and/or its agents, employees, invitees and/or visitors, and for any other damage or loss suffered by TENANT, or any damage or loss to TENANT which arises from fire, steam, or smoke; short circuit; water, electricity, gas or other utility failure; rain, storms, hurricanes or other weather conditions; flood or leakage; defects in pipes, cables, appliances, plumbing and/or air conditioning systems, regardless if such damage or inconvenience is the result of the condition or working order of the Leased Premises, or any part of it. LANDLORD shall not be liable for any damage or loss suffered by TENANT and/or its agents, employees, invitees and visitors as a result of criminal conduct, intentional acts, and/or negligent or intentional acts of a third party or of TENANT, its agents, employees, invitees and/or visitors. TENANT waives and shall be barred from filing any claim against LANDLORD for any damage or loss at the Leased Premises or to any person or property within the Leased Premises for any cause other than gross negligence by LANDLORD.

14.03 **TENANT Responsible for Personal Property.** TENANT recognizes that LANDLORD shall not be liable and waives any claim for any damage to personal property in the Leased Premises that belongs to TENANT, or for the theft or misappropriation thereof. TENANT bears all risk for any damage or loss of any personal property of TENANT.

ARTICLE XV
INSURANCE

15.01 **Insurance.** During the Term of this Lease Agreement, TENANT shall maintain in force the following insurance policies:

(a) commercial general liability, including contractual liability, with limits of not less than $1,000,000 for bodily injury (including death) and $1,000,000 for property damage, per occurrence, which will insure TENANT against any claim for accidents in or around the Leased Premises due to use or occupation of the Leased Premises by TENANT. This insurance shall include LANDLORD and its agents, officers, directors and employees as additional insured, and said policy shall include a $50,000.00 "fire legal liability" endorsement;

(b) property insurance with "All Risk" coverage, for one hundred percent (100%) real property replacement cost, including foundations, with an extended coverage endorsement, which names LANDLORD as beneficiary in case of loss. This insurance shall include coverage for fire, hurricanes, floods, earthquakes and other events of a similar nature, vandalism and malicious mischief, boilers and machinery (if applicable) in building format and content, including all changes, alterations, extensions and improvements made by TENANT to the Leased Premises;

(c) **Liability insurance against pollution**-By the nature of the operations conducted in the Leased Premises, Tenant agrees to qualify and maintain in force insurance covering any environmental related event. Such coverage shall have a limit of not less than one (1) million dollars ($ 1,000,000.00) per event or occurrence, and shall remain in effect during the term of this lease and any extension thereto. Failure of the Tenant to keep said coverage will be sufficient cause to terminate the contract without liability release. Landlord shall be included as additional insured and loss payee. If the coverage limits described above is not sufficient to satisfy all claims against Landlord, Tenant shall respond by any excess claimed, if applicable.

(d) any other insurance over the Leased Premises which provides adequate coverage for those insurable risks that are common for property similar to the Leased Premises.

The deductibles of the insurance policies herein required shall be TENANT's responsibility and should LANDLORD undertake any repairs after any loss or damage to the Leased Premises, TENANT shall reimburse LANDLORD the deductible payable under the insurance policy, together with any amount paid by any insurance provider.

15.02 Insurance During Construction. During any construction period at the Leased Premises, TENANT must have in force the following insurance policies:

(i) "builders risk" insurance which provides coverage for any construction work estimated to be over $500,000.00.

(ii) TENANT must, at TENANT's own cost and expense, provide LANDLORD with a performance bond from a surety company recognized and approved by LANDLORD, or other satisfactory guarantee acceptable to LANDLORD, in a sum equal to the estimated cost of said construction to guarantee completion of any construction within a reasonable time. At LANDLORD's option, instead of TENANT's obtention of a separate bond or guarantee for each project that may be in process at any given time, TENANT shall provide LANDLORD with one bond or guarantee that covers all alterations, changes, additions or improvements and other construction occurring at the same time; and,

(iii) Workers' Compensation from the State Insurance Fund Corporation in such coverage amounts as required by law.

15.03 Insurance Policy Increase. TENANT will pay any premium increase required by an insurance company to cover additional risks resulting from any alteration, change, addition or improvement made by TENANT to the Leased Premises.

15.04 General Requirements. All insurance policies required of TENANT under this Article XV must comply in form and substance to LANDLORD's requirements, and must provide the following: (i) that the insurance coverage may not be reduced, canceled or not renewed by the insurance company without written notice to LANDLORD and TENANT at least sixty (60) days in advance (unless said cancellation is due to failure to pay premium, in which case notice must be sent at least thirty (30) days in advance); and (ii) that the policy shall be immediately renewed by TENANT on or before its expiration date. TENANT must obtain said policies from insurance companies duly authorized to do business in Puerto Rico, and acceptable to LANDLORD. Said insurance companies shall have a classification of not less than "A" and a financial rating of "IV" or better, as rated by A.M. Best and Company.

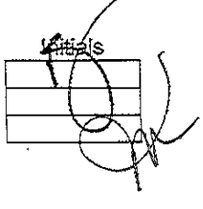
15.05 Insurance Certificates. Before the Date of Delivery of Possession TENANT shall submit to LANDLORD the policies (or certified copies) of same required under this Article XV with all the mentioned endorsements, and certificates of insurance which evidence the required coverage by Sections 15.01 and 15.02 of this Lease Agreement. TENANT expressly recognizes LANDLORD's right not to deliver the Leased Premises to TENANT until two (2) days after the policies (or certified copies) and the insurance certificates have been submitted to LANDLORD, as required in this section.

15.06 Evidence of Payment; Renewal of Policies. TENANT must deliver to LANDLORD satisfactory evidence of payment of the insurance premiums within fifteen (15) days of the respective renewal dates of the respective policies and at the same time submit the corresponding insurance certificate or certified copy of each renewed policy.

15.07 Claims. TENANT shall cooperate with LANDLORD in the collection of claims against the corresponding insurance companies in those cases where LANDLORD handles such claims, including the preparation of damage reports and other documents required to process the claim. In the event TENANT does not provide said documents, LANDLORD, as TENANT's agent and attorney-in-fact, shall, in addition to any other remedy available to LANDLORD, execute and submit any evidence of loss and/or any other document necessary for collection of the claim.

15.08 Periodic Reviews. LANDLORD reserves the right to review and demand periodically increases in the limits of the coverage required in this Lease Agreement as results from the effects of inflation.

15.09 Penalties. Notwithstanding the provisions of Section 22.08, and without affecting the general terms of the matters stipulated therein, should TENANT breach its duty to obtain any of the policies required in Article XV, which as a result renders it necessary for LANDLORD to obtain said policies, in addition to reimbursement for the premium paid for said policies, TENANT shall pay LANDLORD a sum equal to twelve percent (12%) of the cost of the policies obtained by LANDLORD to cover LANDLORD's administrative costs.



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15.10 Waiver of Subrogation. (a) LANDLORD and TENANT agree that all fire and extended coverage and other property damage insurance carried by either of them in relation to the Leased Premises shall be endorsed with a clause providing that any release from liability or waiver of claim for recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder, provided that the insurer waives all rights of subrogation which such insurer might have against the other party. Any release or any waiver of claim shall not be operative in any case where the effect of such release or waiver is to invalidate any insurance coverage or invalidate the right of the insured to recover thereunder. Should any waiver of subrogation result in a premium increase, TENANT shall, within ten (10) days of notice, pay said increase in order to maintain the effectiveness said release or waiver.

(b) Neither LANDLORD nor TENANT shall be liable to the other or the insurance company that provided the coverage for any loss or damage to any building or structure of the Leased Premises for the loss of income either through subrogation or any other form, regardless if such loss or damage be, in whole or in part, caused by a negligent act or omission of the other party, its agents, officers, directors or employees, to the extent that such loss or damage is covered by insurance policy in favor of the affected party.

ARTICLE XVI
LANDLORD'S RIGHTS

16.01 Access to Leased Premises. LANDLORD shall be entitled to enter the Leased Premises for the purposes of inspection to perform any repairs or work required pursuant to the provisions of this Lease Agreement, or for those repairs or work which TENANT has failed to do despite being responsible therefore under this Lease Agreement, or to show the Leased Premises to persons interested to lease or acquire the same. This right to access is subject to the following conditions: (a) if due to any emergency situation, which LANDLORD shall determine at its discretion, LANDLORD shall have full access to the Leased Premises at any time; (b) under any other circumstances LANDLORD shall have access to the Leased Premises during normal business hours; and (c) LANDLORD must maintain at a minimum any interruption to TENANT's operations during any exercise of its rights under this Article.

ARTICLE XVII
TENANT BANKRUPTCY

17.01 Lease Agreement Assumption Requirements. The following provisions shall apply upon commencement of a voluntary or involuntary case under Title 11, United States Code, wherein TENANT is a debtor under 11 U.S.C. §§101 et. seq. (the "Bankruptcy Code"), and only insofar as the Bankruptcy Code applies or affects the provisions of this Lease Agreement.

(a) Should the trustee or "debtor in possession" not elect to assume this Lease Agreement within a period of sixty (60) days from the commencement of proceedings under the Bankruptcy Code, this Lease Agreement shall be deemed rejected and terminated as provided under Article XVIII of this Lease Agreement (including any provisions as to damages) giving LANDLORD the immediate right to repossess the Leased Premises.

(b) Any assumption and/or assignment of this Lease shall not take effect unless there is compliance with the following:

(i) all TENANT's defaults have been cured and LANDLORD has been provided with adequate and reasonably satisfactory assurances of TENANT's future performance; if the Lease Agreement is assigned, TENANT shall provide (1) any guarantee and/or deposit reasonably required, and (2) any other reasonable assurance that there will be sufficient funds and personnel available to operate the Leased Premises in strict compliance with the provisions of this Lease Agreement;

(ii) neither the assumption of this Lease Agreement nor the operation of the Leased Premises after this Lease Agreement has been assumed or assigned, in the reasonable opinion of LANDLORD, will cause or result in breach or violation of any of its provisions or of any other applicable contract with LANDLORD;

(iii) the assumption, and if applicable, the assignment of this Lease Agreement fully complies with the provisions of the Bankruptcy Code, including, but not limited to Sections 365(b)(1) and (3) and 365(f)(1) and (2) thereof; and

(iv) the assumption and/or assignment has been ratified and approved through an order of the Bankruptcy Court or any other court having jurisdiction.

(c) No assignment of this Lease Agreement by the trustee or the "debtor in possession" shall be valid unless the proposed assignee has also satisfied the conditions provided in paragraphs (b) (i), (ii), (iii) and (iv) of this section, and all other requirements established in this Lease Agreement which further LANDLORD's public policy of promoting employment and the industrial development of Puerto Rico, which is accomplished by observing the capitalization, investment and employment levels stated in Section 1.08 and the continuance of operational requirements set forth in Section 4.02 of this Lease Agreement.

(d) Whenever a "debtor in possession" is required under the Bankruptcy Code to comply with its obligations as TENANT under this Lease Agreement, the Basic Rent and the other charges identified in this Lease Agreement as Additional Rent shall not be subject to adjustment and must be paid in full as provided in the pertinent sections of this Lease Agreement.

(e) Pursuant to Section 22.01 of this Lease Agreement, except where the provisions of the Bankruptcy Code mandate otherwise, the assignment of this Lease Agreement is prohibited.

(f) Unless agreed to by LANDLORD, under no circumstances will this Lease Agreement be renewed if the Term has expired or the Lease Agreement has terminated according to its provisions. No bankruptcy procedure shall annul, postpone or affect the expiration or termination of the Term of this Lease Agreement as provided in Article XVII or prevent LANDLORD from recovering possession of the Leased Premises at the expiration of the Term or upon earlier termination of this Lease Agreement.

ARTICLE XVIII
TERMINATION BY BREACH

18.01 **Breach by TENANT as Cause for Termination.** In addition to, and separate from, any other cause for termination set forth in this Lease Agreement or available under applicable law, each of the following events or acts shall be considered a breach and constitute cause for termination, which termination will be effective upon written notice to TENANT:

(a) TENANT's failure to pay the Rent to LANDLORD within the term provided in Section 5.01 of this Lease Agreement, or upon failure to pay any other sum required to be paid hereunder within ten (10) days after its due date;

(b) TENANT's failure to pay the Rent to LANDLORD on or before the first day of the month, or failure to pay any other amount when due, on two or more occasions within any consecutive twelve (12) month period;

(c) TENANT's abandonment of the Leased Premises (as defined in Section 18.03 of this Lease Agreement), upon certification of such abandonment by the procedure provided in clause (b) of Section 18.03;

(d) if TENANT encumbers, assigns or transfers this Lease Agreement, in whole or in part, except as otherwise provided in this Lease Agreement;

(e) if TENANT makes a general assignment of its assets in benefit of its creditors;

(f) if TENANT fails to take physical possession of the Leased Premises within ten (10) days following the Date of Delivery of Possession;

18.02 **Other Causes for Termination.** In addition to the causes for termination set forth in Section 18.01, LANDLORD may terminate this Lease Agreement if TENANT fails to comply with any of TENANT's principal obligations hereunder within fifteen (15) days of receipt of written notice from LANDLORD requesting performance of any principal obligation. However, if TENANT shall have begun efforts toward performance within said fifteen (15) day period and continues to act diligently and makes every reasonable effort to perform, said period of fifteen (15) days may be extended by LANDLORD for a maximum period of sixty (60) days, as necessary for TENANT's performance of any principal obligation. Principal obligations under this Lease Agreement include, but are not limited to, the following:

(i) TENANT's compliance with the levels of capitalization, investment, and employment as set forth in Section 1.08 of this Lease Agreement;

(ii) the duty of TENANT to not interrupt operations at the Leased Premises without prior notice to LANDLORD as provided in Section 4.02(b) of this

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Lease Agreement and that such interruption will not last for a period in excess of that period notified to LANDLORD. No interruption shall exceed three (3) months;

(iii) the obligation of TENANT, when required hereunder, to submit any plans for LANDLORD's approval or any other information in connection with improvements and alterations to be made by TENANT to the Leased Premises;

(iv) the compliance by TENANT of the environmental provisions of Article XII of this Lease Agreement; and

(v) the prohibition to use or allow the Leased Premises or any part thereof to be used for illegal purposes or for a use that is not permitted by Section 1.07.

18.03 **Abandonment.** TENANT acknowledges that the Puerto Rico Industrial Development Company was established with the public purpose of promoting the creation of jobs and the continuous industrial development of Puerto Rico; that the capitalization, investment and employment levels, as detailed in Section 1.08 hereof, and the requirement of continued operations at the Leased Premises, in compliance with the provisions of Section 4.02 hereof, serve to that public purpose. In order to continuously and consistently comply with said public purpose, LANDLORD must maintain as available inventory the largest possible number of industrial facilities for the development of new projects or industries. Acts such as those described in clause (a) below, of this Section 18.03, defeat the purpose of this Lease Agreement, diminish the powers of the LANDLORD to maintain the largest number of industrial facilities in operation and in turn, impair LANDLORD's ability to pursue its established purpose. Therefore, TENANT recognizes that the delivery to LANDLORD of the keys to the Leased Premises constitutes conclusive proof of TENANT's intention to abandon the Leased Premises and any equipment, machinery, furniture or other property found within. TENANT also recognizes the fact that the voluntary abandonment of property at the Leased Premises through the delivery of the keys is incontrovertible evidence of TENANT's decision to forsake such property and renounce ownership thereof, giving LANDLORD the absolute right to dispose of said property, as established in clause (b)(ii) below.

(a) For the purposes of this Lease Agreement TENANT has abandoned the Leased Premises upon the occurrence of any of the following events:

(i) should the TENANT deliver to LANDLORD the keys to the Leased Premises;

(ii) should the TENANT cease operations and close down the Leased Premises, notwithstanding that equipment, machinery, furniture or other property remain thereat; and/or

(iii) if TENANT removes or transfers its operations, personnel or equipment at the Leased Premises to another location, without the consent of LANDLORD.

(b) The following procedure is adopted by the parties hereto to confirm the act of "abandonment" by TENANT under clause (a) of this Section 18.03:

(i) If TENANT has incurred in any act of abandonment described in Section 18.03(a) hereof, LANDLORD will send TENANT, by certified mail, return receipt requested, a notice which will describe the act of abandonment committed by TENANT. From the date of said notice, TENANT shall have fifteen (15) days to discontinue the abandonment or to dispute in writing the information contained in LANDLORD's notice. Should the act of abandonment notified by LANDLORD continue for more than the fifteen (15) days provided herein, LANDLORD shall send a second notice to reconfirm the act of abandonment, which notice will be effective at the time the notice is sent.

(ii) Once the act of abandonment is reconfirmed as provided in clause (b)(i) above, LANDLORD may declare this Lease Agreement terminated by notice to TENANT and such termination shall be effective as of the date mailed. The notice will contain a request to TENANT to remove within ten (10) days all equipment, machinery furniture or other property remaining at the Leased Premises, and contain a warning to TENANT that if such property is not removed in that time period, LANDLORD may either remove and store said property, at its own discretion, at the expense and cost of TENANT, or dispose freely of said property as it deems convenient and TENANT will

have no right to claim or be compensated for the value of the abandoned property or for any damage or loss caused by such removal by LANDLORD.

(c) Subject to the performance of the procedure previously described, TENANT waives any claim and releases and holds LANDLORD harmless from any damage or loss that TENANT may suffer as a consequence of the removal and disposal of the property that TENANT has abandoned at the Leased Premises.

18.04 Termination by TENANT. TENANT may terminate this Lease Agreement, without penalty, should any of the following events occur:

(a) TENANT moves its operations to another of LANDLORD's premises having greater capacity, for the purpose of augmenting its operations in terms of capitalization, investment, or employment, if at such time TENANT is in compliance with the terms and conditions of this Lease Agreement; provided, however, that all expenses related to or resulting from said relocation shall be TENANT's responsibility; or

(b) Tenant shall have the option of terminating this lease contract by giving LANDLORD six (6) months prior written notice. To the extent such prior notice does not comply with the six (6) months period above mentioned, then TENANT shall pay the regular rent for the remaining period and the six (6) months equivalent to the early termination penalty payment shall be computed from the date in which TENANT delivers the premises to LANDLORD. Upon the payment of the rent and compliance by TENANT with all other terms and conditions under this lease, including, but not limited to the environmental aspects compliance, TENANT shall be released from any further obligations under this lease.

18.05 LANDLORD's Options. (a) LANDLORD may terminate this Lease Agreement upon TENANT's breach of any of its obligations hereunder, or upon occurrence of any of the events of termination set forth in Sections 18.01 and 18.02 hereof. Said notice shall be given by certified mail with return receipt requested. The termination of this Lease shall become effective on the date indicated in said notice.

(b) Notwithstanding subsection (a), LANDLORD may always compel specific performance of the terms and conditions of this Lease Agreement and demand and protect its rights under this Lease Agreement through legal proceedings in law or equity to obtain the faithful performance of the covenants and obligations hereunder, including the payment of all amounts due under this Lease Agreement.

(c) Should any cause for termination arise, LANDLORD shall have available all the rights and remedies provided herein, which are separate and independent. LANDLORD's resort to any particular right and/or remedy will not deprive LANDLORD of any other right or remedy available at law or in equity.

(d) In the event LANDLORD terminates this Lease Agreement, TENANT's economic and environmental obligations and any other obligations of TENANT hereunder shall survive the termination and remain in effect until they are complied with to LANDLORD's satisfaction.

18.06 Damages. If LANDLORD elects to terminate this Lease Agreement in accordance with Section 18.05 hereof TENANT shall be responsible for payment of the following:

(i) all Rent due and unpaid up to the date of termination;

(ii) all losses, damages and costs incurred by LANDLORD as a consequence of the early termination of this Lease Agreement including, but not limited to expenses related to any notices by LANDLORD to terminate this Lease Agreement; collection costs; attorneys' fees during the termination process; and the costs of court proceedings, if any; the costs to repair the Leased Premises in order to restore them to the condition in which TENANT would have been obligated to deliver the premises had an early termination not been effected; and expenses incurred by LANDLORD to relet the Leased Premises in accordance with Section 18.07 of this Lease Agreement; and

(iii) damages equivalent to the total amount of Basic Rent corresponding to the unexpired portion of the Term (i.e., the Basic Rent for the period between the date of termination and the expiration date of the Term in accordance with Sections 1.09 and 3.01 hereof), that LANDLORD would have received had the Lease Agreement not been terminated.

18.07 Right to Relet. (a) At any time after LANDLORD recovers possession of the Leased Premises or any portion thereof, whether or not this Lease Agreement is terminated pursuant to Section 18.05, LANDLORD may, but is not obligated to, relet the Leased Premises or part thereof, in TENANT's name (as a sublease) or in LANDLORD's own name, as LANDLORD deems it convenient. The reletting of the Leased Premises, or part thereof, shall be for a term and under conditions as LANDLORD, in its own discretion, determines advisable; including that the term of any relet may be for a period longer or shorter than the remaining balance of the Term hereunder. Any relet may include special provisions, such as rent credits, a rent lower than that fixed under this Lease Agreement, or no rent. TENANT acknowledges that the damages formula under Section 18.06 is not subject to adjustments should LANDLORD elect not to relet the Leased Premises or because the Leased Premises or part thereof is leased to a third party at a rent lower than that of this Lease Agreement.

ARTICLE XIX
RETURN OF LEASED PREMISES

19.01 Surrender of Possession. Upon termination of this Lease Agreement, at the expiration of the Term or otherwise, TENANT must vacate and surrender the Leased Premises to LANDLORD in good condition, reasonable wear and tear excepted, including all improvements, changes, or alterations made thereto with LANDLORD's consent and which LANDLORD does not require to be removed.

19.02 Holding Over. Should TENANT remain in possession of the Leased Premises after the expiration of the Term and does not execute a new lease agreement with LANDLORD, LANDLORD at its option may consider the tenancy of the Leased Premises to be on a month-to-month basis, with a Rent equal to one hundred fifty percent (150%) of the last Monthly Rent amount under the Lease Agreement, subject to all other terms and conditions of this Lease Agreement consistent with a month-to-month term. TENANT shall indemnify LANDLORD for, and hold LANDLORD harmless from and against any damages, liabilities or expenses (including attorneys' fees) which result from TENANT's delay in surrendering the Leased Premises, including, without limitation, any claims made by succeeding TENANTs or third parties with LANDLORD had committed the Leased Premises, or part thereof. Acceptance of Rent after termination of this Lease Agreement shall not constitute in itself a renewal or novation of this Lease Agreement. None of the foregoing shall be deemed to constitute a waiver by LANDLORD of its right to recover the Leased Premises or any other right or remedy that LANDLORD may have under law, equity, or under this Lease Agreement.

19.03 Inspection of Leased Premises. Upon expiration of the Term or termination of this Lease Agreement and prior to LANDLORD's acceptance of possession, the Leased Premises shall be inspected by LANDLORD, who shall certify in an inspection report the physical and environmental condition of the Leased Premises. The inspection report shall identify any deficient physical or environmental condition(s) of the Leased Premises that must be corrected, remedied, or repaired at TENANT's cost as a condition precedent to LANDLORD's acceptance of possession of the Leased Premises. Should TENANT fail take the corrective action required by the deficient condition of the Leased Premises as indicated in the inspection report within a reasonable time, LANDLORD may, but is not obligated to, perform the same, and TENANT shall reimburse LANDLORD for the cost of the corrective action.

19.04 Equipment, Machinery, and Furniture Not Removed. Any equipment, machinery, furniture or other property of TENANT remaining at the Lease Premises after termination of the Term or the termination of this Lease Agreement may be removed by LANDLORD and stored in another location, and TENANT will be responsible for the removal and storage costs. In no event shall LANDLORD be liable for the value, preservation, or care of said property. Any sum that LANDLORD must pay or spend for removal and storage of the property shall be reimbursed by TENANT. Any equipment, machinery, furniture or other property not claimed within a term of thirty (30) days after the expiration or termination of this Lease Agreement, shall be deemed abandoned by TENANT. At LANDLORD's option, the property deemed abandoned by TENANT shall be transferred to LANDLORD without any other formality or document, and LANDLORD shall be entitled to freely dispose of the same without TENANT having any right or claim to any payment or consideration for said property.

19.05 TENANT's Liabilities. Neither the expiration or termination of this Lease Agreement, nor the repossession of the Leased Premises or part thereof, nor the reletting of the Leased Premises or any part thereof, pursuant to the provisions hereof, shall release the TENANT of its financial or other obligations under this Lease Agreement, which obligations shall survive the expiration or termination of this Lease Agreement, as well as repossession or reletting of the Leased Premises.

ARTICLE XX
LEGAL REQUIREMENTS

20.01 Legal and Insurance Compliance. (a) TENANT, at its own cost and expense, shall observe and comply with (i) any requirement or condition under any federal, state or municipal law or regulation

(including any executive order or municipal ordinance) applicable now or in the future to the Leased Premises, or to the use of the Leased Premises (including but not limited to any federal, state or local law, regulation or ordinance applicable to air and water quality, toxic or hazardous materials or substances, waste disposal, emissions or any other environmental matter); (ii) all requirements or conditions to obtain, maintain, and when appropriate, renew all permits and endorsements necessary to use the Leased Premises for the purposes allowed by this Lease Agreement and by the use permit issued by OGPe for the Leased Premises; (iii) the requirements of the insurance companies having issued policies for the Leased Premises as provided by Article XV of this Lease Agreement; (iv) any real estate condition, lien or encumbrance affecting the Leased Premises; (v) all zoning and land use requirements; and (vi) any other requirement imposed by law that compels any duty or obligation with respect to the use or occupation of the Leased Premises.

(b) TENANT's compliance with any requirement described above shall be at TENANT's cost and expense, including, but not limited to, any other expense related to improvements or installations required by any agency or government instrumentality with jurisdiction, as a condition to the issuance or renewal of a permit or endorsement for the operations that TENANT is to carry out at the Leased Premises.

(c) TENANT, upon request of LANDLORD, shall submit evidence of its compliance with the above requirements or of the validity of permits and endorsements of the administrative agencies TENANT requires for its operations at the Lease Premises.

ARTICLE XXI
ASSIGNMENT AND SUBLEASE

21.01 **Assignment and Sublease.** TENANT shall not (i) assign this Lease Agreement, sublet the Leased Premises or any part thereof, mortgage its leasehold right over the Leased Premises or otherwise place a lien upon its right or any interest in this Lease Agreement in favor of any person or entity; (ii) allow by operation of law the constitution of any lien over TENANT's leasehold right over the Leased Premises or the transfer of TENANT's leasehold right over the Leased Premises to a third party; (iii) allow the use or occupation of the Leased Premises, or part thereof, by any person or entity that is not TENANT, its agents or employees. Except as provided in Article XVII of this Lease Agreement, under no circumstances may this Lease Agreement be assigned in a voluntary or involuntary bankruptcy proceeding, and under no circumstances shall this Lease Agreement or the rights or privileges granted to TENANT herein constitute an asset of TENANT under a bankruptcy, insolvency or reorganization proceeding.

21.02 **Change of Control.** The transfer of the Tenant's voting stock, a change of control in Tenant or change in the persons or entities having direct or indirect interest in a Tenant that is not a corporation, shall be considered as an assignment for the purposes of this Article XXI except that, as long as Tenant's Parent Company retains direct control of the Tenant, any change in the control of Tenant, shall not be considered a change of control or an assignment for the purposes of this Article XXI.

21.03 **Permitted Assignments and Subleases.** As an exception to the general rule established in Section 21.01 of this Lease Agreement, and subject to LANDLORD's prior consent, TENANT may assign its rights under this Lease Agreement, or sublease the Leased Premises or a part thereof, to any parent, affiliate, or subsidiary whose operations are compatible with those of TENANT. LANDLORD's consent to the assignment or sublease will require TENANT to be in full compliance with its obligations under this Lease Agreement, including the payment of Rent.

ARTICLE XXII
GENERAL PROVISIONS

22.01 **Signs and Advertising.** TENANT shall not install or permit to be installed or erected any poster, sign or structure of any kind on the roof or exterior walls of the Building or in any other part of the Leased Premises without previous written consent of LANDLORD.

22.02 **Parking.** Should the number of parking spaces available at the Leased Premises not satisfy TENANT's requirements, LANDLORD shall not be responsible for TENANT's parking requirements, and TENANT hereby releases LANDLORD of any duty or responsibility with respect to parking.

22.03 **Attorneys' Fees.** TENANT shall pay all of LANDLORD's charges and expenses, including court costs and attorneys' fees in any action (a) commenced by LANDLORD in order to obtain TENANT's compliance with any of its obligations and commitments under this Lease Agreement, or said charges and expenses incurred by LANDLORD in any action filed by TENANT in which LANDLORD prevails. TENANT shall pay all charges and expenses including court costs and attorneys' fees incurred by LANDLORD in any litigation, negotiation, or transaction in which TENANT requires

LANDLORD's intervention or participation, where no fault or negligence is claimed against LANDLORD.

22.04 **Successors and Assignees.** This Lease Agreement shall bind and inure to the benefit of each of the parties, in their respective capacities as LANDLORD and TENANT, and their respective successors and assigns; provided, however, should title to the Leased Premises be transferred, either voluntarily or by operation of law, the entity or natural person acquiring title shall take title free of all liability to perform this Lease Agreement, unless the entity or natural person expressly assumes and accepts the obligations as LANDLORD under this Lease Agreement by means of a written instrument in which the new titleholder and TENANT appear.

22.05 **LANDLORD's Obligations to Lease.** (a) The mere delivery to TENANT of an unsigned draft of this Lease Agreement for TENANT's review and consideration does not create in TENANT a right of option nor does it bind LANDLORD in any way to lease the Leased Premises to TENANT. LANDLORD's obligation to lease under this Lease Agreement shall not be binding until LANDLORD has executed same upon approval by LANDLORD's Board of Directors or LANDLORD's Executive Director, as the case may be.

(b) TENANT shall have ten (10) days after receipt of the final lease agreement prepared for the Leased Premises to execute same. Should TENANT not execute and return the lease agreement to LANDLORD within ten (10) days after receipt, LANDLORD shall have no obligation to lease, and any rights TENANT possessed in and to the Leased Premises shall be extinguished.

22.06 **Definition of the Term "TENANT".** The term "TENANT" as used in this Lease Agreement shall be construed as plural if there be more than one person or entity appearing and executing this Lease Agreement as TENANT. All changes and grammatical adjustments required to make the provisions of this Lease Agreement apply equally to corporations, partnerships or other entities, or individuals shall, in all instances, be construed as incorporated into the text of the document. Whenever TENANT consists of two or more persons or entities each shall be jointly and severally ("solidariamente") bound hereunder.

22.07 **Headings.** The headings of the articles and sections of this Lease Agreement are for convenience only and do not limit, expand, or define the contents of the articles and sections hereof.

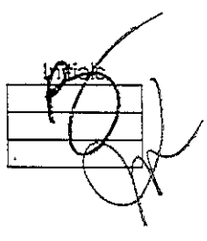
22.08 **Late Charges.** (a) All payments that TENANT is obligated to make under this Lease Agreement, including without limitation, the Deposit, the Basic Rent, the Additional Rent, and any adjustment thereto, shall bear interest from its due date until payment in full, at a rate of one percent (1%) over the prime rate charged by the principal commercial banks in the city of New York as of the date the payment is due. Should the interest be held as usurious, then interest shall be deemed to have accrued at and continue to accrue at accrue the maximum rate of interest permissible, as established by the Interest Rate and Finance Charges Regulatory Board created by Act No. 1, of October 15, 1973, as amended (P.R. Laws Ann. Tit 10, sec. 998), or any future law or regulation.

(b) Should TENANT fail to make a Rent payment within ten (10) days after its due date, then TENANT shall also pay to LANDLORD a penalty to recover LANDLORD's administrative expenses and collection costs equal to (i) one hundred dollars ($100.00) per day, or (ii) for each day the amount owed is past due, one half of one percent (0.05%) of the overdue amount, whichever is greater. Anything contained in this section regarding the payment of overdue amounts shall not constitute an extension of the due date of any amount TENANT is obligated to pay under this Lease Agreement, nor or shall it constitute a waiver of TENANT's obligation to pay such amounts as provided in this Lease Agreement.

22.09 **Lease Guaranty.** Simultaneously with the execution and delivery of this Lease Agreement, if required by LANDLORD, TENANT shall deliver the Lease Guaranty to LANDLORD duly executed by the Guarantor identified in Section 1.15 hereof, if any, which Lease Guaranty shall be in form substantially similar to Attachment G hereto.

22.10 **Performance.** Whenever a requirement, obligation, or liability is imposed upon one of the parties hereto, the concerned party shall comply with or satisfy said requirement, obligation or liability at its own expense, unless specifically provided to the contrary.

22.11 **Entire Agreement.** This Lease Agreement, along with its attachments contains all the terms, conditions, agreements and covenants between the parties with respect to the Leased Premises; it substitutes and nullifies any other lease agreement or other agreement, oral or written, between the parties regarding the occupation and use of the Leased Premises by TENANT, including any letter of agreement that governed the relationship between the parties prior to and during the negotiation of this Lease Agreement. This Lease Agreement shall only be modified, amended, altered, or canceled by a written document subscribed by both parties.



22.12 Force Majeure. In the event that LANDLORD shall be hindered or delayed in the performance of any of its obligations or commitments under this Lease Agreement by reason of force majeure, the performance of such act shall be excused for the period of time which it is reasonably understood that said act or event hinders its performance. Force majeure is understood as any incident or occurrence beyond LANDLORD's control, including, but not limited to, lock-outs, strikes, shut downs or labor disputes; inability to obtain necessary materials; riots, acts of war and insubordination; fires, explosions, accidents and acts of sabotage; lack of electricity or fuel; floods, earthquakes, torrential rains and hurricanes; administrative, governmental or court orders or injunctions; federal, state or municipal laws and regulations; the revocation, modification or suspension of a permit, license or other necessary authorization; matters of national security; acts or occurrences directly or indirectly caused by TENANT (its agents, employees, contractors, or invitees); or any other situation or event reasonably beyond LANDLORD's control. In said situation, the period of time for LANDLORD to comply with any obligation or commitment shall automatically be extended for a period equivalent to the period of duration of such force majeure.

22.13 Safety Programs. TENANT agrees to cooperate, assist and participate in any program LANDLORD develops or adopts to address any emergency or occurrence constituting force majeure.

22.14 Estoppel Certificate. TENANT, upon LANDLORD's request, shall provide LANDLORD with an Estoppel Certificate wherein TENANT certifies that (i) this Lease Agreement is unmodified and in full force and effect (or if any modifications, TENANT will specify such modifications and certify that this Lease Agreement as modified is in full force and effect); (ii) the date upon which TENANT began paying Basic Rent and the dates in which all Rent payments were made; (iii) that LANDLORD is not in default under any provision of this Lease Agreement; (iv) that the work by LANDLORD to the Leased Premises, was completed as agreed and that TENANT is in possession of the Leased Premises, (iv) TENANT has no claims against LANDLORD under this Lease Agreement, and (vi) that there is no petition, whether voluntary or otherwise, pending as to TENANT under the bankruptcy laws of the United States.

22.15 TENANT's Duties; LANDLORD's Rights. All obligations and agreements which TENANT is to perform or carry out under the terms of this Lease Agreement, shall be done exclusively at TENANT's expense, and without a right to set-off or adjustment against Rent. Should TENANT breach or fail to perform any of the obligations under this Lease Agreement, and said default persists for more than ten (10) days from the delivery by hand or the U.S. Mail of LANDLORD's notice demanding performance thereof, LANDLORD shall be entitled, but shall not be obligated, to act as required to remedy said situation, without waiving or releasing TENANT from its liability with respect to said obligation. Any sum paid or expense incurred by LANDLORD in said efforts shall accrue interest pursuant to the provisions of Section 22.08 hereof and must be paid by TENANT to LANDLORD upon demand.

22.16 Relationship Between the Parties. The relationship existing between the parties hereto is that of LANDLORD and TENANT exclusively, and nothing provided for in this Lease Agreement shall be interpreted as creating a partnership, joint venture, principal and agent relationship or any other type of relationship between parties.

22.17 Nullity or Partial Invalidity. If any term, clause, section or article of this Lease Agreement, or the application or enforceability thereof, be declared null, invalid or unenforceable by a final order or judgment from a court having jurisdiction, the remainder of the Lease Agreement, or the application of said term, clause, section or article to persons or circumstances other than those against whom the nullity, invalidity or unenforceability was declared, shall not be affected by said order or judgment, and each term and condition in this Lease Agreement shall be valid and enforceable to the extent permitted by law and consistent with said order or judgment.

22.18 Accord and Satisfaction. No payment by TENANT, or the acceptance by LANDLORD of an amount less than the Rent herein stipulated shall be deemed to be other than a payment toward the stipulated Rent, nor shall any endorsement or statement on any check or any letter or other communication accompanying any check or payment as Rent be deemed an accord and satisfaction, and LANDLORD may accept such check or payment without prejudice to LANDLORD's right to recover the balance of such Rent or pursue any other remedy provided in this Lease Agreement or at law or equity.

22.19 Applicable Law. This Lease Agreement is executed, and its terms and conditions shall be construed and enforced, in accordance with the laws of the Commonwealth of Puerto Rico.

22.20 Jurisdiction and Competency. The parties agree that any action, proceeding, claim, counterclaim or any other kind of judicial action that either of the parties initiates against the other regarding (i) any matter that arises out of or related to this Lease Agreement; (ii) the legal relationship existing between LANDLORD and TENANT; (iii) the use or occupation of the Leased Premises by TENANT;

(iv) any claim for damages; and/or (v) any statutory remedy, shall be filed and litigated before the Court of First Review of Puerto Rico.

22.21 Net Lease. TENANT recognizes and admits, without limiting the meaning of any other terms and conditions of this Lease Agreement, and as otherwise provided in this Lease Agreement, that the intentions of the parties in this Lease Agreement are that all Rent to be paid by TENANT to LANDLORD under this Lease Agreement, must be paid to LANDLORD, without deduction or setoff of any kind, and that any and all expenses incurred regarding the Leased Premises, or regarding TENANT's operations in the Leased Premises, including any assessments, taxes, municipal operating licenses, charges, special license and permit fees, insurance premiums, electricity, water, gas, telephone bills and other similar services, cost of repair, maintenance and operation of the Leased Premises or Property, together with all such fixtures that are placed on, attached to, installed or contained in the Leased Premises, shall be paid by TENANT.

22.22 Notices. All notices, claims or communications between the parties referred to or required by this Lease Agreement shall be in writing and sent by certified mail, return receipt requested, or personally delivered, to the addresses of the parties set forth in Sections 1.02 and 1.04 of this Lease Agreement. Any address change shall be notified to the other party in writing not less than thirty (30) days before the effective date of said change.

22.23 Non-Waiver. The failure of either party to demand strict performance of any of the provisions of this Lease Agreement upon default of any provision by the other party shall not constitute nor may it be construed as a waiver of said party's right to demand performance of any provision in the future if the default continues, or if the other party should later repeat the default with respect to the same provision. The receipt or acceptance by LANDLORD of the Rent or any other amount payable by TENANT under this Lease Agreement, with or without knowledge of TENANT's default on any obligation or condition under this Lease Agreement, shall not be deemed as release by LANDLORD in favor of TENANT from compliance with said obligation or condition, nor a waiver of LANDLORD's rights or remedies under this Lease Agreement with regard to said default. The consent or approval given by LANDLORD for any act by TENANT which requires said consent or approval, is solely and exclusively limited to the act or event for which said consent or approval was given, and should not be understood as a waiver of any requirement for prior consent or approval for a similar act by TENANT in the future.

22.24 Cumulative Remedies. The rights and remedies of each of the parties in this Lease Agreement are independent, separate and cumulative. The exercise, or failure to exercise any right or remedy, shall not be interpreted or deemed to exclude or bar the exercise of any other right or remedy of either party under this Lease Agreement or under any law or regulation.

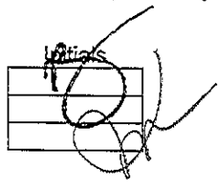
22.25 Brokers. Each party represents and warrants to the other party that it has not engaged nor used the services of a real estate broker or agent in connection with this lease, and that no real estate agent has participated at any time in the negotiation of this Lease Agreement. Notwithstanding the foregoing, the liability for the payment of any commission or compensation claimed by any real estate professional who may have rendered services to any party with respect to this Lease Agreement shall be borne by the party that engaged said real estate professional, and furthermore said party shall indemnify the other against any damages, liability, expenses and/or attorney's fees, arising from any claim or lawsuit of any real estate professional for any commission allegedly owed for any service rendered.

22.26 Cross Default. Any default by TENANT under any other agreement with LANDLORD shall be considered a default under this Lease Agreement.

22.27 Representations. TENANT expressly represents that neither LANDLORD nor its directors, officers, agents, employees or representatives has made any representations or promises with respect to the Leased Premises, except as expressly provided in this Lease Agreement.

22.28 Financial Statements. Upon request of LANDLORD, TENANT must to submit to LANDLORD, within ninety (90) days after the expiration of TENANT's fiscal year, a certified financial statement issued by an authorized certified public accountant. The certified financial statement will include: (a) TENANT's capital; (b) TENANT's long-term debts and capitalization; (c) TENANT's investment in machinery and its ability to provide employment; (d) taxes paid by TENANT, including Social Security payments; and (e) any other information that is required by this Lease Agreement. Should TENANT fail to deliver the certified financial statement, LANDLORD shall obtain this information at TENANT's cost and TENANT shall permit LANDLORD access to TENANT's books and records at TENANT's main offices in Puerto Rico for this purpose.

22.29 Additional Documents. If TENANT is a corporation, TENANT agrees to submit to LANDLORD contemporaneously with the execution and delivery of this Lease Agreement (a) evidence of



TENANT's registration with the State Department of the Commonwealth of Puerto Rico, including the name and address of its resident agent; and (b) a certificate of corporate resolution of TENANT's Board of Directors which authorizes or ratifies the execution of this Lease Agreement. If TENANT is a partnership, TENANT represents and warrants that this Lease Agreement has been subscribed by all managing partners or administrators representing TENANT, and that the same constitutes a valid and enforceable agreement for the partnership and each and every one of the partners, and also, that each and every one of TENANT's present and future partners are now and shall remain at all times jointly and severally liable under this Lease Agreement. TENANT represents and warrants that the death, resignation or retirement of any partner shall not release said partner from its liability under the terms of this Lease Agreement without LANDLORD's consent in writing.

22.30 **Fiscal Liabilities.** (a) TENANT represents and warrants that, at the time of execution of this Lease Agreement (i) it has filed tax returns for the last five (5) years; (ii) that TENANT has no outstanding tax debt with the Government of Puerto Rico nor with the United States Government (if applicable) that is not subject to a payment plan which is current as of the date of execution of this Lease Agreement; (iii) and has paid its unemployment taxes, disability and social security taxes (as applicable), or is in compliance with a payment plan therefor and in compliance with the terms and conditions thereof.

(b) TENANT expressly recognizes that the compliance with the provisions of this Section 22.30 is an essential condition of this Lease Agreement, and if any representation or warranty is not accurate, in whole or in part, the same shall constitute cause for LANDLORD to terminate this Lease Agreement.

22.31 **Debt Certification.** TENANT warrants to LANDLORD that neither TENANT nor its partners (or if TENANT is a corporation, its directors, officers or stockholders) owe any amount to LANDLORD or to any agency or instrumentality of the Government of Puerto Rico, either personally or under this or any other corporate or partnership name.

22.32 **Non-Conflict Certification.** TENANT represents and warrants to LANDLORD that there is no conflict of interest, neither actual or potential, between LANDLORD and any of TENANT's directors, officers, employees, partners and agents, as a result of business, labor, economic, or family relationships, or for any other reason. TENANT hereby covenants that upon LANDLORD's request TENANT shall deliver to LANDLORD a sworn statement from any of its directors, officers, employees, and/or agents that will confirm the veracity of TENANT's representation and warranty contained in this provision. The lease herein agreed shall not commence until the filing of this lease contract in the Puerto Rico Controller's Office, according to the applicable By-Laws.

22.33 TENTANT has been notified by LANDLORD that it has retained the professional service of a credit reporting agency in order to obtain credit references of its TENANTS and that its results can be used for financial and credit evaluations.

IN WITNESS WHEREOF, the parties subscribe this Lease Agreement on the dates below stated.

LANDLORD:

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
F.S.S.: 66-0292871

By: _____
Name: Jamille Mimmt
Title: CFO
Date: 12/21/15

TENANT:

WALLACE SILVERSMITHS DE PUERTO RICO LTD
F.S.S.: 98-0491872

By: _____
Name: Ronald Shiftan
Title: Vice President & Assistant Secretary
Date: 12/22/14

cvt/rev.final12-16-2014

Initials

O.I.M.

Attachment A

DESCRIPTION OF BUILDING NO. T-0343-1-60 LOCATED AT SAN GERMAN, PUERTO RICO

This is a pitched roof type building consisting of reinforced concrete foundation columns and girders supporting 30 feet long steel joists which in turn support prestressed concrete boards, covered by 1.3" isocyanurates insulation and a four (4) plies built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 180'-10" x 90'-11" out to out dimensions for an area of 16,441.06 sq. ft. of manufacturing space, and a lean-to 31'-2" x 10'-2" for an area of 327.28 sq. ft. This amounts to the total area of 16,768.34 sq. ft. of coverd floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and stairs quarry tiles on the entrance porch and ceramic tiles on the mens and ladies toiles rooms.

Exterior walls are of concrete blocks, plastered and painted on both sides. Interior walls at the lean-to are plastered and painted.

Ceiling are rubbed and painted throughout the building.

Windows are the Miami Aluminum Type throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood except for one flush steel double swing door at the main entrance; flush steel double swing door with antipanic hardware set at the rear entrance, and one double sliding door at the loading area.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0" ft. and 15'-9" at the highest point of the building.

AAR/wgo
11/17/93

Attachment A

DESCRIPTION OF BUILDING NO. T-0343-0-56 LOCATED AT SAN GERMAN, PUERTO RICO

This is a pitched roof type building consisting of reinforced concrete foundation columns and girders supporting 30 feet long steel joists which in turn support prestressed concrete boards, covered by 1.3" isocyanurates insulation and a four (4) plies built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 120'-10" x 90'-11" out to out dimensions for an area of 10,985.89 sq. ft. of manufacturing space; an entrance porch 18'-0" x 7'-0" and 2'-7" x 7'-0" for an area of 144.06 sq. ft. and a lean-to 31'-2" x 11'-2" for an area of 348.16 sq. ft., provided for sanitary facilities. This amounts to the total area of 11,478.08 sq. ft. of coverd floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and stairs quarry tiles on the entrance porch and ceramic tiles on the mens and ladies toiles rooms.

Exterior walls are of concrete blocks, plastered and painted on both sides. Interior walls at the lean-to are plastered and painted.

Ceiling are rubbed and painted throughout the building.

Windows are the Miami Aluminum Type throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood except for one flush steel double swing door at the main entrance; flush steel double swing door with antipanic hardware set at the rear entrance, and one double sliding door at the loading area.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0" ft. and 15'-9" at the highest point of the building.

AAR/wgo
11/17/93

Attachment A

DESCRIPTION OF BUILDING TYPE "C" NO. T-0261-2-73 LOCATED AT SAN GERMAN, PUERTO RICO

This is a pitched roof type building consisting of reinforced concrete foundation, steel columns and steel girders supporting 30 feet long steel joists which in turn support prestressed concrete slabs (poretes), covered by 1.3" thick isocyanurates insulation and a three plies built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 90'-10" x 50'-7" + 17'-1" x 111'-2" out to out dimensions for an area of 6,492.97 sq. ft. of manufacturing space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish; floor slab designed for a load capacity of 150 pounds p.s.f.

Exterior walls are of concrete blocks plastered and painted on both sides.

Interior walls at the lean-to are plastered and painted.

Windows are Miami aluminum type throughout the building.

Interior doors are plywood and exterior are industrial type metal ones.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0" ft.

The total amount of covered area of the original building and the extension is 26,525.75 sq. ft.

Doors are flush plywood, except for one flush steel over the main entrance; a flush steel with antipanic hardware at the rear entrance, and one metal double sliding at the loading area.

Clearance in the manufacturing area from finished floor to lowest part of beam at the side eaves is 12'-0" ft. and 14'-9 at the highest point of the building.

3/27/95

Attachment A

DESCRIPTION OF BUILDING T-0261-1-62
SAN GERMAN, PUERTO RICO

This is a pitched roof type building consisting of reinforced concrete foundation columns and girders supporting 30 feet long steel joist which in turn support prestressed precast (poretes) slabs, covered by 1.3 inch thick isocyanurates insulation and a three (3) plies built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 90'-10" x 90'-6" out to out dimensions for an area of 8,220.11 sq. ft. of manufacturing space, and a lean-to 30'-0" x 10'-6" for an area of 315.00 sq. ft. to be used for sanitary facilities. This amounts to the total area of 8,535.11 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and ceramic tiles on the mens and ladies toiles rooms.

Exterior walls are of concrete blocks, plastered and painted on both sides. Interior walls at the lean-to are plastered and painted.

Ceiling are rubbed and painted throughout the building.

Except for pivoted metal sash at the front wall.

Windows are aluminum louvers throughout the building.

Windows are Miami aluminum louvers throughout the building except for pivoted metal sash at the front wall.

Doors are flush plywood, except for one flush steel over the main entrance; a flush steel with antipanic hardware at the rear entrance, and one metal double sliding at the loading area.

Clearance in the manufacturing area from finished floor to lowest part of beam at the side eaves is 12'-0" ft. and 14'-9 3/8" at the center point of the building.

3/27/95

Attachment A

DESCRIPTION OF BUILDING T-0261-0-54
SAN GERMAN, PUERTO RICO

This is a pitched roof type building consisting of reinforced concrete foundation columns and girders supporting 30 feet long steel joist which in turn support prestressed precast (poretes) slabs, covered by 1.3 inch thick isocyanurates insulation and a three (3) plies built-up roofing. This building has no monitor but roof ventilators are provided.

The structure consists of a main floor 121'-10" x 90'-10" plus two closets of 8'-0" x 1'-7" out to out dimensions for an area of 11,015.11 sq. ft. of manufacturing space; an entrance porch of 18'-0" x 8'-6" for an area of 153.00 sq. ft. and a lean-to 31'-4" x 10'-6" for an area of 328.96 sq. ft. to be used for sanitary facilities. This amounts to the total area of 11,497.67 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish on the manufacturing area, janitor room, storage room and stairs, quarry tiles on the entrance porch and ceramic tiles on the mens and laddies toiles rooms.

Exterior walls are of clay tile blocks, unplastered and unpainted except on the front wall which is plastered and painted together with a V-shaped finish. Interior walls at the lean-to are plastered and painted together with a 5'-0" high spreyed-on glazed finish waincoat at the men's and ladies toilet rooms.

Ceiling are rubbed and painted throughout the building.

PRIDCO
TES-018
R-09-08

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

AUTHORIZATION TO AUTOMATIC CLEARING HOUSE (ACH) PAYMENT

Company Name: Wallace Silversmiths de Puerto Rico, Ltd
Representative Name: Ronald Shiftan, Vice President and Assistant Secretary
Employer Identification Number: 98-0491872
Mailing Address: PO Box 1177
San German, PR 00683
Physical Address: B Street Barrio, Retiro Industrial Park
San German, PR 00683
Telephone Numbers: 787 892-2065 Phone Cell: _____ Fax: 787 892-5550

Lease Agreement Information: ☐ New ☐ Active ☒ Renewal

Description:	Payment Amount	Term
Rent	$11,045.72	from January 2015 through December 2016

TOTAL: $ _____

Bank Account Information:

Financial Institution: JP Morgan Chase Bank NA
Type of Account: _____ Checking: X Savings: _____
Corporate Account Number or Entity to be Debited: Lifetime Brands, Inc., Acct # 6905909035
Routing Transit Number: 021-000-021
Name of Bank's Branch: 395 N Service Road, Melville, NY 11747
Day to be Debited: ☒ 5 ☐ 20 or Payment Due Date _____

I, Ronald Shiftan as a duly authorized representative of the Lessee, hereby request and authorize Puerto Rico Industrial Development Company, hereinafter called the Company, to initiate monthly debit entries to the corporate bank account mentioned above for the payment of rent (Code 1), Payment Plan (Code 2) and insurance (Code 3) as specified in the Lease Agreement and until the end of the Lease Agreement.

Effective Date: _____

Applicable Terms:

1. The Lessee must be attach copy of voided check to the form.
2. This authorization is to remain in full force and effect until the end of the above mentioned Lease Agreement.
3. In the event that the Lessee decides to terminate this authorization to ACH, the Company must receive a written communications at least 60 days before its termination. This will provide a reasonable time for the Company and the financial institution to act on it. This written notification can be either hand delivered to the Company's Treasury Office, or mailed via certified to the Company's Treasurer at the address stated in the Lease Agreement.
4. Your bank statements will be your receipt for the electronic debit hereby authorized, for the monthly payments to the Company.
5. The type of transaction herein authorized must comply with the financial institutions laws and regulations and its disclosure policies.
6. Nothing exposed here will be understood as to limit our agreement, closures and conditions contracted in the parts of this document gives origin to this authorization, except when it results inapplicable the mechanism of electronic debit charge here concentrated.
7. For questions regarding your monthly debit, please contact the Company's Treasurer Office.

Approved:

Ronald Shiftan, Vice President and Assistant Secretary
Name Authorized Representative of Lessee's

Signature of Authorized Representative — Date: 12/22/14

Approved:

_____
Name of Treasurer of PRIDCO

_____ Signature of Treasurer — Date

ANNEX 10

COMMONWEALTH OF PUERTO RICO

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

G.P.O. BOX 2350 SAN JUAN, PUERTO RICO 00936

April 29, 1971

CABLE ADDRESS
"INDEVELCO"

Mr. Edward A. Schwartz
General Counsel
Digital Equipment Corporation of Puerto Rico
146 Main Street
Maynard, Massachusetts 01754

Dear Mr. Schwartz:

Reference is made to your request for the temporary lease of our project No. S-551-60 (landsite and building), located at San Germán, Puerto Rico.

We hereby lease to you the above property under the following terms and conditions:

a. Term: On a month-to-month basis, commencing on the date of delivery of the premises or June 1st, 1971, whichever date occurs first and to end not later than 60 days after the construction of a certain building extension as hereinafter indicated is completed.

b. Rent: $0.75 per square foot of gross building space, payable in advanced monthly installments, commencing on the effective date of the term of this lease.

c. Insurance: During the term thereof, Tenant shall provide and keep in force insurance policies for the benefit of this Company to cover the following risks:

Risk	Insurance Value
Fire	$199,000
Hurricane	124,000
Earthquake	143,000
Public Liability	B.I. - $25,000/50,000 P.D. - $5,000

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

1-2134

d. Use of the Property: The property is leased in its present physical conditions and shall be used by Digital Equipment Corporation of Puerto Rico for warehousing and or manufacturing purposes only.

e. Maintenance: During the term of the Lease, Tenant shall keep and maintain in thorough repair and good order and in safe conditions the property herein leased. Upon termination of this Lease, Tenant shall deliver to Landlord the premises in the same conditions they were delivered to it and broom-clean and in good order and safe conditions, reasonable tear and wear excepted.

f. This contract is entered into between the parties hereto in consideration to the fact that Landlord is negotiating with Tenant the construction of an extension of approximately 60,000 square feet to building number S-974-69 for expansion of operations of Tenant and it is necessary for said Tenant to rent the demised premises for the aforementioned use until such time that Tenant can integrate said extension into their actual manufacturing space.

Please signify your acceptance to the above by signing and returning to us the enclosed copy of this letter.

Cordially,

Luis Cortés-Ramos
Acting President and
General Manager

ACCEPTED:

DIGITAL EQUIPMENT CORPORATION OF PUERTO RICO

By: Edward A. Schwartz

Date: May 21, 1971

ANNEX 10a

1-2134

PRIDCO
F-2106

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

CERTIFICATE OF ACCEPTANCE ON FULL OCCUPANCY

It is hereby certified that the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, hereafter called the Landlord and DIGITAL EQUIPMENT CORP. OF P. R., hereafter called the Tenant have agreed regarding the full occupancy of Factory Building No. S-551-60 & Ext. S-551-A-63 with a gross floor space of 37472 square feet, located at SAN GERMAN, P.R., Puerto Rico, (Zone No. 5) as follows :

1. The Tenant accepts the aforementioned building for full occupancy, except for the following items which were found defective or incomplete, and which the Landlord agrees to correct as soon as practicable :

Deficiencias seran notificadas luego.

Fue informado suavel que esta fecha es que empiezan a pagar no aparece la parte aceptada por la firma

2. The Tenant agrees to pay to the Landlord for the use of the building, the monthly rental of $ 2,342.00 starting 5/18/71, 19__, computed at 0.75 cents per square foot as provided by the corresponding ~~XXXX~~ Letter Contract between the parties to this agreement dated 4/6/71.

As evidence of their agreement, the Landlord and the Tenant hereby sign this document on this 18th day of may, 1971.

DIGITAL EQUIPMENT CORP. OF P.R.

BY : Jaime H. Ferrer
AUTHORIZED SIGNATURE

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY : [signature]

BILLING ADDRESS:
Digital Equipment Corp. de P.R.
Box 106
San German, P.R 00753

ANNEX 10a

1-234

PRIDCO
P-2106

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

CERTIFICATE OF ACCEPTANCE ON FULL OCCUPANCY

It is hereby certified that the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, hereafter called the Landlord and DIGITAL EQUIPMENT CORP. OF P. R., hereafter called the Tenant have agreed regarding the full occupancy of Factory Building No. S-551-60 & Ext. S-551-A-63 with a gross floor space of 37472 square feet, located at SAN GERMAN, P.R., Puerto Rico, (Zone No. 5) as follows :

1. The Tenant accepts the aforementioned building for full occupancy, except for the following items which were found defective or incomplete, and which the Landlord agrees to correct as soon as practicable :

Deficiencias serán notificadas luego.

2. The Tenant agrees to pay to the Landlord for the use of the building, the monthly rental of $ 2,342.00 starting 5/18/71, 19__, computed at 0.75 cents per square foot as provided by the corresponding ~~XXXX~~ Letter Contract between the parties to this agreement dated 4/6/71.

As evidence of their agreement, the Landlord and the Tenant hereby sign this document on this 18th day of may, 19 71.

DIGITAL EQUIPMENT CORP. OF P.R.

BY : Jaime L. Lema
AUTHORIZED SIGNATURE

BILLING ADDRESS:
Digital Equipment Corp. de P.R.
Box 166
San Lorenzo, P.R. 00753

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY :

ANNEX 10b

1-213Y

COMMONWEALTH OF PUERTO RICO

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

SAN JUAN, PUERTO RICO 00936

POSTAL ADDRESS
G. P. O. 2350

Received
MAR 07 1972

186

rporation of P.R.

ico 00753

o A. Battle

Gentlemen:

Reference is made to your request for the extension of the temporary lease of our projects S-551-60 and S-551-A-63 located at San Germán, Puerto Rico.

Please be advised that based in the representation made by you to the effect that your Company will continue using the aforementioned projects for the same purpose as indicated in the temporary lease contract, we hereby agree to extend as requested the temporary lease contract covering projects S-551-60 and S-551A-63 for a period of one year, commencing on March 1, 1972 and to end February 28, 1973.

All other terms and conditions of the temporary lease not inconsistent with the above shall remain in full force and effect.

Please signify your acceptance to the above by signing and returning to us the enclosed copy of this letter at your earliest convenience.

Cordially,

Francisco Arends
President and General Manager

Enclosure

ACCEPTED

DIGITAL EQUIPMENT CORPORATION OF P.R.

By: Vincent D Beaupre

Date: 3/3/72

ANNEX 10c

1-2134

PRIDCO
F-2106

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

*DUPLICATE

Nadar

CERTIFICATE OF ACCEPTANCE ON FULL OCCUPANCY

It is hereby certified that the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, hereafter called the LANDLORD and DIGITAL EQUIPMENT CORP. OF P. R., hereafter called the TENANT have agreed regarding the full occupancy of Factory Building No. S-551-60 / S-551-A-63, Lot 7A with a gross floor space of 14,948 / 22,524 (A) square feet, located at SAN GERMAN, Puerto Rico, (Zone No. 5 / 37,472) as follows :

1. The TENANT accepts the aforementioned building for full occupancy, except for the following items which were found defective or incomplete, and which the LANDLORD agrees to correct as soon as practicable :

NONE

2. The TENANT agrees to pay to the LANDLORD for the use of the building, the monthly rental of $2,342.00 starting FEBRUARY 1st., 19 73, computed at $0.75 cents per square foot as provided by the corresponding LEASE CONTRACT between the parties to this agreement dated May 31, 1973.

As evidence of their agreement, the LANDLORD and the TENANT hereby sign this document on this 15th day of October 19 73.

DIGITAL EQUIPMENT CORP. OF P. R.

BY: [signature]

AUTHORIZED SIGNATURE

BILLING ADDRESS:
P.O. Box 106 - San Germán, P.R.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

10/19/73

BY: [signature]

*Contabilidad ya le está facturando.

ANNEX 10b

1-213Y

COMMONWEALTH OF PUERTO RICO

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

SAN JUAN, PUERTO RICO 00936

February 22, 1972

CABLE ADDRESS
"INDEVELCO"

POSTAL ADDRESS
G. P. O. 2350

Received
MAR 07 1972

Digital Equipment Corporation of P.R.
Post Office Box 106
San Germán, Puerto Rico 00753

Attention: Mr. Pedro A. Battle

Gentlemen:

Reference is made to your request for the extension of the temporary lease of our projects S-551-60 and S-551-A-63 located at San Germán, Puerto Rico.

Please be advised that based in the representation made by you to the effect that your Company will continue using the aforementioned projects for the same purpose as indicated in the temporary lease contract, we hereby agree to extend as requested the temporary lease contract covering projects S-551-60 and S-551A-63 for a period of one year, commencing on March 1, 1972 and to end February 28, 1973.

All other terms and conditions of the temporary lease not inconsistent with the above shall remain in full force and effect.

Please signify your acceptance to the above by signing and returning to us the enclosed copy of this letter at your earliest convenience.

Cordially,

Francisco Arends
President and General Manager

Enclosure

ACCEPTED

DIGITAL EQUIPMENT CORPORATION OF P.R.

By: Lawrence D Beaupre

Date: 3/3/72

1-2134

PRIDCO
F-2106

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

*DUPLICATE

Nelson

CERTIFICATE OF ACCEPTANCE ON FULL OCCUPANCY

It is hereby certified that the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, hereafter called the LANDLORD and DIGITAL EQUIPMENT CORP. OF P. R., hereafter called the TENANT have agreed regarding the full occupancy of Factory Building No. S-551-60 S-551-A-63, with a gross floor space of 14,948 (A) 22,524 square feet, located at SAN GERMAN Lot 7A 37,472, Puerto Rico, (Zone No. 5) as follows :

1. The TENANT accepts the aforementioned building for full occupancy, except for the following items which were found defective or incomplete, and which the LANDLORD agrees to correct as soon as practicable :

NONE

2. The TENANT agrees to pay to the LANDLORD for the use of the building, the monthly rental of $2,342.00 starting FEBRUARY 1st., 1973, computed at $0.75 cents per square foot as provided by the corresponding LEASE CONTRACT between the parties to this agreement dated May 31, 1973.

As evidence of their agreement, the LANDLORD and the TENANT hereby sign this document on this 15th day of October 1973.

DIGITAL EQUIPMENT CORP. OF P. R.

BY : _____

AUTHORIZED SIGNATURE

BILLING ADDRESS:
P.O. Box 106 - San Germán, P.R.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY : _____

10/19/73
(11/1/73)

*Contabilidad ya le está facturando.

ANNEX 10d

CAV:mjz

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PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

Lease Contract

THIS LEASE, made as of the 31 day of May, 1973, between PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, party of the first part, hereinafter referred to as "Landlord", and DIGITAL EQUIPMENT CORPORATION OF PUERTO RICO, party of the second part, hereinafter referred to as "Tenant",

WITNESSETH:

PREMISES: Landlord hereby demises and leases unto Tenant, and Tenant hereby hires and takes from Landlord a certain landsite and improvements (Project No. S-551-60, S-551-A-63 and Lot 7A) located at Retiro Ward Industrial Subdivision, San Germán, Puerto Rico, more particularly described in Schedule A hereto annexed and made part hereof, hereinafter referred to as the "premises" or the "demised premises".

USE: To be used and occupied in the manufacture of PDP-11/05 MODULAR SYSTEMS and other modular systems, and for no other purpose.

SUBJECT TO: The demised premises are leased subject to the encumbrances, leases, restrictions and conditions, if any, set forth on Schedule B hereto annexed and made part hereof.

TERM: To Have And To Hold the demised premises for the term to commence ~~XX~~ as of February 1, 1973 and to end on March 1, 1982, ten years thereafter.

It is hereby mutually covenanted and agreed by and between Landlord and Tenant that this lease is made upon the foregoing and upon the following terms, covenants and conditions, and Landlord and Tenant hereby mutually covenant and agree to perform each and every one of the terms, covenants and conditions of this lease and of all Schedules and riders hereto annexed on their respective parts to be performed:

1. **RENT:** Tenant shall pay to Landlord at Landlord's office in the City of San Juan, Puerto Rico or at such other place or places as Landlord may from time to time designate, fixed rent at the rate of $0.75 per sq. ft. of gross building area per annum, hereinafter called "rent", which said rent shall be paid by Tenant in lawful money of the United States, in equal monthly installments in advance, on the first day of each and every month in each and every year during the term hereof, without any set-off or deduction whatsoever and without any prior demand therefor, the first installment to be paid on February 1, 1973.

2. **TAXES, ETC.:** (a) Tenant shall punctually pay and discharge, as additional rent, all real estate taxes, assessments, water rents, sewer rents, and charges, and governmental impositions, duties and charges of every kind and nature whatsoever, extraordinary as well as ordinary and whether now within the contemplation of the parties or not, and each and every installment of each of them, which shall or may during the terms of this lease be charged, laid, levied, assessed or imposed upon, or become a lien or liens upon the demised premises or any part thereof, or upon any building or appurtenances thereto, or any part thereof, or upon any sidewalks or streets in front of or adjoining the demised premises, or which may become due and payable with respect thereto, and any and all taxes, charged, laid, levied, assessed or imposed in lieu of or in addition to the foregoing, under or by virtue of any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the

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Commonwealth of Puerto Rico or of any political subdivision thereof or lawful authority whatsoever, and all gas, electricity or other service or services furnished to the demised premises or the occupants thereof during the term hereof. Tenant shall also punctually pay and discharge, as additional rent, all taxes and assessments which shall or may during the term of this lease be charged, laid, levied, assessed or imposed upon, or become a lien upon the personal property of Landlord or Tenant in the operation of the premises or in connection with Tenant's business conducted on the premises. Tenant shall be deemed to have complied with the foregoing covenants of this Article 2 if payment of any such taxes, assessment, water rents and charges, or other governmental impositions, duties and charges is made by Tenant within the period during which payment is permitted without penalty or interest, and Tenant shall within thirty (30) days thereafter produce and exhibit to Landlord satisfactory evidence of such payment.

(b) All real estate taxes which shall become payable for the first and last tax years of the term hereof shall be apportioned pro rata between Landlord and Tenant in accordance with the respective number of months during which each party shall be in possession of the demised premises in said respective tax years. The provisions of Article 2 hereof shall not be interpreted as negating any real and personal property tax exemption granted to Tenant by the Commonwealth of Puerto Rico so long as such grant remains in full force and effect. If the premises are sold to a Landlord subject to taxation, such Landlord will use its best efforts to obtain or cause to be obtained and to maintain, in full force and effect, an exemption, if and to the extent available, from real estate taxes upon the demised premises, and Tenant agrees to cooperate with Landlord in such proceedings and to join therein if requested by Landlord. Tenant is authorized to take proceedings in the name of the proper party or parties, including Landlord, to obtain and to maintain or cause to be obtained and to be maintained, in full force and effect, such an exemption.

REVIEW OF ASSESSMENTS: (c) Tenant shall have the right to contest or review by legal proceedings or in such other manner as may be legal (which, if instituted, shall be conducted promptly at Tenant's own expenses and free of all expense to Landlord), any tax, assessments, water rent or charge, or other governmental imposition aforementioned, upon condition that, before instituting any such proceedings, Tenant shall pay (under protest), such tax, assessment, water charge or other governmental imposition, duties and charges aforementioned or furnish to Landlord, or to any mortgagee Landlord may designate, a surety company performance bond in a company acceptable to Landlord and such mortgagee or other security reasonably satisfactory to Landlord and such mortgagee, sufficient to cover the amount of the contested item or items, with interest for the period which such proceedings may reasonably be expected to take, and costs, securing the payment of such contested item or items and all interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, Tenant shall pay all such items at least ninety (90) days before the time when the demised premises or any part thereof might be forfeited. The legal proceedings herein referred to shall include appropriate certiorari proceedings and appeals from any orders or judgments therein, but all such proceedings shall be begun as soon as reasonably possible after the imposition or assessment of any contested items and shall be prosecuted to final adjudication with reasonable dispatch. In the event of any reduction, cancellation or discharge, Tenant shall pay the amount that shall be finally levied or assessed against the demised premises or personal property or adjudicated to be due and payable and if there shall be any refund payable by the governmental authority with respect thereto Tenant shall be entitled to receive and retain the same, subject, however, to apportionment as provided in Article 2(b) hereof during the first and last years of the term.

(d) Landlord at Landlord's option may, but shall not be obligated to, contest or review by legal proceedings, or in such manner as may be legal, and at Landlord's own expenses, any tax, assessment, water rent or charge, or other governmental imposition aforementioned, which shall not be contested or reviewed, as aforesaid, by Tenant and unless Tenant shall promptly join with Landlord in such contest or review, Landlord shall be entitled to receive and retain any refund payable by the governmental authority with respect thereto.

3. ASSIGNMENT: Neither Tenant, nor Tenant's legal representatives or successors in interest by operation of law or otherwise, shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord in each instance. No assignment or sublease of the whole or any part of the demised premises by Tenant shall in any way affect or reduce any of the obligations of Tenant under this lease, but this lease shall continue in full force and effect. If this lease be assigned, or if the demised premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of the terms, covenants and conditions of this lease on the part of Tenant to be performed. Any violation of any provision of this lease, whether by act or omission, by any assignee, subtenant or occupant, shall be deemed a violation of such provision by Tenant, it being the intention and meaning of the parties hereto that Tenant shall assume and be liable to Landlord for any and all acts and omissions of any and all assignees, subtenants, and occupants. The consent by Landlord to an assignment, encumbrance or subletting shall not be construed in any wise to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment, encumbrance or subletting. ~~Notwithstanding anything herein contained to the contrary,~~ Tenant may, without the consent of Landlord assign this lease or sublet the whole or any part of the demised

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and/or affiliate corporation

premises to any ~~wholly owned~~ subsidiary of the Tenant, or to the parent of the Tenant, or to any wholly owned subsidiary of any of the aforementioned; a subsidiary shall be deemed wholly owned notwithstanding the issuance of directors qualifying shares; provided that no such assignment or subletting shall release the Tenant from liability under this lease.

4. ALTERATIONS: (a) Tenant may make alterations, changes, additions and improvements to any building now or hereafter erected on the demised premises, provided:

(1) That the same shall not lessen the value of said building as it is at the commencement of such work or change the purposes for which said building may be used;

(2) That the same shall be made in accordance with plans and specifications therefor. Such plans and specifications shall first be submitted to and approved in writing by Landlord;

(3) That before commencing any such work said plans and specifications shall be filed with and approved by all municipal or other governmental departments or authorities having jurisdiction thereof, and the written consent of any mortgagee having any interest in or lien upon the demised premises shall be procured by Tenant and delivered to Landlord if required by the terms of the mortgage;

(4) That before commencing any such work, Tenant shall at Tenant's own cost and expense, deliver to Landlord a general accident and public liability policy more particularly described in article 6 (a) (2) hereof, but said policy shall recite and refer to such work, and in addition thereto, if the estimated cost of such work is more than TWO THOUSAND FIVE HUNDRED---------- Dollars ($ 2,500.00), Tenant shall, at Tenant's own cost and expense, deliver to Landlord a surety company performance bond in a company acceptable to Landlord, or a similar bond or other security satisfactory to Landlord, in an amount equal to the estimated cost of such work, guaranteeing the completion of such work within a reasonable time, due regard being had to conditions, free and clear of all liens, encumbrances, chattel mortgages and conditional bills of sale and in accordance with said plans and specifications submitted to and approved by Landlord in writing; and

(5) That Tenant shall pay the increased premium, if any, charged by the insurance companies carrying insurance policies on said building, to cover the additional risk during the course of such work.

(b) All such alterations, changes, additions and improvements made by Tenant shall be and become the property of Landlord, excluding removable partitions.

(c) All the machinery and equipment, if any, and all appurtenances thereto installed, or affixed on or to the demised premises, or any part thereof, by any person other than Tenant at the commencement of the term hereof, are and shall be deemed to be the property of Landlord, and any machinery and equipment and appurtenances thereto that may be installed or affixed on or to the demised premises, or any part thereof, by Tenant, shall not be and become part of the realty and shall be immediately removed by Tenant together with the movable furniture and movable trade fixtures of Tenant, at the termination of this lease, any damage to the premises in the course of such removal to be repaired by Tenant at Tenant's own cost and expense. Nothing contained in this lease shall be interpreted to deny to Landlord the right to seek satisfaction against any assets of Tenant in any action, claim or demand of Landlord against Tenant.

(d) Except as provided in this article 4, no building or improvements now or hereafter erected upon the premises, or any part thereof, shall be demolished, altered, added to or changed without the prior written consents of Landlord and any mortgagee.

5. REPAIRS: Tenant shall, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition the building and improvements standing upon the demised premises at the commencement of the term hereof or thereafter erected upon the demised premises, or forming part of the demised premises, and their full equipment and appurtenances, and each and every part thereof, both inside and outside, extraordinary and ordinary, and shall repair the whole and each and every part thereof in order to keep the same at all times during the term hereof in thorough repair and good order and safe condition, whenever the necessity or desirability therefor may occur, and whether or not the same shall occur, in whole or in part, by wear, tear, obsolescence or defects, and shall use all reasonable precaution to prevent waste, damage or injury, excepting however, repairs due to ordinary wear and tear. Tenant shall also, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition, and free from dirt, rubbish and other obstructions or encumbrances, the sidewalks, areas, sidewalk hoists, railings, gutters, curbs and the like in front of and adjacent to the demised premises. However, the Landlord and not the Tenant, shall be responsible for and shall promptly correct any defects in the buildings and improvements on the demised premises which are due to faulty design, or to errors of construction not apparent at the time the demised premises were inspected by Tenant for purposes of occupancy by Tenant; this shall not be interpreted to relieve Tenant of any responsibility or liability herein otherwise provided, including, among others, for structural failure due to the fault or negligence of Tenant.

In addition to the foregoing, Tenant shall indemnify and save harmless Landlord from and against any and all costs, expenses, claims, losses, damages, fines, or penalties, including reasonable counsel fees, because of or due to Tenant's failure to comply with the foregoing, and Tenant shall not call upon Landlord for any disbursement or outlay of money whatsoever, and hereby expressly releases and discharges Landlord of and from any liability or responsibility whatsoever in connection therewith.

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RENEWAL POLICIES: (c) Thirty (30) days prior to the expiration of any policy or policies of such insurance, Tenant shall pay the premium for renewal insurance and deliver to Landlord or to any mortgagee Landlord may designate within said period of time, the original renewal policies with evidence by stamping or otherwise of the payment of premiums thereon, except that certificates instead of the original renewal policies with respect to the insurance referred to in subdivision (a) (2) of this article 6 shall be delivered by Tenant; and if such premiums or any of them shall not be so paid and the policies or certificates shall not be so delivered Landlord may procure and/or pay for the same, and the amount so paid by Landlord, with interest thereon at the rate of seven per cent (7%) per annum from the date of payment, shall become due and payable by Tenant as additional rent with the next or any subsequent installment of fixed rent which shall become due after such payment by Landlord; it being expressly covenanted that payment by Landlord of any such premium shall not be deemed to waive or release the default in the payment thereof by Tenant, or the right of Landlord to take such action as may be permissible hereunder as in the case of default in the payment of fixed rent.

(d) Tenant shall not violate or permit to be violated any of the conditions or provisions of any of said policies, and Tenant shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to Landlord shall be willing to write and continue such insurance.

(e) Tenant shall cooperate with Landlord and any mortgagee in connection with the collection of any insurance moneys that may be due in the event of loss and shall execute and deliver to Landlord and any mortgagee such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance moneys, and in the event that Tenant shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, Landlord, in addition to any other remedies, may, as the agent or attorney-in-fact of Tenant, execute and deliver any proofs of loss or any other instruments as may seem desirable to Landlord and any mortgagee for the collection of such insurance moneys, and Tenant hereby irrevocably nominates, constitutes and appoints Landlord Tenant's proper and legal attorney-in-fact for such purpose, hereby ratifying all that Landlord may do as such attorney-in-fact of Tenant. Tenant shall not be liable to any insurance carrier, for any loss or damage whatever resulting from fire or other casualty insured against, regardless of the negligence of Tenant, its agents, employees, guests, subtenants or licensees. This shall not be interpreted as any waiver of the obligations of Tenant under Article 6 hereof or exclusively in favor of Landlord under Article 8 hereof.

DEPOSIT OF ORIGINAL POLICIES: All original policies (or certificates relating thereto where the coverage is made under a blanket policy covering several plants of the parent or other affiliated companies) covering the insurance coverages hereinbefore provided shall be kept in deposit by Tenant with Landlord during the life of this lease. Such deposit may be made by instructing the corresponding insurance companies to deliver such policies directly to Landlord, or by Tenant making such deposit promptly after it receives said policies from the insurance companies. Landlord reserves the right not to deliver possession of the demised premises to Tenant, unless, and until two days after such original policies, in terms and conditions satisfactory to Landlord, have been deposited with the latter. Provided, however, that such non-delivery of possession shall not postpone or otherwise affect the effective date of this lease, the maturity of rent payments, the time for performance or any other obligation of Tenant hereunder, and the exercise by Landlord of any of the rights granted or otherwise available to it under this lease.

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7. DAMAGE TO PERSON OR PROPERTY: Landlord shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the demised premises, or for any injury or damage to the demised premises, or to any property of Tenant, or to any property of any other person, firm, association or corporation on or about the demised premises, except when caused by the negligence of the Landlord, its authorized agents or servants. Tenant shall indemnify and save harmless Landlord from and against any and all liability and damages, and from and against any and all suits, claims, and demands of every kind and nature, including reasonable counsel fees, by or on behalf of any person, firm, association or corporation, arising out of or based upon any accident, injury or damage, however occurring, which shall or may happen on or about the demised premises, or in or about the vaults, streets, sidewalks or curbs in front of or adjacent thereto, and from and against any matter or thing growing out of the condition, maintenance, repair, alteration, use, occupation, or operation of the demised premises, or of the vaults, streets, sidewalks or curbs in front of or adjacent thereto; excepting all liabilitie and damages resulting from the negligence of the Landlord, its agents and/or employees

8. RESTORATION OF DAMAGE OR DESTRUCTION BY FIRE OR OTHER HAZARDS:

(a) If the demised premises or any building or improvements standing or erected thereon shall be destroyed, in whole or in part, by any insurable risk, Tenant shall give immediate notice thereof to Landlord and the latter shall proceed with due diligence to obtain the corresponding insurance adjustment of the loss and shall thereafter promptly proceed to prepare plans and specifications for, and to repair, replace and rebuild, the same, at least to the extent of the proceeds of such insurance adjustment.

(b) In the event the proceeds of such insurance are estimated not to cover the desired work of restoration, the Landlord shall give notice thereof by registered mail to the Tenant. Within 10 days thereafter, either of the parties hereto may terminate this lease by giving 30 days' written notice thereof by registered mail to the other party. In such event, both parties shall be fully released from their respective obligations and liability hereunder, except those incurred, due, and not otherwise performed or fully discharged up to, the date of such notice.

(bi) Whenever Landlord shall be obliged within the provisions of this contract to carry out the restoration of the premises, it is hereby agreed and understood that if such restoration has not been complete within four (4) months from the date it is started, for each project covered by this contract, then Tenant shall have an option, to be exercised within 15 days after the expiration of

*can 1 and rescind this contract.

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stating that this lease and the term hereby granted shall cease and expire on a date not less than ten (10) days after the date of the giving of such notice; and upon the expiration of the time fixed by such notice the term hereby granted shall wholly cease and expire in the same manner and with the same effect as if the date fixed by such notice were the date hereto originally fixed for the termination hereof, and Landlord shall thereupon be entitled to the immediate possession of the demised premises and may institute summary proceedings against Tenant or may take any other suitable proceeding or action to obtain possession thereof. Tenant covenants that Landlord shall immediately and *ipso facto* upon any such default and breach be entitled to recover from Tenant, and Tenant shall pay to Landlord, as liquidated damages for such default and breach, in addition to any unpaid rent or additional rent accrued to such date, an amount equal to the rent reserved in this lease from the date of such default and breach to the date of expiration of the original term hereby granted. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages by reason of any such default and breach, or termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference hereinabove referred to.

12. DEFAULTS, REMEDIES: (a) Anything to the contrary notwithstanding, if Tenant shall fail to pay to Landlord any installment of rent, or any additional rent or other charges as and when the same shall become due and payable, and such default shall continue for a period of ~~XXXX~~ days after notice, or if Tenant shall default in the performance of any of the other terms, covenants or conditions of this lease or any schedules or riders hereto annexed, and such default shall continue for a period of ~~XXXXX~~ days after notice, or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereby the demised premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, and such execution or attachment is not vacated or bonded within thirty (30) days after the levy thereof, or if Tenant shall fail to take possession of the demised premises within ten (10) days after the commencement of the term of this lease, or if Tenant shall vacate and abandon the demised premises, or if this lease or the estate of Tenant hereunder shall be transferred or pass to or devolve upon any other person, firm or corporation, except in the manner provided in this lease, or if Tenant shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord, except as otherwise herein provided, Landlord shall have the right, at Landlord's option, to terminate this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, by giving Tenant five (5) days' notice in writing of such intention, and upon the expiration of the time fixed in such latter notice, if such default be not cured prior thereto, this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, shall wholly cease and expire in the same manner and with the same force and effect (except as to Tenant's liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted; and Tenant shall immediately quit and surrender to Landlord the demised premises and each and every part thereof and Landlord may enter into or repossess the demised premises, either by force, summary proceedings or otherwise. The right granted to Landlord in this article or any other article of this lease to terminate this lease shall apply to any extension or renewal of the term hereby granted, and the exercise of any such right by Landlord during the term hereby granted shall terminate any extension or renewal of the term hereby granted and any right on the part of Tenant thereto.

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(b) If the demised premises shall be vacated or abandoned or should Tenant start to dissolve or liquidate its operation in the demised premises, or in the event of a cancellation or termination hereof either by operation of law or by the issuance of a dispossess warrant or by the service of a notice of termination as above provided, or otherwise, for any cause or causes whatsoever, Tenant shall, nevertheless, remain and continue liable to Landlord in a sum equal to all rent and all additional rent herein reserved for the balance of the term herein originally granted; and Landlord may re-enter the demised premises, using such force for that purpose as may be necessary without being liable to any prosecution for said re-entry or the use of such force, and Landlord may repair or alter the demised premises in such manner as to Landlord may seem necessary or advisable, and/or let or relet the demised premises or any and all parts thereof or the whole or any part of the remainder of the original term hereof or for a longer period, in Landlord's name, or as the agent of Tenant, and, out of any rent so collected or received, Landlord shall first pay to itself the expense and cost of retaking, repossessing, repairing and/or altering the demised premises and the expense of removing all persons and property therefrom, and second pay to itself any cost or expense sustained in securing any new tenant or tenants, and third pay to itself any balance remaining on account of the liability of Tenant to Landlord for the sum equal to the rents reserved herein and then unpaid by Tenant for the remainder of the term originally herein demised. Any entry or re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge Tenant from liability hereunder.

--and to ~~X~~ such effec Landlord agrees to exercise its utmost efforts therefore.

(c) Should any rent so collected by Landlord after the payments aforesaid be insufficient fully to pay to Landlord a sum equal to all rent and additional rent herein reserved, the balance or deficiency shall be paid by Tenant on the rent days above specified, that is, upon each of such rent days Tenant shall pay to Landlord the amount of the deficiency then existing; and Tenant shall be and remain liable for any such deficiency, and the right of Landlord to recover from Tenant the amount thereof, or a sum equal to the amount of all rent and additional rent herein reserved, if there shall be no reletting, shall survive the issuance of any dispossess warrant or other termination hereof; and Tenant hereby expressly waives any defense that might be predicated upon the issuance of such dispossess warrant or other termination or cancellation of the term hereof.

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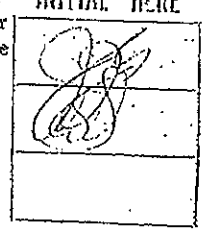

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15. QUIET ENJOYMENT: Landlord covenants, that if and so long as Tenant pays the rent, and additional rent and other charges reserved by this lease, and performs all the terms, covenants and conditions of this lease on the part of Tenant to be performed, Tenant shall quietly enjoy the demised premises, subject, however, to the terms of this lease, or any defaults, and subject to the provisions of Article 21.

16. NO WAIVER: Any default in the payment of the rent or other charges, or any failure of Landlord to enforce the provisions of this lease upon any default by Tenant shall not be construed as creating a custom of deferring payment or as modifying in any way the terms of this lease or as a waiver of Landlord's right to terminate this lease as herein provided, or otherwise to enforce the provisions hereof for any subsequent default.

17. LAWS APPLICABLE: This agreement shall be governed by and construed in accordance with the laws of, or applicable to, the Commonwealth of Puerto Rico.

18. ARBITRATION: Any dispute or controversy which may arise between the parties hereto in the operation or other performance of the terms or covenants of this contract except with respect to the payment of rent or the defaults referred to in Articles 12 (b) and 33 hereof, or both, may be submitted by either party hereto to arbitration in accordance with the arbitration laws in force in Puerto Rico.

19. ENTIRE AGREEMENT: This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

20. NOTICES: All notices, demands and communications hereunder shall be served or given by mail, and if intended for Landlord shall be addressed to Landlord at G. P. O. Box 2350, San Juan, Puerto Rico 00936 or to such other address as may be requested by Landlord in writing, and if intended for Tenant shall be addressed to Tenant at c/o Edward A. Schwartz, Esq., General Counsel and Secretary, 146 Main Street, Maynard, Massachusetts 01754 or to such other address as may be requested by Tenant in writing. Any notice given hereunder by mail shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a prepaid wrapper, addressed as above provided. All such notices shall be sent by registered mail return receipt requested.

21. "LANDLORD"-EFFECT OF CONVEYANCE: The word "Landlord", as used herein, means only the owner in fee for the time being of the demised premises, so that, in the event of any sale, conveyance or transfer of title of the demised premises, Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, whenever Landlord, at the time of any sale, conveyance or transfer of title, obtains an agreement in writing from the purchaser or transferee assuming the performance of all covenants and obligations in this lease contained on the part of Landlord to be performed, which agreement shall expressly provide that the same is for the benefit of the Landlord and Tenant. A duplicate original copy of such agreement should be delivered to Tenant but failure to do so shall impose no liability on Landlord.

22. MARGINAL NOTES: The marginal notes are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this lease nor in any way affect this lease.

23. SUCCESSORS AND ASSIGNS: The terms, covenants and conditions contained in this lease and in any schedules and riders hereto annexed shall bind and inure to the benefit of Landlord and Tenant and their respective successors and, except as otherwise provided herein, their heirs legal representatives, distributees and assigns.

24. MINIMUM WAGES: Tenant agrees to pay for all work performed by it at the premises the minimum wages prescribed for such operations either by Federal or Commonwealth Laws and abide by and comply with all laws and regulations applicable to the operations of the Tenant in the leased premises and to laborers and their relations to the Tenant; provided, however, that the Tenant shall not be in default hereof whenever it shall in good faith contest by appropriate proceedings the matter or issue which otherwise would constitute cause or basis for such default, or if such default is inadvertent on the part of Tenant and Tenant remedies same and makes the necessary adjustments after notice from Landlord or other governmental agencies or Courts having jurisdiction of the matter.

25. CAPITALIZATION OF TENANT: Tenant agrees to have on the effective date of this lease and the term of shall maintain throughout its term or any extension thereof, a total investment of THREE HUNDRED THOUSAND DOLLARS ($300,000.00) in the form of paid-in capital stock, loans subordinated to any and all obligations of Tenant to Landlord and/or retained earnings.

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33. DEFAULT THROUGH ATTEMPT TO REMOVE ASSETS OR TO ABANDON THE PREMISES: Any attempt or other act of Tenant (a) to remove machinery, equipment or other assets from the demised premises or; (b) to abandon the demised premises or, (c) which otherwise are inconsistent or in conflict with the terms of this lease after having breached or failed to perform any term, covenant or condition or obligation imposed on Tenant under this lease, shall constitute a waiver by Tenant of any and all periods of grace provided by Section 12 hereof and shall entitle Landlord to terminate this lease and seek and obtain such other remedies as are provided in Articles 12 and 13 hereof; in all events except in the normal course of business.

34. DEPOSIT: Simultaneously herewith Tenant shall deposit with Landlord the amount of $ NONE Said amount shall become immediately payable to the Landlord in the event that at any time prior to the start of operations by the Tenant at the demised premises, it abandons its project for reason of its own concern and under its control. However, as soon as Tenant starts operations at the demised premises, the fund in deposit shall be refunded to Tenant less the amount of any obligation owed at that time by Tenant to Landlord and not otherwise provided for.

35. USE PERMIT: It is a condition of this lease that Tenant will prosecute his request for permit to use the demised premises before the Planning Board of Puerto Rico with due diligence and that Landlord will cooperate fully with Tenant in his effort to obtain promptly such Use Permit. Such request shall be made within 5 days after Landlord advises Tenant that the demised premises are ready for Use Permit inspection.

36. SPECIAL PROVISIONS COVERING CONSTRUCTION AND LEASE CASES: Where any building in the demised premises is to be constructed or is under construction by Landlord, the latter shall give to Tenant notice of the date of completion of such construction, which notice shall state that the building and facilities have been completed as stated in this lease in accordance with the plans and specifications and any changes approved by Landlord thereof during construction which do not substantially change the size, basic design and which may affect the use to be made of the premises according to this contract and in compliance with all the laws, orders and regulations of the Commonwealth of Puerto Rico and of all municipalities and other governmental subdivisions, agencies and departments having jurisdiction over the premises. Simultaneously with the giving of such notice, the Landlord shall furnish to the Tenant a construction certificate of the Planning Board certifying that said building and facilities have been completed in accordance to approved plans as amended during construction. The effective date of this lease shall be ten days after Landlord gives Tenant the aforementioned notice of the date of completion of construction; provided, however, that this lease shall be subject and conditioned upon Tenant being able to obtain the Use Permit in connection with the demised premises, provided for in Article 35 hereof, within a reasonable time after the effective date hereunder, provided Tenant files a request therefor as prescribed by the regulations in force and prosecutes it to completion with reasonable diligence. Landlord agrees that if feasible it will at least thirty days before completion of the building indicate by preliminary notice to the Tenant the estimated date of completion of the building, but failure of Landlord to give such preliminary notice shall not be deemed a default hereunder.

At any time after the commencement of the term of this lease, each of the parties hereto agree that, at the request of the other, they will execute an agreement setting forth the exact description of the building and the date of the commencement and of the expiration of the term hereof and the exact amount of the monthly rent which shall be accordingly readjusted retroactively to the effective date hereof. This shall in no way delay or otherwise affect the commencement of the term of or the payment of rent under this lease.

Tenant shall, upon giving prior written notice to Landlord, have the privilege of entering upon the demised premises for the purpose of inspecting the progress of construction, taking measurements for the installation of its fixtures and equipment, and for the purpose of installing its fixtures, machinery and equipment, provided such activities do not interfere with the progress of construction or otherwise affect performance of the construction contract relative to the demised premises, and the same shall not be deemed occupancy by the Tenant as herein provided. For such purpose Tenant shall request and Landlord shall issue to Tenant a permit for partial occupancy.

37. WARRANTY AS TO USE: The Landlord does hereby warrant that at the time of the commencement of the term of this lease, the premises may be used by the Tenant for manufacturing purposes consistent with its design and construction in accordance with the corresponding plans and specifications.

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38. AUTOMATIC RENEWAL: In the event Tenant does not vacate the demised premises in the manner and under the conditions hereinbefore provided, within 90 days after the normal expiration of the term hereof, the Landlord shall have the option to be exercised at any time thereafter, to notify Tenant that the lease herein has been renewed for an additional term of 10 years from the date of the last normal expiration of the term hereof and, in such event, the parties agree that this contract shall be held to have been renewed and to continue in full force and effect for such additional term of 10 years upon the mere mailing of such notice by Landlord to Tenant. This provision shall in no way prejudice, affect or deny any right which Landlord may otherwise have because, or at the time, of any such termination of the term hereof, particularly whenever the Landlord does not exercise such option.; it being agreed and understood that such renewal shall be upon the same terms and conditions contained herein except that the rental rate to be charged shall be the rate then currently being charged by Landlord for similar buildings in the area but in no event shall it be less than the rate herein stipulated.

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It shall be for Tenant's own cost and expense any and all improvements to the demised premises, required by the Planning Board of Puerto Rico, Department of Health, Environmental Quality Board and/or any other agency, whether local or federal, having jurisdiction thereon so as to carry its operations in accordance with the regulations and requisites thereof.

Upon termination of this lease, whether by expiration of its term or otherwise, such improvements shall be removed by Tenant at its own cost and expense or at Landlord's option shall be and become the property of the Landlord with no right on the part of the Tenant to be reimbursed and/or compensated therefor.

Notwithstanding the foregoing provisions, the construction of any improvements, as aforesaid, shall not be commenced until after written approval of the Landlord therefor shall have first been requested and obtained.

G. Anything contained in this contract to the contrary notwithstanding, in the event that Tenant requires additional volume of water and/or pressure as is now available within the area wherein the demised premises are located, it shall be at its own cost and expense the construction and/or installation of such improvements and/or facilities as may be necessary or convenient and/or required by the Puerto Rico Aqueduct and Sewer Authority to increase such volume and/or pressure; it being agreed and understood however, that such construction and/or installation shall in no event be commenced until after Landlord's written approval has first been requested and obtained.

H. Tenant is hereby granted an option to cancel and rescind this contract, without penalty, if the purpose thereof is to relocate its operations elsewhere in Puerto Rico to comparable facilities to be constructed by Tenant or by Landlord or any other third party.

I. This contract, in addition to the foregoing provisions, is made subject to the provisions set forth in the rider attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto execute this contract at San Juan, Puerto Rico, this 31st day of May, 1973.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY: _____

DIGITAL EQUIPMENT CORPORATION DE PUERTO RICO

BY: _____

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"RIDER TO LEASE CONTRACT TO BE EXECUTED BY AND BETWEEN THE PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, AS LANDLORD, AND DIGITAL EQUIPMENT CORPORATION OF PUERTO RICO AS TENANT, IN CONNECTION WITH A CERTAIN LANDSITE AND BUILDING LOCATED AT SAN GERMAN, PUERTO RICO PROJECTS S-551-60, S-551-A-63 and Lot 7A)

I- The following provisions are incorporated in the Contract:

a) In the event that Tenant's operations require the construction of a power substation for either primary or secondary service, such construction shall in no event be undertaken by Tenant until after the Landlord has approved, in writing, the location thereof, as well as the routing of the power line extension, taking into consideration the best utilization of the landsite for expansion or other purposes.

It is hereby agreed and understood that once such power substation has been constructed by Tenant, as aforesaid, the same shall not be altered, expanded and/or improved until written approval therefor has first been requested and obtained from the Landlord.

b) Tenant hereby agrees that it will not, during the term of this lease or any renewal thereof, exert any influence, either directly or indirectly upon the employees working on nearby industrial units leased from the Landlord to induce such employees to resign from their employ for the sole purpose and with the specific intent of accepting an employ with Tenant herein; it being agreed and understood, however, that the foregoing provisions are not to be interpreted as denying or curtailing Tenant's right to advertise for work at the then prevailing wage rates in the industry and/or to carry out personal interviews with potential employees.

c) Anything contained in the Contract to the contrary notwithstanding, Tenant agrees to abide by and comply with any and all conditions and requisites included in the Use Permit which, under the provisions of Article 35 of the Contract, may be issued by the Planning Board of Puerto Rico and, if requested by Landlord shall submit evidence of such compliance; it being agreed and understood that noncompliance by Tenant with any and all such conditions and requisites and/or the cancellation of the said Use Permit shall, in each of such cases, be deemed an additional event of default under the provisions of the Contract.

d) Tenant agrees to submit to Landlord within thirty (30) days from the date of execution of the Contract: (a) evidence of its registration in the Department of State of the Commonwealth of Puerto Rico and the name and address of its resident agent; and (b) a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Contract.

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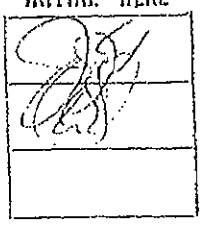

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SCHEDULE 'A'

DESCRIPTION OF LANDSITE AND BUILDING LOCATED AT RETIRO WARD INDUSTRIAL SUBDIVISION, SAN GERMAN, PUERTO RICO (PROJECTS NOS. S-551-60, S-551-A-63 AND LOT 7A)

Landsite:

Lots 4 and 6 (grouped) located at Retiro Ward Industrial Subdivision, Retiro Ward, San Germán, Puerto Rico.

It bounds: by the North, with land owned by Ernesto Quiñones Sambolin; by the South, with "B" Street of the same industrial subdivision; by the East, with Lot No. 10 of the same industrial subdivision, and by the West, with Lot No. 1 of the same industrial subdivision and "B" Street of the same industrial subidivision.

It has an approximate surface area of 8,136.00 square meters equivalent to 2.07 cuerdas.

Building:

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting 30 feet long Pacadar Joist which in turn supports Pre-cast (Porete) slabs covered by 1/2 inch fiberglass insulation and a 3-ply built-up roofing. This building has no monitors but roof ventilation is provided.

The structure consists of a main floor 120.83' x 180.67' out to out dimensions with an area of 21,830 sq. ft. of manufacturing space; an entrance porch 9.25' x 21.25' with an area of 197 sq. ft. and a lean-to 11 x 45.16' with an area of 497 sq. ft. to be used for sanitary facilities, this gives a total area of 22,524 sq. ft. of covered floor space.

The floor consists of 4" thick reinforced concrete floor slab with monolithic cement finish on the manufacturing area, janitor's room, rear and right side stairs; quarry tiles on the entrance porch and ceramic tiles on the men and ladies room.

Exterior walls are concrete blocks plastered and painted on both sides except on the front wall which is partly R/C with joo tile and finish at entrance porch and stucco finish at ornamental walls.

Interior walls at the lean-to are plastered and painted together with a 5'-11" high Dulux Superwhite at the men and ladies toilet rooms.

Ceiling are rubbed and painted throughout the building.

Windows are Miami aluminum louvers throughout the building.

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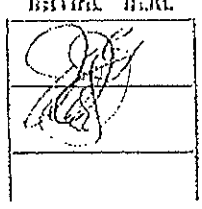

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S-551-60

Doors are made of hollow plywood except for one double swing hollow metal door at the main entrance a similar door equipped with antipanic hardware set at the rear and right side entrances and a metal and glass double sliding door at the loading platform.

Clearance in the manufacturing area from finish floor is 12'-0" and 15'-9" at the highest point on the building.

Project No. S-551-(a)-63)

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting 30 feet long concrete joists which in turn support precast concrete slab (poretes) covered by 1/2" fiberglass insulation and a 3 plies built-up roofing. Roof ventilators are provided.

The structure consists of a main floor 121'-0" x 120'-10" out to out dimensions with an area of 14,620.43 sq. ft. ofmanufacturing space; and a lean-to 31'-2" x 10'-6" for an area of 327.28 sq. ft. This amounts to a total area of 14,947.71 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish, designed for a live load of 150 p.s.f.

Exterior walls are of concrete blocks plastered and painted on both sides.

Interior walls at the lean-to are plastered and painted together with a 6'-1" high sprayed-on glazed finish wainscoat.

Ceiling is rubbed and painted throughout the building.

Windows are miami aluminum louvers throughout the building.

Interior doors are made of plywood and exterior are industrial type metal ones.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0".

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SCHEDULE A-1

DESCRIPTION OF LOT 7A, AT RETIRO WARD INDUSTRIAL SUBDIVISION, SAN GERMAN, PUERTO RICO

Landsite:

Parcel of land Lot No. 7A, Retiro Industrial Subdivision, Puerto Rico.

It bounds: by the North, with Street "B" of same industrial subdivision; by the South, with Lot No. 7B of same industrial subdivision; by the East, with Main Street of same industrial subdivision; and by the West, with Lot No. 5 and land property of Ernesto Quiñones Sambolin of same industrial subdivision.

It has an approximate area of 5495 square meters equivalent to 1.3980 "cuerdas".

LIENS AND ENCUMBRANCES

The landsite is subject to a 5 ft. wide easement along its southwestern boudanry in favor of the Puerto Rico Water Resources Authority.

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SCHEDULE 'B'

LIENS AND ENCUMBRANCES

The landsite is subject to a 30 ft. wide easement along its Southern boundary in favor of the Puerto Rico Water Resources Authority.

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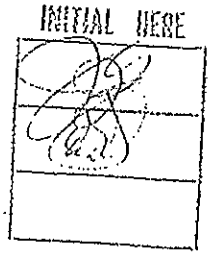

ANNEX 10d

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PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

Lease Contract

THIS LEASE, made as of the 31 day of May, 1973 between PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

party of the first part, hereinafter referred to as "Landlord", and DIGITAL EQUIPMENT CORPORATION OF PUERTO RICO

party of the second part, hereinafter referred to as "Tenant",

WITNESSETH:

PREMISES: Landlord hereby demises and leases unto Tenant, and Tenant hereby hires and takes from Landlord a certain landsite and improvements (Project No. S-551-60, S-551-A-63 and Lot 7A) located at Retiro Ward Industrial Subdivision, San Germán, Puerto Rico, more particularly described in Schedule A hereto annexed and made part hereof, hereinafter referred to as the "premises" or the "demised premises".

USE: To be used and occupied in the manufacture of PDP-11/05 MODULAR SYSTEMS and other modular systems. and for no other purpose.

SUBJECT TO: The demised premises are leased subject to the encumbrances, leases, restrictions and conditions, if any, set forth on Schedule B hereto annexed and made part hereof.

TERM: To Have And To Hold the demised premises for the term to commence ~~XX~~ as of February 1, 1973 and to end ~~ten~~ on March 1, 1982 years thereafter.

It is hereby mutually covenanted and agreed by and between Landlord and Tenant that this lease is made upon the foregoing and upon the following terms, covenants and conditions, and Landlord and Tenant hereby mutually covenant and agree to perform each and every one of the terms, covenants and conditions of this lease and of all Schedules and riders hereto annexed on their respective parts to be performed:

1. RENT: Tenant shall pay to Landlord at Landlord's office in the City of San Juan, Puerto Rico or at such other place or places as Landlord may from time to time designate, fixed rent at the rate of $0.75 per sq. ft. of gross building area per annum, hereinafter called "rent", which said rent shall be paid by Tenant in lawful money of the United States, in equal monthly installments in advance, on the first day of each and every month in each and every year during the term hereof, without any set-off or deduction whatsoever and without any prior demand therefor, the first installment to be paid on February 1, 1973.

2. TAXES, ETC.: (a) Tenant shall punctually pay and discharge, as additional rent, all real estate taxes, assessments, water rents, sewer rents, and charges, and governmental impositions, duties and charges of every kind and nature whatsoever, extraordinary as well as ordinary and whether now within the contemplation of the parties or not, and each and every installment of each of them, which shall or may during the terms of this lease be charged, laid, levied, assessed or imposed upon, or become a lien or liens upon the demised premises or any part thereof, or upon any building or appurtenances thereto, or any part thereof, or upon any sidewalks or streets in front of or adjoining the demised premises, or which may become due and payable with respect thereto, and any and all taxes, charged, laid, levied, assessed or imposed in lieu of or in addition to the foregoing, under or by virtue of any present or future laws, rules, requirements, orders, directions, ordinances or regulations of the

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Commonwealth of Puerto Rico or of any political subdivision thereof or lawful authority whatsoever, and all gas, electricity or other service or services furnished to the demised premises or the occupants thereof during the term hereof. Tenant shall also punctually pay and discharge, as additional rent, all taxes and assessments which shall or may during the term of this lease be charged, laid, levied, assessed or imposed upon, or become a lien upon the personal property of Landlord or Tenant in the operation of the premises or in connection with Tenant's business conducted on the premises. Tenant shall be deemed to have complied with the foregoing covenants of this Article 2 if payment of any such taxes, assessment, water rents and charges, or other governmental impositions, duties and charges is made by Tenant within the period during which payment is permitted without penalty or interest, and Tenant shall within thirty (30) days thereafter produce and exhibit to Landlord satisfactory evidence of such payment.

(b) All real estate taxes which shall become payable for the first and last tax years of the term hereof shall be apportioned pro rata between Landlord and Tenant in accordance with the respective number of months during which each party shall be in possession of the demised premises in said respective tax years. The provisions of Article 2 hereof shall not be interpreted as negating any real and personal property tax exemption granted to Tenant by the Commonwealth of Puerto Rico so long as such grant remains in full force and effect. If the premises are sold to a Landlord subject to taxation, such Landlord will use its best efforts to obtain or cause to be obtained and to maintain, in full force and effect, an exemption, if and to the extent available, from real estate taxes upon the demised premises, and Tenant agrees to cooperate with Landlord in such proceedings and to join therein if requested by Landlord. Tenant is authorized to take proceedings in the name of the proper party or parties, including Landlord, to obtain and to maintain or cause to be obtained and to be maintained, in full force and effect, such an exemption.

REVIEW OF ASSESSMENTS: (c) Tenant shall have the right to contest or review by legal proceedings or in such other manner as may be legal (which, if instituted, shall be conducted promptly at Tenant's own expenses and free of all expense to Landlord), any tax, assessments, water rent or charge, or other governmental imposition aforementioned, upon condition that, before instituting any such proceedings, Tenant shall pay (under protest), such tax, assessment, water charge or other governmental imposition, duties and charges aforementioned or furnish to Landlord, or to any mortgagee Landlord may designate, a surety company performance bond in a company acceptable to Landlord and such mortgagee or other security reasonably satisfactory to Landlord and such mortgagee, sufficient to cover the amount of the contested item or items, with interest for the period which such proceedings may reasonably be expected to take, and costs, securing the payment of such contested item or items and all interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, Tenant shall pay all such items at least ninety (90) days before the time when the demised premises or any part thereof might be forfeited. The legal proceedings herein referred to shall include appropriate certiorari proceedings and appeals from any orders or judgments therein, but all such proceedings shall be begun as soon as reasonably possible after the imposition or assessment of any contested items and shall be prosecuted to final adjudication with reasonable dispatch. In the event of any reduction, cancellation or discharge, Tenant shall pay the amount that shall be finally levied or assessed against the demised premises or personal property or adjudicated to be due and payable and if there shall be any refund payable by the governmental authority with respect thereto Tenant shall be entitled to receive and retain the same, subject, however, to apportionment as provided in Article 2(b) hereof during the first and last years of the term.

(d) Landlord at Landlord's option may, but shall not be obligated to, contest or review by legal proceedings, or in such manner as may be legal, and at Landlord's own expenses, any tax, assessment, water rent or charge, or other governmental imposition aforementioned, which shall not be contested or reviewed, as aforesaid, by Tenant and unless Tenant shall promptly join with Landlord in such contest or review, Landlord shall be entitled to receive and retain any refund payable by the governmental authority with respect thereto.

3. ASSIGNMENT: Neither Tenant, nor Tenant's legal representatives or successors in interest by operation of law or otherwise, shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord in each instance. No assignment or sublease of the whole or any part of the demised premises by Tenant shall in any way affect or reduce any of the obligations of Tenant under this lease, but this lease shall continue in full force and effect. If this lease be assigned, or if the demised premises or any part thereof be sublet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of the terms, covenants and conditions of this lease on the part of Tenant to be performed. Any violation of any provision of this lease, whether by act or omission, by any assignee, subtenant or occupant, shall be deemed a violation of such provision by Tenant, it being the intention and meaning of the parties hereto that Tenant shall assume and be liable to Landlord for any and all acts and omissions of any and all assignees, subtenants, and occupants. The consent by Landlord to an assignment, encumbrance or subletting shall not be construed in any wise to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment, encumbrance or subletting. Notwithstanding anything herein contained to the contrary, Tenant may, without the consent of Landlord assign this lease or sublet the whole or any part of the demised

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and/or affiliate corporation

premises to any ~~wholly-owned~~ subsidiary of the Tenant, or to the parent of the Tenant, or to any wholly owned subsidiary of any of the aforementioned; a subsidiary shall be deemed wholly owned notwithstanding the issuance of directors qualifying shares; provided that no such assignment or subletting shall release the Tenant from liability under this lease.

4. ALTERATIONS: (a) Tenant may make alterations, changes, additions and improvements to any building now or hereafter erected on the demised premises, provided:

(1) That the same shall not lessen the value of said building as it is at the commencement of such work or change the purposes for which said building may be used;

(2) That the same shall be made in accordance with plans and specifications therefor. Such plans and specifications shall first be submitted to and approved in writing by Landlord;

(3) That before commencing any such work said plans and specifications shall be filed with and approved by all municipal or other governmental departments or authorities having jurisdiction thereof, and the written consent of any mortgagee having any interest in or lien upon the demised premises shall be procured by Tenant and delivered to Landlord if required by the terms of the mortgage;

(4) That before commencing any such work, Tenant shall at Tenant's own cost and expense, deliver to Landlord a general accident and public liability policy more particularly described in article 6 (a) (2) hereof, but said policy shall recite and refer to such work, and in addition thereto, if the estimated cost of such work is more than TWO THOUSAND FIVE HUNDRED ---------- Dollars ($ 2,500.00), Tenant shall, at Tenant's own cost and expense, deliver to Landlord a surety company performance bond in a company acceptable to Landlord, or a similar bond or other security satisfactory to Landlord, in an amount equal to the estimated cost of such work, guaranteeing the completion of such work within a reasonable time, due regard being had to conditions, free and clear of all liens, encumbrances, chattel mortgages and conditional bills of sale and in accordance with said plans and specifications submitted to and approved by Landlord in writing; and

(5) That Tenant shall pay the increased premium, if any, charged by the insurance companies carrying insurance policies on said building, to cover the additional risk during the course of such work.

(b) All such alterations, changes, additions and improvements made by Tenant shall be and become the property of Landlord, excluding removable partitions.

(c) All the machinery and equipment, if any, and all appurtenances thereto installed, or affixed on or to the demised premises, or any part thereof, by any person other than Tenant at the commencement of the term hereof, are and shall be deemed to be the property of Landlord, and any machinery and equipment and appurtenances thereto that may be installed or affixed on or to the demised premises, or any part thereof, by Tenant, shall not be and become part of the realty and shall be immediately removed by Tenant together with the movable furniture and movable trade fixtures of Tenant, at the termination of this lease, any damage to the premises in the course of such removal to be repaired by Tenant at Tenant's own cost and expense. Nothing contained in this lease shall be interpreted to deny to Landlord the right to seek satisfaction against any assets of Tenant in any action, claim or demand of Landlord against Tenant.

(d) Except as provided in this article 4, no building or improvements now or hereafter erected upon the premises, or any part thereof, shall be demolished, altered, added to or changed without the prior written consents of Landlord and any mortgagee.

5. REPAIRS: Tenant shall, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition the building and improvements standing upon the demised premises at the commencement of the term hereof or thereafter erected upon the demised premises, or forming part of the demised premises, and their full equipment and appurtenances, and each and every part thereof, both inside and outside, extraordinary and ordinary, and shall repair the whole and each and every part thereof in order to keep the same at all times during the term hereof in thorough repair and good order and safe condition, whenever the necessity or desirability therefor may occur, and whether or not the same shall occur, in whole or in part, by wear, tear, obsolescence or defects, and shall use all reasonable precaution to prevent waste, damage or injury. Tenant shall also, at Tenant's own cost and expense, put, keep and maintain in thorough repair and good order and safe condition, and free from dirt, rubbish and other obstructions or encumbrances, the sidewalks, areas, sidewalk hoists, railings, gutters, curbs and the like in front of and adjacent to the demised premises. However, the Landlord and not the Tenant, shall be responsible for and shall promptly correct any defects in the buildings and improvements on the demised premises which are due to faulty design, or to errors of construction not apparent at the time the demised premises were inspected by Tenant for purposes of occupancy by Tenant; this shall not be interpreted to relieve Tenant of any responsibility or liability herein otherwise provided, including, among others, for structural failure due to the fault or negligence of Tenant.

-excepting however, repairs due to ordinary wear and tear.

In addition to the foregoing, Tenant shall indemnify and save harmless Landlord from and against any and all costs, expenses, claims, losses, damages, fines, or penalties, including reasonable counsel fees, because of or due to Tenant's failure to comply with the foregoing, and Tenant shall not call upon Landlord for any disbursement or outlay of money whatsoever, and hereby expressly releases and discharges Landlord of and from any liability or responsibility whatsoever in connection therewith.

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RENEWAL POLICIES: (c) Thirty (30) days prior to the expiration of any policy or policies of such insurance, Tenant shall pay the premium for renewal insurance and deliver to Landlord or to any mortgagee Landlord may designate within said period of time, the original renewal policies with evidence by stamping or otherwise of the payment of premiums thereon, except that certificates instead of the original renewal policies with respect to the insurance referred to in subdivision (a) (2) of this article 6 shall be delivered by Tenant; and if such premiums or any of them shall not be so paid and the policies or certificates shall not be so delivered Landlord may procure and/or pay for the same, and the amount so paid by Landlord, with interest thereon at the rate of seven per cent (7%) per annum from the date of payment, shall become due and payable by Tenant as additional rent with the next or any subsequent installment of fixed rent which shall become due after such payment by Landlord; it being expressly covenanted that payment by Landlord of any such premium shall not be deemed to waive or release the default in the payment thereof by Tenant, or the right of Landlord to take such action as may be permissible hereunder as in the case of default in the payment of fixed rent.

(d) Tenant shall not violate or permit to be violated any of the conditions or provisions of any of said policies, and Tenant shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to Landlord shall be willing to write and continue such insurance.

(e) Tenant shall cooperate with Landlord and any mortgagee in connection with the collection of any insurance moneys that may be due in the event of loss and shall execute and deliver to Landlord and any mortgagee such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance moneys, and in the event that Tenant shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, Landlord, in addition to any other remedies, may, as the agent or attorney-in-fact of Tenant, execute and deliver any proofs of loss or any other instruments as may seem desirable to Landlord and any mortgagee for the collection of such insurance moneys, and Tenant hereby irrevocably nominates, constitutes and appoints Landlord Tenant's proper and legal attorney-in-fact for such purpose, hereby ratifying all that Landlord may do as such attorney-in-fact of Tenant. Tenant shall not be liable to any insurance carrier, for any loss or damage whatever resulting from fire or other casualty insured against, regardless of the negligence of Tenant, its agents, employees, guests, subtenants or licensees. This shall not be interpreted as any waiver of the obligations of Tenant under Article 6 hereof or exclusively in favor of Landlord under Article 8 hereof.

DEPOSIT OF ORIGINAL POLICIES: All original policies (or certificates relating thereto where the coverage is made under a blanket policy covering several plants of the parent or other affiliated companies) covering the insurance coverages hereinbefore provided shall be kept in deposit by Tenant with Landlord during the life of this lease. Such deposit may be made by instructing the corresponding insurance companies to deliver such policies directly to Landlord, or by Tenant making such deposit promptly after it receives said policies from the insurance companies. Landlord reserves the right not to deliver possession of the demised premises to Tenant, unless, and until two days after such original policies, in terms and conditions satisfactory to Landlord, have been deposited with the latter. Provided, however, that such non-delivery of possession shall not postpone or otherwise affect the effective date of this lease, the maturity of rent payments, the time for performance or any other obligation of Tenant hereunder, and the exercise by Landlord of any of the rights granted or otherwise available to it under this lease.

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7. DAMAGE TO PERSON OR PROPERTY: Landlord shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the demised premises, or for any injury or damage to the demised premises, or to any property of Tenant, or to any property of any other person, firm, association or corporation on or about the demised premises, except when caused by the negligence of the Landlord, its authorized agents or servants. Tenant shall indemnify and save harmless Landlord from and against any and all liability and damages, and from and against any and all suits, claims, and demands of every kind and nature, including reasonable counsel fees, by or on behalf of any person, firm, association or corporation, arising out of or based upon any accident, injury or damage, however occurring, which shall or may happen on or about the demised premises, or in or about the vaults, streets, sidewalks or curbs in front of or adjacent thereto, and from and against any matter or thing growing out of the condition, maintenance, repair, alteration, use, occupation, or operation of the demised premises, or of the vaults, streets, sidewalks or curbs in front of or adjacent thereto; excepting all liabilitie and damages resulting from the negligence of the Landlord, its agents and/or employees

8. RESTORATION OF DAMAGE OR DESTRUCTION BY FIRE OR OTHER HAZARDS:

(a) If the demised premises or any building or improvements standing or erected thereon shall be destroyed, in whole or in part, by any insurable risk, Tenant shall give immediate notice thereof to Landlord and the latter shall proceed with due diligence to obtain the corresponding insurance adjustment of the loss and shall thereafter promptly proceed to prepare plans and specifications for, and to repair, replace and rebuild, the same, at least to the extent of the proceeds of such insurance adjustment.

(b) In the event the proceeds of such insurance are estimated not to cover the desired work of restoration, the Landlord shall give notice thereof by registered mail to the Tenant. Within 10 days thereafter, either of the parties hereto may terminate this lease by giving 30 days' written notice thereof by registered mail to the other party. In such event, both parties shall be fully released from their respective obligations and liability hereunder, except those incurred, due, and not otherwise performed or fully discharged up to, the date of such notice.

(bi) Whenever Landlord shall be obliged within the provisions of this contract to carry out the restoration of the premises, it is hereby agreed and understood that if such restoration has not been complete within four (4) months from the date it is started, for each project covered by this contract, then Tenant shall have an option, to be exercised within 15 days after the expiration of

*can 1 and rescind this contract.

stating that this lease and the term hereby granted shall cease and expire on a date not less than ten (10) days after the date of the giving of such notice; and upon the expiration of the time fixed by such notice the term hereby granted shall wholly cease and expire in the same manner and with the same effect as if the date fixed by such notice were the date herein originally fixed for the termination hereof, and Landlord shall thereupon be entitled to the immediate possession of the demised premises and may institute summary proceedings against Tenant or may take any other suitable proceeding or action to obtain possession thereof. Tenant covenants that Landlord shall immediately and *ipso facto* upon any such default and breach be entitled to recover from Tenant, and Tenant shall pay to Landlord, as liquidated damages for such default and breach, in addition to any unpaid rent or additional rent accrued to such date, an amount equal to the rent reserved in this lease from the date of such default and breach to the date of expiration of the original term hereby granted. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages by reason of any such default and breach, or termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference hereinabove referred to.

12. DEFAULTS, REMEDIES: (a) Anything to the contrary notwithstanding, if Tenant shall fail to pay to Landlord any installment of rent, or any additional rent or other charges as and when the same shall become due and payable, and such default shall continue for a period of ~~XXXX~~ 30 days after notice, or if Tenant shall default in the performance of any of the other terms, covenants or conditions of this lease or any schedules or riders hereto annexed, and such default shall continue for a period of ~~XXXX~~ 30 days after notice, or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereby the demised premises shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, and such execution or attachment is not vacated or bonded within thirty (30) days after the levy thereof, or if Tenant shall fail to take possession of the demised premises within ten (10) days after the commencement of the term of this lease, or if Tenant shall vacate and abandon the demised premises, or if this lease or the estate of Tenant hereunder shall be transferred or pass to or devolve upon any other person, firm or corporation, except in the manner provided in this lease, or if Tenant shall assign, mortgage or encumber this lease, or sublet the whole or any part of the demised premises, without the prior written consent of Landlord, except as otherwise herein provided, Landlord shall have the right, at Landlord's option, to terminate this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, by giving Tenant five (5) days' notice in writing of such intention, and upon the expiration of the time fixed in such latter notice, if such default be not cured prior thereto, this lease and the term hereof, as well as all the right, title and interest of Tenant hereunder, shall wholly cease and expire in the same manner and with the same force and effect (except as to Tenant's liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted; and Tenant shall immediately quit and surrender to Landlord the demised premises and each and every part thereof and Landlord may enter into or repossess the demised premises, either by force, summary proceedings or otherwise. The right granted to Landlord in this article or any other article of this lease to terminate this lease shall apply to any extension or renewal of the term hereby granted, and the exercise of any such right by Landlord during the term hereby granted shall terminate any extension or renewal of the term hereby granted and any right on the part of Tenant thereto.

(b) If the demised premises shall be vacated or abandoned or should Tenant start to dissolve or liquidate its operation in the demised premises, or in the event of a cancellation or termination hereof either by operation of law or by the issuance of a dispossess warrant or by the service of a notice of termination as above provided, or otherwise, for any cause or causes whatsoever, Tenant shall, nevertheless, remain and continue liable to Landlord in a sum equal to all rent and all additional rent herein reserved for the balance of the term herein originally granted; and Landlord may re-enter the demised premises, using such force for that purpose as may be necessary without being liable to any prosecution for said re-entry or the use of such force, and Landlord may repair or alter the demised premises in such manner as to Landlord may seem necessary or advisable, and/or let or relet the demised premises or any and all parts thereof or the whole or any part of the remainder of the original term hereof or for a longer period, in Landlord's name, or as the agent of Tenant, and, out of any rent so collected or received, Landlord shall first pay to itself the expense and cost of retaking, repossessing, repairing and/or altering the demised premises and the expense of removing all persons and property therefrom, and second pay to itself any cost or expense sustained in securing any new tenant or tenants, and third pay to itself any balance remaining on account of the liability of Tenant to Landlord for the sum equal to the rents reserved herein and then unpaid by Tenant for the remainder of the term originally herein demised. Any entry or re-entry by Landlord, whether had or taken under summary proceedings or otherwise, shall not absolve or discharge Tenant from liability hereunder.

(c) Should any rent so collected by Landlord after the payments aforesaid be insufficient fully to pay to Landlord a sum equal to all rent and additional rent herein reserved, the balance or deficiency shall be paid by Tenant on the rent days above specified, that is, upon each of such rent days Tenant shall pay to Landlord the amount of the deficiency then existing; and Tenant shall be and remain liable for any such deficiency, and the right of Landlord to recover from Tenant the amount thereof, or a sum equal to the amount of all rent and additional rent herein reserved, if there shall be no reletting, shall survive the issuance of any dispossess warrant or other termination hereof; and Tenant hereby expressly waives any defense that might be predicated upon the issuance of such dispossess warrant or other termination or cancellation of the term hereof.

and to ~~X~~ such effec Landlord agrees to exercise its utmost efforts therefore.

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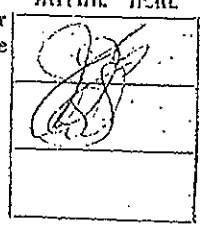

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15. QUIET ENJOYMENT: Landlord covenants, that if and so long as Tenant pays the rent, and additional rent and other charges reserved by this lease, and performs all the terms, covenants and conditions of this lease on the part of Tenant to be performed, Tenant shall quietly enjoy the demised premises, subject, however, to the terms of this lease, or any defaults, and subject to the provisions of Article 21.

16. NO WAIVER: Any default in the payment of the rent or other charges, or any failure of Landlord to enforce the provisions of this lease upon any default by Tenant shall not be construed as creating a custom of deferring payment or as modifying in any way the terms of this lease or as a waiver of Landlord's right to terminate this lease as herein provided, or otherwise to enforce the provisions hereof for any subsequent default.

17. LAWS APPLICABLE: This agreement shall be governed by and construed in accordance with the laws of, or applicable to, the Commonwealth of Puerto Rico.

18. ARBITRATION: Any dispute or controversy which may arise between the parties hereto in the operation or other performance of the terms or covenants of this contract except with respect to the payment of rent or the defaults referred to in Articles 12 (b) and 33 hereof, or both, may be submitted by either party hereto to arbitration in accordance with the arbitration laws in force in Puerto Rico.

19. ENTIRE AGREEMENT: This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

20. NOTICES: All notices, demands and communications hereunder shall be served or given by mail, and if intended for Landlord shall be addressed to Landlord at G. P.O. Box 2350, San Juan, Puerto Rico 00936 or to such other address as may be requested by Landlord in writing, and if intended for Tenant shall be addressed to Tenant at c/o Edward A. Schwartz, Esq., General Counsel and Secretary, 146 Main Street, Maynard, Massachusetts 01754 or to such other address as may be requested by Tenant in writing. Any notice given hereunder by mail shall be deemed delivered when deposited in a United States general or branch post office, enclosed in a prepaid wrapper, addressed as above provided. All such notices shall be sent by registered mail return receipt requested.

21. "LANDLORD"-EFFECT OF CONVEYANCE: The word "Landlord", as used herein, means only the owner in fee for the time being of the demised premises, so that, in the event of any sale, conveyance or transfer of title of the demised premises, Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, whenever Landlord, at the time of any sale, conveyance or transfer of title, obtains an agreement in writing from the purchaser or transferee assuming the performance of all covenants and obligations in this lease contained on the part of Landlord to be performed, which agreement shall expressly provide that the same is for the benefit of the Landlord and Tenant. A duplicate original copy of such agreement should be delivered to Tenant but failure to do so shall impose no liability on Landlord.

22. MARGINAL NOTES: The marginal notes are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this lease nor in any way affect this lease.

23. SUCCESSORS AND ASSIGNS: The terms, covenants and conditions contained in this lease and in any schedules and riders hereto annexed shall bind and inure to the benefit of Landlord and Tenant and their respective successors and, except as otherwise provided herein, their heirs legal representatives, distributees and assigns.

24. MINIMUM WAGES: Tenant agrees to pay for all work performed by it at the premises the minimum wages prescribed for such operations either by Federal or Commonwealth Laws and abide by and comply with all laws and regulations applicable to the operations of the Tenant in the leased premises and to laborers and their relations to the Tenant; provided, however, that the Tenant shall not be in default hereof whenever it shall in good faith contest by appropriate proceedings the matter or issue which otherwise would constitute cause or basis for such default, or if such default is inadvertent on the part of Tenant and Tenant remedies same and makes the necessary adjustments after notice from Landlord or other governmental agencies or Courts having jurisdiction of the matter.

25. CAPITALIZATION OF TENANT: Tenant agrees to have on the effective date of this lease and the term of shall maintain throughout its term or any extension thereof, a total investment of THREE HUNDRED THOUSAND DOLLARS ($300,000.00) in the form of paid-in capital stock, loans subordinated to any and all obligations of Tenant to Landlord and/or retained earnings.

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33. DEFAULT THROUGH ATTEMPT TO REMOVE ASSETS OR TO ABANDON THE PREMISES: Any attempt or other act of Tenant (a) to remove machinery, equipment or other assets from the demised premises or; (b) to abandon the demised premises or, (c) which otherwise are inconsistent or in conflict with the terms of this lease after having breached or failed to perform any term, covenant or condition or obligation imposed on Tenant under this lease, shall constitute a waiver by Tenant of any and all periods of grace provided by Section 12 hereof and shall entitle Landlord to terminate this lease and seek and obtain such other remedies as are provided in Articles 12 and 13 hereof.; in all events except in the normal course of business.

34. DEPOSIT: Simultaneously herewith Tenant shall deposit with Landlord the amount of $ NONE Said amount shall become immediately payable to the Landlord in the event that at any time prior to the start of operations by the Tenant at the demised premises, it abandons its project for reason of its own concern and under its control. However, as soon as Tenant starts operations at the demised premises, the fund in deposit shall be refunded to Tenant less the amount of any obligation owed at that time by Tenant to Landlord and not otherwise provided for.

35. USE PERMIT: It is a condition of this lease that Tenant will prosecute his request for permit to use the demised premises before the Planning Board of Puerto Rico with due diligence and that Landlord will cooperate fully with Tenant in his effort to obtain promptly such Use Permit. Such request shall be made within 5 days after Landlord advises Tenant that the demised premises are ready for Use Permit inspection.

36. SPECIAL PROVISIONS COVERING CONSTRUCTION AND LEASE CASES: Where any building in the demised premises is to be constructed or is under construction by Landlord, the latter shall give to Tenant notice of the date of completion of such construction, which notice shall state that the building and facilities have been completed as stated in this lease in accordance with the plans and specifications and any changes approved by Landlord thereof during construction which do not substantially change the size, basic design and which may affect the use to be made of the premises according to this contract and in compliance with all the laws, orders and regulations of the Commonwealth of Puerto Rico and of all municipalities and other governmental subdivisions, agencies and departments having jurisdiction over the premises. Simultaneously with the giving of such notice, the Landlord shall furnish to the Tenant a construction certificate of the Planning Board certifying that said building and facilities have been completed in accordance to approved plans as amended during construction. The effective date of this lease shall be ten days after Landlord gives Tenant the aforementioned notice of the date of completion of construction; provided, however, that this lease shall be subject and conditioned upon Tenant being able to obtain the Use Permit in connection with the demised premises, provided for in Article 35 hereof, within a reasonable time after the effective date hereunder, provided Tenant files a request therefor as prescribed by the regulations in force and prosecutes it to completion with reasonable diligence. Landlord agrees that if feasible it will at least thirty days before completion of the building indicate by preliminary notice to the Tenant the estimated date of completion of the building, but failure of Landlord to give such preliminary notice shall not be deemed a default hereunder.

At any time after the commencement of the term of this lease, each of the parties hereto agree that, at the request of the other, they will execute an agreement setting forth the exact description of the building and the date of the commencement and of the expiration of the term hereof and the exact amount of the monthly rent which shall be accordingly readjusted retroactively to the effective date hereof. This shall in no way delay or otherwise affect the commencement of the term of or the payment of rent under this lease.

Tenant shall, upon giving prior written notice to Landlord, have the privilege of entering upon the demised premises for the purpose of inspecting the progress of construction, taking measurements for the installation of its fixtures and equipment, and for the purpose of installing its fixtures, machinery and equipment, provided such activities do not interfere with the progress of construction or otherwise affect performance of the construction contract relative to the demised premises, and the same shall not be deemed occupancy by the Tenant as herein provided. For such purpose Tenant shall request and Landlord shall issue to Tenant a permit for partial occupancy.

37. WARRANTY AS TO USE: The Landlord does hereby warrant that at the time of the commencement of the term of this lease, the premises may be used by the Tenant for manufacturing purposes consistent with its design and construction in accordance with the corresponding plans and specifications.

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38. AUTOMATIC RENEWAL: In the event Tenant does not vacate the demised premises in the manner and under the conditions hereinbefore provided, within 90 days after the normal expiration of the term hereof, the Landlord shall have the option to be exercised at any time thereafter, to notify Tenant that the lease herein has been renewed for an additional term of 10 years from the date of the last normal expiration of the term hereof and, in such event, the parties agree that this contract shall be held to have been renewed and to continue in full force and effect for such additional term of 10 years upon the mere mailing of such notice by Landlord to Tenant. This provision shall in no way prejudice, affect or deny any right which Landlord may otherwise have because, or at the time, of any such termination of the term hereof, particularly whenever the Landlord does not exercise such option.; it being agreed and understood that such renewal shall be upon the same terms and conditions contained herein except that the rental rate to be charged shall be the rate then currently being charged by Landlord for similar buildings in the area but in no event shall it be less than the rate herein stipulated.

1-3136

It shall be for Tenant's own cost and expense any and all improvements to the demised premises, required by the Planning Board of Puerto Rico, Department of Health, Environmental Quality Board and/or any other agency, whether local or federal, having jurisdiction thereon so as to carry its operations in accordance with the regulations and requisites thereof.

Upon termination of this lease, whether by expiration of its term or otherwise, such improvements shall be removed by Tenant at its own cost and expense or at Landlord's option shall be and become the property of the Landlord with no right on the part of the Tenant to be reimbursed and/or compensated therefor.

Notwithstanding the foregoing provisions, the construction of any improvements, as aforesaid, shall not be commenced until after written approval of the Landlord therefor shall have first been requested and obtained.

G. Anything contained in this contract to the contrary notwithstanding, in the event that Tenant requires additional volume of water and/or pressure as is now available within the area wherein the demised premises are located, it shall be at its own cost and expense the construction and/or installation of such improvements and/or facilities as may be necessary or convenient and/or required by the Puerto Rico Aqueduct and Sewer Authority to increase such volume and/or pressure; it being agreed and understood however, that such construction and/or installation shall in no event be commenced until after Landlord's written approval has first been requested and obtained.

H. Tenant is hereby granted an option to cancel and rescind this contract, without penalty, if the purpose thereof is to relocate its operations elsewhere in Puerto Rico to comparable facilities to be constructed by Tenant or by Landlord or any other third party.

I. This contract, in addition to the foregoing provisions, is made subject to the provisions set forth in the rider attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto execute this contract at San Juan, Puerto Rico, this 31st day of May, 1973.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY: _____

DIGITAL EQUIPMENT CORPORATION DE PUERTO RICO

BY: _____

1-2/32

"RIDER TO LEASE CONTRACT TO BE EXECUTED BY AND BETWEEN THE PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, AS LANDLORD, AND DIGITAL EQUIPMENT CORPORATION OF PUERTO RICO AS TENANT, IN CONNECTION WITH A CERTAIN LANDSITE AND BUILDING LOCATED AT SAN GERMAN, PUERTO RICO PROJECTS S-551-60, S551-A-63 and Lot 7A)

I- The following provisions are incorporated in the Contract:

a) In the event that Tenant's operations require the construction of a power substation for either primary or secondary service, such construction shall in no event be undertaken by Tenant until after the Landlord has approved, in writing, the location thereof, as well as the routing of the power line extension, taking into consideration the best utilization of the landsite for expansion or other purposes.

It is hereby agreed and understood that once such power substation has been constructed by Tenant, as aforesaid, the same shall not be altered, expanded and/or improved until written approval therefor has first been requested and obtained from the Landlord.

b) Tenant hereby agrees that it will not, during the term of this lease or any renewal thereof, exert any influence, either directly or indirectly upon the employees working on nearby industrial units leased from the Landlord to induce such employees to resign from their employ for the sole purpose and with the specific intent of accepting an employ with Tenant herein; it being agreed and understood, however, that the foregoing provisions are not to be interpreted as denying or curtailing Tenant's right to advertise for work at the then prevailing wage rates in the industry and/or to carry out personal interviews with potential employees.

c) Anything contained in the Contract to the contrary notwithstanding, Tenant agrees to abide by and comply with any and all conditions and requisites included in the Use Permit which, under the provisions of Article 35 of the Contract, may be issued by the Planning Board of Puerto Rico and, if requested by Landlord shall submit evidence of such compliance; it being agreed and understood that noncompliance by Tenant with any and all such conditions and requisites and/or the cancellation of the said Use Permit shall, in each of such cases, be deemed an additional event of default under the provisions of the Contract.

d) Tenant agrees to submit to Landlord within thirty (30) days from the date of execution of the Contract: (a) evidence of its registration in the Department of State of the Commonwealth of Puerto Rico and the name and address of its resident agent; and (b) a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Contract.

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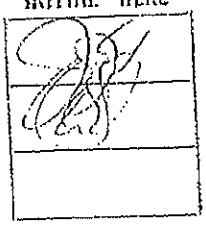

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SCHEDULE 'A'

DESCRIPTION OF LANDSITE AND BUILDING LOCATED AT RETIRO WARD INDUSTRIAL SUBDIVISION, SAN GERMAN, PUERTO RICO (PROJECTS NOS. S-551-60, S-551-A-63 AND LOT 7A)

Landsite:

Lots 4 and 6 (grouped) located at Retiro Ward Industrial Subdivision, Retiro Ward, San Germán, Puerto Rico.

It bounds: by the North, with land owned by Ernesto Quiñones Sambolin; by the South, with "B" Street of the same industrial subdivision; by the East, with Lot No. 10 of the same industrial subdivision, and by the West, with Lot No. 1 of the same industrial subdivision and "B" Street of the same industrial subidivision.

It has an approximate surface area of 8,136.00 square meters equivalent to 2.07 cuerdas.

Building:

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting 30 feet long Pacadar Joist which in turn supports Pre-cast (Porete) slabs covered by 1/2 inch fiberglass insulation and a 3-ply built-up roofing. This building has no monitors but roof ventilation is provided.

The structure consists of a main floor 120.83' x 180.67' out to out dimensions with an area of 21,830 sq. ft. of manufacturing space; an entrance porch 9.25' x 21.25' with an area of 197 sq. ft. and a lean-to 11 x 45.16' with an area of 497 sq. ft. to be used for sanitary facilities, this gives a total area of 22,524 sq. ft. of covered floor space.

The floor consists of 4" thick reinforced concrete floor slab with monolithic cement finish on the manufacturing area, janitor's room, rear and right side stairs; quarry tiles on the entrance porch and ceramic tiles on the men and ladies room.

Exterior walls are concrete blocks plastered and painted on both sides except on the front wall which is partly R/C with joo tile and finish at entrance porch and stucco finish at ornamental walls.

Interior walls at the lean-to are plastered and painted together with a 5'-11" high Dulux Superwhite at the men and ladies toilet rooms.

Ceiling are rubbed and painted throughout the building.

Windows are Miami aluminum louvers throughout the building.

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S-551-60

Doors are made of hollow plywood except for one double swing hollow metal door at the main entrance a similar door equipped with antipanic hardware set at the rear and right side entrances and a metal and glass double sliding door at the loading platform.

Clearance in the manufacturing area from finish floor is 12'-0" and 15'-9" at the highest point on the building.

Project No. S-551-(a)-63)

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting 30 feet long concrete joists which in turn support precast concrete slab (poretes) covered by 1/2" fiberglass insulation and a 3 plies built-up roofing. Roof ventilators are provided.

The structure consists of a main floor 121'-0" x 120'-10" out to out dimensions with an area of 14,620.43 sq. ft. ofmanufacturing space; and a lean-to 31'-2" x 10'-6" for an area of 327.28 sq. ft. This amounts to a total area of 14,947.71 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab with a monolithic cement finish, designed for a live load of 150 p.s.f.

Exterior walls are of concrete blocks plastered and painted on both sides.

Interior walls at the lean-to are plastered and painted together with a 6'-1" high sprayed-on glazed finish wainscoat.

Ceiling is rubbed and painted throughout the building.

Windows are miami aluminum louvers throughout the building.

Interior doors are made of plywood and exterior are industrial type metal ones.

Clearance in the manufacturing area from finished floor to lowest part of beams at the side eaves is 12'-0".

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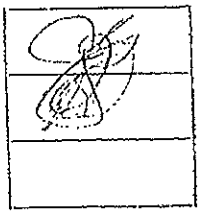

1-2/3E

SCHEDULE A-1

DESCRIPTION OF LOT 7A, AT RETIRO WARD INDUSTRIAL SUBDIVISION, SAN GERMAN, PUERTO RICO

Landsite:

Parcel of land Lot No. 7A, Retiro Industrial Subdivision, Puerto Rico.

It bounds: by the North, with Street "B" of same industrial subdivision; by the South, with Lot No. 7B of same industrial subdivision; by the East, with Main Street of same industrial subdivision; and by the West, with Lot No. 5 and land property of Ernesto Quiñones Sambolin of same industrial subdivision.

It has an approximate area of 5495 square meters equivalent to 1.3980 "cuerdas".

LIENS AND ENCUMBRANCES

The landsite is subject to a 5 ft. wide easement along its southwestern boudanry in favor of the Puerto Rico Water Resources Authority.

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SCHEDULE 'B'

LIENS AND ENCUMBRANCES

The landsite is subject to a 30 ft. wide easement along its Southern boundary in favor of the Puerto Rico Water Resources Authority.

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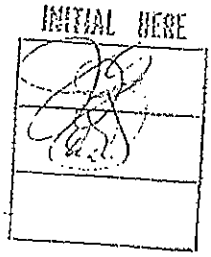

2134

June 16, 1982

Digital Equipment Corp.,
Box 106
San Germán, Puerto Rico 00753

Attention Eng. Américo Abadía

Gentlemen:

Re: Project S-0551-0-60 & ext. and L-0049-0-07-0A

We refer to the Lease Contract dated May 31, 1973 executed by and between Digital Equipment Corporation of Puerto Rico and this Company covering the above captioned projects.

As agreed, this Company hereby renews said contract for a period of ten (10) years commencing on March 2, 1982 and expiring on March 1, 1992. This renewal shall be under the same terms and conditions of the original lease, as applicable, except that rental charges shall be computed as follows:

Period	Rate per sq. ft.	Monthly Payment
3/2/82 - 3/1/87	$1.60	$4,996.27
3/2/87 - 3/1/92	$2.00	$6,245.33

All terms and conditions of the contract shall be deemed modified to the extent inconsistent with the terms hereof and shall remain in full force and effect, as herein modified.

Cordially yours,

A. Neil Montilla

ANM/RPR/mira

Dist Int 1982-1992 S-0551-0-60

2134

June 16, 1982

Digital Equipment Corp..
Box 106
San Germán, Puerto Rico 00753

Attention Eng. Américo Abadía

Gentlemen:

Re: Project S-0551-0-60 & ext. and [illegible]-0049-0-07-0A

We refer to the Lease Contract dated May 31, 1973 executed by and between Digital Equipment Corporation of Puerto Rico and this Company covering the above captioned projects.

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All terms and conditions of the contract shall be deemed modified to the extent inconsistent with the terms hereof and shall remain in full force and effect, as herein modified.

Cordially yours,

A. Neil Montilla

ANM/RPR/mira

S-0551-0-60 1982-1992

William Francis Galvin
Secretary of the Commonwealth of Massachusetts

Corporations Division

Business Entity Summary

ID Number: 042226590 Request certificate New search

Summary for: DIGITAL EQUIPMENT CORPORATION

The exact name of the Domestic Profit Corporation: DIGITAL EQUIPMENT CORPORATION
Merged into COMPAQ COMPUTER CORPORATION on 12-31-1999
Merged with MAYNARD DEVELOPMENT CO., INC. on 06-27-1974 **Merged with MAYNARD INDUSTRIES, INC. on** 06-27-1974 **Merged with APL SOFTWARE SYSTEMS, INC.(PA) on** 06-27-1975 **Merged with DEC REALTY TRUST(MA TR) on** 08-13-1981 **Merged with COMPAQ MERGER, INC. on** 06-11-1998
Entity type: Domestic Profit Corporation
Identification Number: 042226590
Date of Organization in Massachusetts: 08-23-1957
Last date certain:
Current Fiscal Month/Day: 12/31 **Previous Fiscal Month/Day:** 06/30
The location of the Principal Office: Address: 40 OLD BOLTON RD. City or town, State, Zip code, Country: STOW, MA 01775 USA
The name and address of the Registered Agent: Name: C T CORPORATION SYSTEM Address: 101 FEDERAL STREET City or town, State, Zip code, Country: BOSTON, MA 02110 USA

The Officers and Directors of the Corporation:

Title	Individual Name	Address
PRESIDENT	EDWARD M. STRAW	20555 SH 249 HOUSTON, TX USA
TREASURER	BEN K. WELLS	20555 SH 249 HOUSTON, TX USA

Business entity stock is publicly traded: ☐

The total number of shares and the par value, if any, of each class of stock which this business entity is authorized to issue:

Class of Stock	Par value per share	Total Authorized		Total issued and outstanding
		No. of shares	Total par value	No. of shares

☐ **Consent** ☐ **Confidential Data** ☐ **Merger Allowed** ☑ **Manufacturing**

View filings for this business entity:

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Annual Report
Application For Revival
Articles of Amendment
Articles of Charter Surrender
Articles of Consolidation - Foreign and Domestic

View filings

Comments or notes associated with this business entity:

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Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number:	2858384	Incorporation Date / Formation Date:	02/11/1998 (mm/dd/yyyy)
Entity Name:	HEWLETT-PACKARD COMPANY		
Entity Kind:	CORPORATION	Entity Type:	GENERAL
Residency:	DOMESTIC	State:	DE

REGISTERED AGENT INFORMATION

Name:	THE CORPORATION TRUST COMPANY		
Address:	CORPORATION TRUST CENTER 1209 ORANGE ST		
City:	WILMINGTON	County:	NEW CASTLE
State:	DE	Postal Code:	19801
Phone:	(302)658-7581		

Additional Information is available for a fee. You can retrieve Status for a fee of $10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of $20.00.

Would you like ○ Status ○ Status,Tax & History Information Submit

Back to Entity Search

To contact a Delaware Online Agent click here.

Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Tuesday, April 21, 2015. Please refer to Processing Times for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	HEWLETT-PACKARD COMPANY
Entity Number:	C2106969
Date Filed:	04/28/1998
Status:	ACTIVE
Jurisdiction:	DELAWARE
Entity Address:	3000 HANOVER STREET
Entity City, State, Zip:	PALO ALTO CA 94304
Agent for Service of Process:	C T CORPORATION SYSTEM
Agent Address:	818 WEST SEVENTH ST 2ND FL
Agent City, State, Zip:	LOS ANGELES CA 90017

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code section 2114 for information relating to service upon corporations that have surrendered.
- For information on checking or reserving a name, refer to Name Availability.
- For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to Information Requests.
- For help with searching an entity name, refer to Search Tips.
- For descriptions of the various fields and status types, refer to Field Descriptions and Status Definitions.

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Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Tuesday, April 21, 2015. Please refer to Processing Times for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	HEWLETT-PACKARD COMPANY
Entity Number:	C0219627
Date Filed:	08/18/1947
Status:	MERGED OUT
Jurisdiction:	CALIFORNIA
Entity Address:	3000 HANOVER ST
Entity City, State, Zip:	PALO ALTO CA 94304
Agent for Service of Process:	C T CORPORATION SYSTEM
Agent Address:	818 WEST SEVENTH ST 2ND FL
Agent City, State, Zip:	LOS ANGELES CA 90017

* Indicates the information is not contained in the California Secretary of State's database.

- If the status of the corporation is "Surrender," the agent for service of process is automatically revoked. Please refer to California Corporations Code section 2114 for information relating to service upon corporations that have surrendered.
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PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

SUPPLEMENT AND AMENDMENT TO LEASE CONTRACT

PROJECT NO.: S-0551-0-60 & S-0551-1-63
LOCATION: SAN GERMAN, PUERTO RICO

NOW COMES the PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY (hereinafter referred to as the "LANDLORD") and **INSERT CORPORATION OF PR (INSERT CO.), INC.** (hereinafter referred to as the "TENANT") and agree to supplement and amend a certain Lease Contract entered into by them on April 23, 1987, as subsequently amended (hereinafter referred to as the "Contract"), covering certain landsite and buildings located at San Germán, Puerto Rico, identified as Project No. S-0113-0-52 (hereinafter referred to as the "Original Premises"), in the following aspects:

ONE: LANDLORD hereby demises and lets unto TENANT, and TENANT hereby leases from LANDLORD the Premises identified as Project No. S-0551-0-60 & S-0551-1-63 located at San Germán, Puerto Rico (hereinafter referred to as the "Additional Premises"), which are fully described in Schedule "A" hereto annexed and made a part hereof.

TWO: Premises shall be used and occupied exclusively in the manufacture of PRINTED MATERIALS (SIC. #02752).

THREE: TENANT shall hold the "Additional Premises" for a period of ten (10) years, commencing on the date of delivery of the building (S-0551-0-60 & S-0551-1-63). The term of the Lease Contract covering the "Original Premises" (S-0113-0-52), is hereby amended, so that it expires at the same date of the term of lease for the "Additional Premises" (S-0951-0-60 & S-0951-1-63).

FOUR: Commencing on the first day of the following month after the commencement of the term of this Supplement to Lease Contract, TENANT shall pay to LANDLORD an annual rental for the "Additional Premises" of $2.20 per square foot of gross building area during the first sixty (60) months of the term of this lease and of $2.75 per square foot of gross building area during the last sixty (60) months. This rental shall be paid in equal monthly installments of $6,946.86 for the first sixty (60) months and of $8,683.57 for the last sixty (60) months. For the "Original Premises" (Project Number S-0113-0-0-52) TENANT shall pay LANDLORD the annual rental established in the Lease Contract executed on April 23, 1987, and subsequently TENANT shall pay the annual rental in effect at the San Germán region on that last date until the expiration of the term, as hereby amended.

The monthly installments for rent specified herein shall be paid in advance on the first day of each month at LANDLORD'S office, or at any other place that LANDLORD may notify. In the event that the date of commencement does not fall on the first of the month, TENANT further agrees to pay the first partial monthly installments, prior to, or on the date of commencement.

FIVE: The deposit required under the provisions of this contract shall be complied with by TENANT as hereinafter specified: a) the amount of $1,736.72 previously deposited by TENANT to reserve Project S-0551-0-60 & S-0551-1-63, CR #134222 of February 21, 1995, b) the amount of $8,266.07 shall be paid by TENANT in certified check with the execution of this Supplement to Lease Contract.

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$ 8,266.70
8/15/95
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This Deposit shall guarantee the compliance by TENANT of its obligations, under this Contract, particularly, but not limited to, the payment of rent, the compliance of the environmental clauses herein included and the return of the Premises in proper condition at the termination of this Lease. On said termination, if TENANT is not in default of any of the terms and conditions of this Contract, LANDLORD will return to TENANT the sum of money, if any, held pursuant to this provision, after LANDLORD's Environmental Office certifies that there are no environmental deficiencies as a result of TENANT's manufacturing operation on the demised Premises.

SIX: TENANT agrees to have on the date of commencement of the term of this Lease a capitalization of $231,665.00.

Likewise TENANT agrees to install within six (6) months from the same date manufacturing machinery and equipment with a value of at least $1,208,803.00.

This shall not include the cost of transportation and installation thereof, nor its ordinary depreciation after installation; and within eighteen (18) months from the date of commencement of the term, to employ a minimum of fifty (50) persons in addition to the fifty (50) persons required to be employed at the original premises. The aforementioned levels shall be maintained throughout the term of this Lease or any extension thereof and shall be in addition to the capitalization, machinery and employment levels established in the original Contract.

SEVEN: All notices, demands, approvals, consents and/or communications herein required or permitted shall be in writing. If by mail, should be certified and to the following addresses; to LANDLORD: P.O. Box 362350, San Juan, Puerto Rico 00936-2350. To TENANT: Mr. Oscar Díaz, P.O. Box 377, San Germán, Puerto Rico 00863, Tel. 892-4586.

EIGHT: TENANT must comply, if required, with the rules and regulations of pretreatment established by the Puerto Rico Aqueduct and Sewer Authority, the Environmental Quality Board and the Environmental Protection Agency related to the industrial effluent discharged into the sanitary sewer system and their final disposition. Also, any improvement necessary to provide pre-treatment facilities for the above mentioned effluents shall be at TENANT'S own cost and expense and shall be conducted in coordination with LANDLORD's Engineering and Maintenance Departments.

NINE: It is hereby agreed and understood that TENANT, at its own cost and expense, shall install an air conditioning system in the demised premises, in the event TENANT needs to use and/or install it in its process. Such air conditioning system shall be considered as a special facility from LANDLORD, and it shall be installed in coordination with LANDLORD'S Engineering and Maintenance Departments.

TEN: TENANT certifies and guarantees that at the date of subscribing this Contract it has submitted the Corporate Tax Returns Forms during the last five (5) years and does not have any tax debt pending with the Commonwealth of Puerto Rico, or is complying with the terms of a payment plan duly approved.

TENANT also certifies and guarantees that at the date of execution of this Contract it has paid unemployment insurance compensation, temporary disability insurance, and the driver's social security (as applicable); or is complying with a payment plan duly approved.

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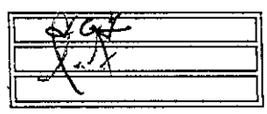

TENANT acknowledges that this is an essential condition of the Contract and if the above certification is incorrect in any of its parts, LANDLORD may cancel this Contract.

ELEVEN: LANDLORD reserves the right to audit the leased premises from time to time during the term of this contract, as LANDLORD may deem necessary, in order to assess all aspects of the environmental condition of said premises and TENANT's compliance with all environmental legislation and regulations, under Commonwealth and federal law; TENANT hereby agrees to provide access to all areas and structures of the premises for these purposes, upon LANDLORD's request, and to also provide access to all books, records, documents and instruments (except any confidential and/or privileged information and/or any trade secrets) which LANDLORD may deem necessary in order to fully audit the premises as herein stated.

TWELVE: TENANT shall furnish to LANDLORD, in addition to any other information, documents or instruments that may be required in this Contract:

a) Prompt written notice of the occurrence of any event that by law or regulation would require any oral, telephonic or written notice or communication to the US Environmental Protection Agency and/or to the Puerto Rico Environmental Quality Board, or any successor agency, and copies of all orders, notices or other communications and reports received, made or given in connection with any such event, and any enforcement action taken against TENANT or against any property owned, occupied or used by TENANT;

b) Quarterly certifications subscribed by an authorized representative designated by TENANT, as to the environmental condition of the leased premises, containing the information required by LANDLORD, which is specified in the form included as Schedule "B" of this contract, or any subsequent modification thereto;

c) Any other information and documents relating to TENANT's compliance with environmental legislation and regulations under federal and commonwealth laws.

THIRTEEN: Environmental Protection and Compliance - TENANT shall, at TENANT's own cost and expense, maintain the Premises in thoroughly clean conditions; free from solid waste, rubbish, garbage and/or other obstructions. Specifically TENANT shall not use said Premises, or allow it to be used, as a depository of, or as a dump for raw material, waste materials of any kind (including hazardous waste) as defined by the Resource Conservation and Recovery Act (RCRA), toxic or non-toxic substances. TENANT shall neither make any excavation for the purpose of storing, putting away and/or concealing raw materials or waste material of any kind. Underground storage of substances is specifically prohibited.

TENANT shall not conduct or authorize any activities at the Premises which may contribute to or result in a hazardous condition. TENANT shall not store in the Premises flammable or toxic substances without taking the proper precautions and complying with all applicable Federal, State and/or Municipal laws and regulations.

Should TENANT's activities at the Premises require the storage of hazardous and/or toxic materials and/or wastes, TENANT shall notify LANDLORD in writing. TENANT shall furnish LANDLORD with a copy of any and all permits issued for such storage activities.

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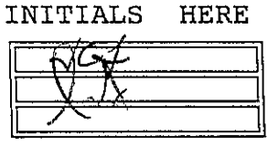

TENANT shall also, at TENANT's own cost and expense, construct and maintain the processes or operating procedures within the Premises in compliance with the terms, conditions and commitments, if any, contained or specified in any Environmental Impact Statement, Environmental Assessment or any other analogous document reviewed by the Puerto Rico Economic Development Administration/LANDLORD as lead agency or by any other governmental agency in connection with the approval of the project.

TENANT shall also serve LANDLORD with a copy of any lawsuit, notice of violation, order to show cause or any other regulatory or legal action against TENANT in any environmentally-related case or issue.

TENANT shall also serve LANDLORD with a copy of any permits granted to TENANT for air emissions, water discharge, solid waste generation, storage, treatment or disposal, and for any hazardous or toxic waste raw materials or by-products used or generated, stored, treated and/or disposed.

TENANT shall also serve LANDLORD with a copy of any filing or notice to be filed by TENANT with any regulatory agency on any environmentally related case or issue, including but not limited to any matter involving underground or surface water pollution, hazardous or toxic waste spillage and ground contamination. The notice to LANDLORD shall take place no later than the actual filing for the pertinent documents with the regulatory agency.

TENANT further agrees and undertakes to install in the Premises, at its own cost and expense, such devices as may be necessary to prevent that any hazard, which may be caused or created by its operations may affect the environmental integrity of the landsite or may affect or cause any nuisance to adjacent TENANTS or the community in general, it being agreed and understood that creating or causing any such nuisance, shall be deemed an additional event of default under the provisions of this Contract.

TENANT further agrees and undertakes to abide by and comply with any and all rules, regulations and requirements of the Fire Department relative to the use and storage of raw materials, finished products or inflammable materials, or of any other governmental agency, having jurisdiction thereon, applicable to TENANT's operations at the Premises, and if requested by LANDLORD, shall submit evidence of such compliance; it being agreed and understood that noncompliance by TENANT with any of the aforementioned rules, regulations and requirements shall be deemed, in each of such cases, an additional event of default under the provisions of this Contract.

TENANT agrees to indemnify, defend and hold harmless LANDLORD from and against and in respect of any and all claims, damages, losses, liabilities and expenses, lawsuits, deficiencies, interest, fines, penalties, attorneys' and consultants fees, and all amounts paid in defense or settlement of the foregoing, which may be imposed upon or incurred by LANDLORD or asserted against LANDLORD by any other party or parties (including government agencies) in connection with any environmental conditions or any noncompliance with any federal, state, or local environmental laws, regulations or policies, caused by or resulting from activities conducted at the additional premises by TENANT after the date of this agreement.

LANDLORD agrees to indemnify, defend and hold harmless TENANT, its subsidiaries, affiliates, successors, and assigns, and its respective directors, officers, employees, shareholders, representatives, and agents (hereinafter collectively referred to as "TENANT", from and

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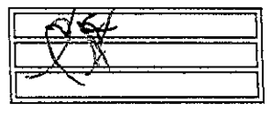

against and in respect of any and all claims, damages, losses, liabilities and expenses, lawsuits, deficiencies, interest, fines, penalties, attorneys' and consultants fees, and all amounts paid in defense or settlement of the foregoing, which may be imposed upon or incurred by TENANT or asserted against TENANT by any other party or parties (including government agencies) in connection with any environmental conditions (whether now known or hereafter discovered) or any activity or non-compliance with any federal, state, or local environmental laws, regulations or policies, caused by or resulting from activities conducted before the date of this Agreement. Without limiting the generality of the foregoing, LANDLORD's indemnity shall also cover the past current or future activities of LANDLORD, or any person holding an interest in or having a right to possession of any portion of the Additional Premises through LANDLORD.

FOURTEEN: TENANT hereby guarantees to LANDLORD, that, neither he, or any of its stockholders, in case of a corporation, owes any money to LANDLORD under its corporate name or any other corporate name and/or person.

FIFTEEN: TENANT shall not transfer, lease, burden or dispose of in any way of the equipment used on its operations without the previous written notice to LANDLORD.

SIXTEEN: TENANT shall not sell, lease or transfer in any way its operations to any other tenant without the previous written consent of LANDLORD, which consent shall not be unreasonably withheld.

SEVENTEEN: LANDLORD shall provide an electrical distribution system consisting of a 200 AMP meter base, conduits, conductors, receptacles and junction boxes as indicated in PRIDCO's Electrical Distribution System Drawings for the Additional Premises.

EIGHTEEN: TENANT shall, at its own cost and expense, construct and/or install all necessary equipment required to connect the building's electrical system to the Puerto Rico Electrical Power Authority's electrical distribution lines, such connection to be made in compliance with the requirements of PREPA.

NINETEEN: LANDLORD agrees that TENANT shall notify LANDLORD in writing before undertaking any non-structural improvements to the "Additional Facilities".

TWENTY: If Tenant enters into a Purchase Agreement with Landlord for the Additional Premises, for purposes of assessing the Purchase Price, the improvements thereto shall not be taken into consideration and the property shall be considered as if it were in the condition as of date of this Agreement.

TWENTY ONE: Inasmuch as TENANT represented that in order to carry out its operations it is necessary to use, operate and maintain a printing machine; it is hereby specifically agreed and understood that:

(1) Such installation shall be made in coordination with LANDLORD;

(2) TENANT shall request and obtain from the Environmental Quality Board, the necessary permit to operate the said installation and, thereafter, shall abide by and comply with all requirements imposed by the said Board for such operations.

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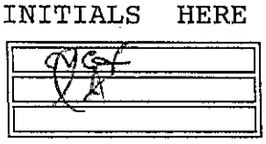

It being further agreed and understood that non-compliance by TENANT with the foregoing provisions shall constitute an additional event of default under the provisions of this Contract.

TWENTY TWO: Anything herein to the contrary notwithstanding, the parties have agreed and understood that the following special facilities, shall be utilized by TENANT "AS IS" and "WHERE IS", free of charge, but TENANT shall repair and maintain said special facilities as provided under the applicable provisions of the Contract:

A) SPRINKLER SYSTEMS

The above mentioned special facilities shall be deemed an integral part of the demised premises and as such subject to and covered by the terms and conditions of this contract as they may be applicable thereto.

TWENTY THREE: LANDLORD does hereby warrant that at the time of the commencement of the term of this Lease (of the "Additional Premises"), the premises may be used by TENANT for the manufacturing purposes herein intended wich are deemed consistent with the design and specifications.

Notwithstanding, LANDLORD agrees to paint or repair any part of the exterior paint of the building as it may be necessary.

Subsequently, any additional painting or repair shall be made according to the terms of the Contract.

TWENTY FOUR: All terms and conditions of the Lease Contract executed on April 23, 1987 shall be deemed supplemented and amended to the extend inconsistent with the terms hereof and the ones not expressly supplemented and amended shall remain in full force and effect.

TWENTY FIVE: TENANT agrees to submit to LANDLORD within thirty (30) days from the date of execution of this Contract a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Contract.

IN WITNESS WHEREOF, LANDLORD and TENANT have respectively signed upon proper authority this Lease, this 15th day of August, 1995.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

BY: _____

INSERT CORPORATION OF PR (INSERTCO) INC.
66-039-6322

BY: _____

SCHEDULE "A"

DESCRIPTION OF A PARCEL OF LAND LOCATED AT THE RETIRO INDUSTRIAL PARK, SAN GERMAN, PUERTO RICO (LOT WHERE PROJECTS S-0551-0-60 AND S-0551-1-63 ARE LOCATED)

Parcel of land, Lots #4 and #6, located at the Retiro Industrial Park, San Germán, Puerto Rico.

IT BOUNDS: by the North, with property of Mr. Ernesto Quiñones Sambolín; by the South, with street "B" of the same industrial park; by the East, with lot #10 of the same industrial park; by the West, with Lot #1 of the same industrial park and street "B" of the same.

DESCRIPTION OF BUILDING NO. S-0551-0-60 LOCATED AT SAN GERMAN, PUERTO RICO

STRUCTURE	:	Pitched type building consisting of reinforced concrete foundations, structural steel columns and girders supporting 30 feet long steel joists which in turn support 22 gage standard galvanized steel deck. Roof ventilators are provided.
INSULATION AND WATER PROOFING	:	One (1) inch fiber glass insulation panel and waterproofing system consisting of a three-ply built up roof.
DIMENSIONS	:	Structure consists of a main floor 120' -10" x 180' -8" out to out dimensions with an area of 21,830.36 square feet; and one (1) lean-to area 45' -2 x 11' -0" for an area of 496.87 square feet; one entrance porch 21' -3" x 9' -3" for an area of 196.56 square feet, for a total covered area of 22523.79 square feet.
FLOOR	:	Consists of 4" thick reinforced concrete slab with a monolithic finish designed for a live load of 150 pounds per square feet.
WALLS	:	Exterior are concrete block plastered on both sides.
		Interiors are concrete block plastered and painted on boths sides with a 6' -1" high sprayed-on glazed finish wainscoat.
DOORS	:	Interiors are made of plywood and exterior are industrial type metal ones. Has one roll-up metal doors 10' -0" x 10' -0".
WINDOWS	:	Are miami aluminium louvers throughout the building.

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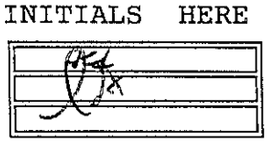

CLEARANCE	:	Inside the building is 12' -0" from finish floor to lower part of beam at the side eaves.

DESCRIPTION OF BUILDING NO. S-0551-1-60
LOCATED AT SAN GERMAN, PUERTO RICO

STRUCTURE	:	Pitched type building consisting of reinforced concrete foundations, structural steel columns and girders supporting 30 feet long steel joists which in turn support 22 gage standard galvanized steel deck. Roof ventilators are provided.
INSULATION AND WATER PROOFING	:	One (1) inch fiber glass insulation panel and watersproofing system consisting of a three-ply built up roof.
DIMENSIONS	:	Structure consists of a main floor 120' -0" x 120' -10" out to out dimensions with an area of 14,620.43 square feet; and one (1) lean-to area 31' -2 x 10' -6" for an area of 327.29 square feet; a covered loading platform 26'-0" x 16' -2" for an area of 420.42 square feet, for a total covered area of 15,368.14 square feet.
FLOOR	:	Consists of 4" thick reinforced concrete slab with a monolithic finish designed for a live load of 150 pounds per square feet.
WALLS	:	Exterior are concrete block plastered on both sides. Interiors are concrete block plastered and painted on boths sides with a 6' -1" high sprayed-on glazed finish wainscoat.
DOORS	:	Interiors are made of plywoods and exterior are industrial type metal ones. Has one roll-up metal doors 10' -0" x 10' -0".
WINDOWS	:	Are miami aluminium louvers throughout the building.
CLEARANCE	:	Inside the building is 12' -0" from finish floor to lower part of beam at the side eaves.

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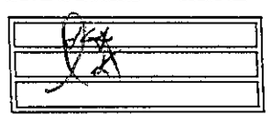

SCHEDULE "B"

COMPLIANCE REPORT OF WITH
ENVIRONMENTAL REQUIREMENTS

In the period of _____ to _____

I. PERMITS

PERMITS NUMBER	EXPIRATION DATE	RENEWAL DATE (IF APPLY)

II. COMPLIANCE ACTIONS

REFERENCE/CASE NUMBER	DATE	RESPONSE OF DATE OF

III. CERTIFICATION

I certify, under penalty of law, that this document was prepared under my supervicion and direction; and that was based in my investigation by the persons directly responsible of gathering the information, that the information here submitted is, according to my best judgment, certain, complete and precise.

_____

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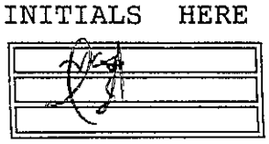

XT/L

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
G.P.O. BOX 2350
SAN JUAN, PUERTO RICO 00936

LEASE CONTRACT V I BA

PROJECT # S
LOCATION: S

THIS AGREEMENT ENTERED into on April 23, 1987. by: AS "LANDLORD", THE PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY, AND AS "TENANT", INSERT CORPORATION OF P.R. (INSERTCO) INC.

WITNESSETH

WHEREAS, LANDLORD is the owner of a certain landsite and building, identified in the Epigraph, hereinafter referred to as the Premises.

WHEREAS, LANDLORD has agreed to lease to TENANT, and TENANT has agreed to hire from LANDLORD the Premises.

NOW THEREFORE, in consideration of the foregoing premises, the parties herein agree on this Lease subject to the following:

TERMS AND CONDITIONS

ONE: LANDLORD hereby demises and lets unto TENANT, and TENANT hereby leases from LANDLORD the Premises which are fully described in Schedule "A" hereto annexed and made a part hereof.

The Premises are subject to the encumbrances, liens and/or restrictions, if any, that may appear from said Schedule "A". Furthermore, the air rights of the Premises, are excepted and reserved to LANDLORD.

TWO: The Premises shall be used and occupied exclusively in the manufacture of printed materials (Sic. 02752)

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THREE: TENANT shall hold the Premises for a period of ten (10) years to commence on May 1, 1987 - Termino 4/24/87 or on delivery of the Premises, whichever date occurs first. 4/24/87

FOUR: TENANT shall pay to LANDLORD, an annual rental of $ -------- per square foot of gross building area during the first sixty (60) months of the term of this Lease and of $ --------- per square foot of gross building area during the last sixty (60) month. This rental shall be paid in equal monthly installments---------- 10/1/87----------(SEE CLAUSE FIFTY)----------
$ ---------- for the first sixty (60) months and of
$ ---------- for the last sixty (60) months.

The monthly installments for rent specified herein, shall be paid in advance on the first day of each month at LANDLORD'S office*(1) or at any other place that LANDLORD may notify. In the event that the

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*(1) by mail

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date of commencement does not fall on the first of the month, TENANT, further agrees to pay the first partial monthly installments, prior to, or on the date of commencement. 4-23-87 #1,718.20 CR-119525 Rodriguez

FIVE: Simultaneously herewith TENANT shall deposit with LANDLORD the amount of $ 1,718.20--------- in Certified Check.

This deposit shall guarantee the fulfillment by TENANT of its obligations, under this Contract, particularly, but not limited to, the payment of rent and the return of the Premises in proper condition at the termination of this Lease. On said termination, if TENANT is not in default of any of the terms and conditions of this Contract, LANDLORD will return to TENANT the sum of money, if any, held pursuant to this provision.

SIX: TENANT agrees to have on the date of commencement of the term of this Lease a capitalization of $288,297.00.

Likewise TENANT agrees to install within six (6) months from the same date manufacturing machinery and equipment with a value of at least $ 297,729.00.

This shall not include the cost of transportation and installation thereof, nor its ordinary depreciation after installation; and within eighteen (18) months from the date of commencement of the term, to employ a minimum of ---------- Sixty (60)---------- production workers.*(1

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The aforementioned levels, shall be maintained throughout the term of this Lease or any extension thereof.

SEVEN: All notices, demands, approvals, consents and/or communications herein required or permitted shall be in writing. If by mail should be certified and to the following addresses, to LANDLORD: G.P.O. Box 2350, San Juan, Puerto Rico 00936. To TENANT:

Mr. Alexis Rosado Díaz
President
P.O. Box 513
San Germán, Puerto Rico 00753
Telf- 892-4586 and 892-1268

EIGHT: Net Lease - This Lease shall be interpreted as a net lease; it being the exclusive responsibility of TENANT to pay for all operating expenses, utilities, maintenance, expenses, insurance, taxes or any other cost, expenses or charges of any nature not specifically assumed by LANDLORD hereunder.

NINE: Warranty as to use - LANDLORD does hereby warrant that at the time of the commencement of the term of this Lease, the Premises may be used by TENANT for the manufacturing purposes herein intended which are deemed consistent with the design and construction in accordance with the corresponding plans and specifications.

TEN: Alterations - TENANT shall make no alterations, additions or improvements to the Premises without the prior consent of LANDLORD*: and all such alterations, additions or improvements made by or for

A.R. *(1) subject to the provisions of Article 25 of this Contract.
**(2) which consent shall not be unreasonably withheld.

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TENANT, shall be at TENANT'S own cost and expenses and shall, when made, be the property of LANDLORD without additional consideration and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of this Lease, subject to any right of LANDLORD to require removal or to remove as provided for hereinafter.

In the event TENANT asks for LANDLORD'S consent for any alteration; LANDLORD may at its option, require TENANT to submit plans and specifications for said alteration. Before commencing any such work, said plans and specifications, if required, shall be filed with and approved by all governmental agencies having jurisdiction thereof, and the consent of any mortgagee having any interest in or lien upon this Lease shall be procured by TENANT and delivered to LANDLORD if required by the term of the mortgage.

Before commencing any such work, TENANT shall at TENANT'S own cost and expense, deliver to LANDLORD a General Accident Liability Policy more particularly described in Article THIRTY (30) hereof, but said policy shall recite and refer to such work, and in addition thereto, if the estimated cost of such work is more than FIVE THOUSAND DOLLARS ($5,000.00), TENANT shall, at TENANT'S own cost and expense, deliver to LANDLORD a surety bond, or a performance bond from a company acceptable to LANDLORD, or a similar bond or other security satisfactory to LANDLORD, in an amount equal to the estimated cost of such work, guaranteeing the completion of such work within a reasonable time, due regard being had to conditions, free and clear of materialmen liens, mechanics liens or any other kind of lien, encumbrances, chattel mortgages and conditional bills of sale and in accordance with said plans and specifications submitted to and approved by LANDLORD. At LANDLORD'S option TENANT shall provide a blanket written guarantee in an amount sufficient to satisfy LANDLORD as to all alterations, changes, additions and improvements to the Premises in lieu of separate guarantees for each such project.

TENANT shall pay the increased premium, if any, charged by the insurance companies carrying insurance policies on said building, to cover the additional risk during the course of such work.

ELEVEN: Power Substation - If required by TENANT'S operations, TENANT shall, at its own cost and expenses, construct and/or install a power substation and connect it to the PUERTO RICO ELECTRICAL POWER AUTHORITY (PREPA) distribution lines, for voltages up to 13.2 KV; and to PREPA transmission lines for voltage of 38 KV, all in conformity with PREPA'S requirements. Such construction shall, in no event, be undertaken by TENANT until after LANDLORD has approved the location thereof, as well as the routing of the power line extension.

TWELVE: Repairs and Maintenance - TENANT shall, at TENANT'S own cost and expense, put, keep and maintain in thorough repair and good order and safe condition the building and improvements standing upon

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the Premises at the commencement of the term hereof or thereafter erected upon the Premises, or forming part of the Premises, and their full equipment and appurtenances, the sidewalk areas, sidewalk hoists, railings, gutters, curbs and the like in from of the adjacent to the Premises, and each and every part thereof, both inside and outside, extraordinary and ordinary, and shall repair the whole and each and every part thereof in order to keep the same at all times during the term hereof in thorough repair and good order and safe conditions, whenever the necessity or desirability therefor may occur, and whether or not the same shall occur, in whole or in part, by wear, tear, obsolescence or defects, and shall use all reasonable precautions to prevent waste, damage or injury, except as provided hereinafter.

LANDLORD and not TENANT, shall be responsible for and shall promptly correct any defects in the building on the Premises which are due to faulty design, or to errors of construction not apparent at the time the Premises were inspected by TENANT for purposes of occupancy by TENANT; this shall not be interpreted to relieve TENANT of any responsibility or liability herein otherwise provided, including among others, for structural failure due to the fault or negligence of TENANT.

TENANT shall also, at TENANT'S own cost and expense, maintain the landsite in throughly clean condition; free from solid waste (which includes liquid and gaseous as defined by the Resource Conservation and Recovery Act), rubbish, garbage and other obstructions. Specifically, TENANT shall not use said landsite, nor permit it to be used, as a deposit or as dump for raw materials, waste materials, hazardous, toxic or non-toxic substances, or substances of whichever nature. TENANT shall neither make any excavation for the purpose of storing, putting away and/or concealing raw materials or waste materials of any kind. Underground storage of hazardous and/or toxic substances is specifically prohibited.

TENANT shall not do or cause to be done, nor permit on the Premises anything deemed extra hazardous, nor shall it store in the Premises flamable or toxic products or any class or kind without taking the proper precautions and complying with applicable laws and regulations.

In case TENANT needs to store in the landsite raw materials of a hazardous and/or toxic nature or hazardous and/or toxic wastes, TENANT shall notify LANDLORD and secure its prior authorization. LANDLORD shall be furnished with a copy of any permit issued for such storage.

Although it is not intended that TENANT shall be responsible for any decrease in value of the Premises due to the mere passing of time, or for ordinary wear and tear of surfaces and other structural members of the building, nevertheless TENANT shall: (i) replace, with

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like kind and quality, doors, windows; electrical, sanitary and plumbing, fixtures; building equipment and/or other facilities or fixtures in the Premises which through TENANT'S use, fault or negligence, become too worn out to repair during the life of this Lease, (ii) paint the property inside and outside as required.

In addition to the foregoing, TENANT shall indemnify and hold LANDLORD harmless from and against any and all cost, expenses, claims, losses, damages, or penalties, including counsel fees, because of or due to TENANT'S failure to comply with the foregoing, and TENANT shall not call upon LANDLORD for any disbursement or outlay of money whatsoever, and hereby expressly releases and discharges LANDLORD of and from any liability or responsibility whatsoever in connection therewith.

THIRTEEN: Roof Care - TENANT, without the prior consent of LANDLORD, shall not: (i) erect or cause to be erected on the roof any bill board, aerial, sign, or structure of any kind, (ii) place any fixture, equipment or any other load over the roof, (iii) drill any hole on the roof for whichever purpose, (iv) use the roof for storage, nor (v) correct any leaks whatsoever, this being LANDLORD'S sole responsibility. Furthermore, TENANT shall take all reasonable precautions to insure that the drainage facilities of the roof are not clogged and are in good and operable conditions at all times.

FOURTEEN: Floor Loads - TENANT hereby acknowledges that it has been informed by LANDLORD that the maximum floor load of the Premises herein demised is 150 pounds per sq. ft. Therefore, TENANT hereby agrees that in the event the load of the machinery and equipment to be installed thereat exceeds such maximum load, it shall, at its own cost and expense, carry out any improvements to the floor of the Premises which may be necessary to support such additional load; it being further agreed and understood that construction and/or installation of such improvements shall not be commenced until after LANDLORD'S approval of the plans to be prepared therefor by TENANT and thereafter, after completion of construction and/or installation of said facilities, they shall be deemed covered by and subject to the applicable provisions of this Contract; it being further specifically agreed and understood that upon termination of this Lease, such facilities shall be removed by TENANT, at its own cost and expense, or in the alternative, and upon request by LANDLORD, they shall remain as part of the Premises with no right whatsoever on the part of TENANT to be reimbursed and/or compensated therefor.

FIFTEEN: Fixtures - TENANT shall not affix to the ceiling, nor to its supporting joists or columns, nor to any of its walls, any air conditioning unit, nor any other fixture, without the prior consent of LANDLORD.*(1)

SIXTEEN: Environmental Protection and Compliance - TENANT agrees, as a condition hereof, that it will not discharge its solid,

*(1) except for fixtures or air conditioning units previously installed at present on the property.

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liquid or gaseous industrial and/or sanitary effluent or discharges, either into the sewer system and/or into any other place until after required authorization therefor has been obtained from the Puerto Rico Aqueduct and Sewer Authority, and/or the Department of Health of Puerto Rico and/or Environmental Quality Board, and/or any other governmental agency having jurisdiction thereof and TENANT further agrees and undertakes to treat any such effluent, prior to discharge thereof as required by the said Authority, Department, and/or governmental agency with jurisdiction, and/or to install any equipment or system required, and to fully abide by and comply with any and all requisites imposed thereby, and upon request by LANDLORD to submit evidence of such compliance; it being agreed that non-compliance thereof by TENANT for a period of ninety (90) days after notice, shall be deemed an additional event of default under the provisions hereof. Provided, that no construction and/or installation shall be made until LANDLORD has approved of it.

TENANT shall also, at TENANT'S own cost and expense, construct and maintain the Premises, processes and/or operating procedures in compliance with the terms, conditions and commitments specified in any Environmental Impact Statement, Environmental Assessment or any other analogous document produced by the Commonwealth of Puerto Rico Economic Development Administration/LANDLORD as lead agency/ or by any other governmental agency in connection with the approval of the project.

TENANT shall also serve LANDLORD with a copy of any lawsuit, notice of violation, order to show cause or any other regulatory or legal action against TENANT in any environmentally-related case or issue.

TENANT shall also serve LANDLORD with a copy of any permit granted to TENANT for air emissions, water discharge, solid waste generation, storage, treatment and/or disposal, and for any hazardous and/or toxic waste raw materials or by-products used or generated, stored, treated and/or disposed.

TENANT shall also serve LANDLORD with a copy of any filing or notification to be filed by TENANT with any regulatory agency or any environmentally related case or issue, specially in any situation involving underground or surface water pollution, hazardous and/or toxic waste spillage and ground contamination. The notification to LANDLORD shall take place not later than the actual filing of the pertinent documents with the regulatory agency.

SEVENTEEN: Improper Use - TENANT, during the term of this Lease and of any renewal or extension thereof, agrees not to use or keep or allow the leased Premises or any portion thereof to be used or occupied for any unlawful purpose or in violation of this Lease or of any certificate of occupancy or certificate of compliance covering or affecting the use of the Premises or any portion thereof, and will not

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suffer any act to be done or any condition to exist on the Premises or any portion thereof, or any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force on the leased Premises.

EIGHTEEN: Government Regulations - TENANT agrees and undertakes to abide by and comply with any and all rules, regulations and requisites of the Planning Board of Puerto Rico, the Department of Health, the Environmental Quality Board, the Environmental Protection Agency (EPA), where applicable and/or of any other governmental agency, having jurisdiction thereon applicable to TENANT'S operations at the Premises and/or products to be manufactured thereat, and if requested by LANDLORD, TENANT shall submit evidence of such compliance; it being agreed and understood that noncompliance with any and all such rules, regulations and requisites shall be deemed an additional event of default under the provisions of this Contract, unless remedied within thirty (30) days after receipt of notice thereof.

Any and all improvements to the Premises required by any governmental agency, having jurisdiction thereon so as to perform TENANT'S operations in accordance with the regulations and requisites thereof, shall be at TENANT'S own cost and expense, except for any improvements that may be required as a result of any violation by LANDLORD that may exist at the effective date hereof other than violations caused by TENANT or TENANT'S agents.

TENANT further agrees and undertakes to install in the Premises, at its own cost and expense, such devices as may be necessary to prevent that any hazard, which may be caused or created by its operations may affect the environmental integrity of the landsite or may affect or cause any nuisance to adjacent tenants and/or the community in general; it being agreed and understood that creating or causing any such nuisance, shall be deemed an additional event of default under the provisions of this Contract.

TENANT further agrees and undertakes to abide by and comply with any and all rules, regulations and requisites of the Fire Department relative to the use and storage of raw materials, finished products and/or inflammable materials, and/or of any other governmental agency, having jurisdiction thereon, applicable to TENANT'S operations at the Premises, and if requested by LANDLORD, shall submit evidence of such compliance; it being agreed and understood that noncompliance by TENANT with any of the aforementioned rules, regulations and requisites shall be deemed, in each of such cases, an additional event of default under the provisions of this Contract unless remedied within thirty (30) days after receipt of notice thereof.

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If as a consequence of the foregoing provisions, TENANT needs to make alterations to the Premises, the same shall be done subject to the provisions of Article TEN thereof.

NINETEEN: Use Permit - TENANT agrees to abide by and comply with any and all conditions and requisites included in the Use Permit which may be issued by the Puerto Rico Permits and Regulations Administration (ARPE), and, if requested by LANDLORD, shall submit evidence of such compliance; it being agreed and understood that noncompliance by TENANT with any and all such conditions and requisites and/or the cancellation of the said Use Permit shall, in each of such cases, be deemed an additional event of default under the provisions of this Contract.

TWENTY: Inspection - TENANT shall permit LANDLORD or LANDLORD'S agents to enter the Premises at all reasonable times for the purpose of inspecting the same, or of making repairs that TENANT has neglected or refused to make as required by the terms, covenants and conditions of this Lease, and also for the purpose of showing the Premises to persons wishing to purchase the same, and during the year next preceding the expiration of this Lease, shall permit inspection thereof by or on behalf of prospective tenants. If, at a reasonable time, admission to the Premises for the purposes aforesaid cannot be obtained, or if at any time an entry shall be deemed necessary for the inspection or protection of the property, or for making any repairs, whether for the benefit of TENANT or LANDLORD, LANDLORD'S agents or representatives may enter the Premises by force, or otherwise, without rendering LANDLORD, or LANDLORD'S agents or representatives liable to any claim or cause of action or damage by reason thereof, and accomplish such purpose.

The provisions contained in this Article are not to be construed as an increase of LANDLORD'S obligations under this Lease; it being expressly agreed that the right and authority hereby reserved does not impose, nor does LANDLORD assume, by reason thereof, any responsibility or liability whatsoever for the repair, care or supervision of the Premises, or any building, equipment or appurtenance on the Premises.

TWENTY ONE: LANDLORD'S entry for repairs and alterations - LANDLORD reserves the right to make such repairs, changes alterations, additions or improvements in or to any portion of the building and the fixtures and equipment which are reputed part thereof as it may deem necessary or desirable and for the purpose of making the same, to use the street entrances, halls, stairs and elevators of the building provided that there be no unnecessary obstruction of TENANT'S right of entry to and peaceful enjoyment of the Premises, and TENANT shall make no claim for rent abatement compensation or damages against LANDLORD by reason of any inconvenience or annoyance arising therefrom.

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TWENTY TWO: LANDLORD excused in certain instances - If, by reason of inability to obtain and utilize labor, materials or supplies, or by reason of circumstances directly or indirectly the result of any state of war, or of emergency duly proclaimed by the corresponding governmental authority, or by reason of any laws, rules orders, regulations or requirements of any governmental authority now or hereafter in force or by reason of strikes or riots, or by reason of accidents, in damage to or the making of repairs, replacements or improvements to the building or any of the equipment thereof, or by reason of any other cause reasonable beyond the control of LANDLORD, LANDLORD shall be unable to perform or shall be delayed in the performance of any covenant to supply any service, such non-performance or delay in performance shall not be grounds for any claim against LANDLORD for damages or constitute a total or partial eviction, constructive or otherwise. It being agreed and understood that the time for completion of any such construction, shall be extended for a period of time equal to the number of days of any such delay.

TWENTY THREE: Quiet Enjoyment - TENANT on paying the full rent and keeping and performing the conditions and covenants herein contained, shall and may peaceably and quietly enjoy the Premises for the term aforesaid, subject, however, to the terms of this Lease and to the mortgages hereinafter mentioned.

TWENTY FOUR: Leasehold Improvements - If leasehold improvements made by or for the benefit of TENANT in the Premises at its request or other personal property of TENANT are assessable or taxable and a tax liability is imposed to TENANT or LANDLORD, it is understood that it shall be the sole responsibility of TENANT to pay such taxes and in no event shall such taxes be the liability of or be transferable to LANDLORD. In the event that by operation of law, such taxes became a liability of LANDLORD, TENANT shall pay such taxes as they become due and payable and shall promptly reimburse LANDLORD for any payments or expenses incurred or disbursed by LANDLORD by reasons of any such assessment. Said amount shall be due and payable, as additional rent, with the next installment of rent. In the event that TENANT fails to make this payment when due, it shall be subject to the provisions of Article THIRTY SEVEN hereof.

TWENTY FIVE: Stoppage of Operations - It is understood by the parties hereto that this Lease is made by LANDLORD in furtherance of the industrialization plans of the Commonwealth of Puerto Rico, and it is accordingly understood that TENANT will use all reasonable efforts while this Lease is in effect to maintain a manufacturing operation upon the Premises, but nothing contained in this paragraph shall be deemed to require TENANT to maintain such an operation otherwise than in accordance with sound principles of business management, or (without limiting the generality of the foregoing) to prevent TENANT

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from curtailing such operation or from shutting it down, whenever and as often as TENANT may, in the exercise of sound business judgment, deem such action advisable. However, TENANT shall give to LANDLORD notice of any necessary or convenient curtailment and/or shut-down, at least seven (7) days prior to the date fixed therefor except in cases of an emergency shut-down, in which case such notice shall be given at the earliest possible time. No curtailment of operations or shut-down in accordance with the provisions of this paragraph shall constitute a default under the provisions of this Contract which will enable LANDLORD to terminate it, unless such plants shall have been shut-down for a period of six (6) consecutive months. A shut-down on account of unforseeable event or events which although foreseeable could not be prevented, shall not constitute a breach of this agreement. Nothing in this paragraph contained shall relieve TENANT from the payment of rent during the period of any shut-down or curtailments of operations.

TWENTY SIX: Assignment and Subletting - TENANT shall not assign, this Lease nor let or sublet the Premises or any part thereof except to its parent company, to a wholly owned subsidiary, to an affiliate of TENANT, wholly owned by TENANT'S parent company or to a corporation to be organized by TENANT. In any of these cases, TENANT shall promptly notify LANDLORD of said assignment or subletting, it being agreed and understood that no such assignment or subletting shall: (i) reduce or, in any way, affect the obligations of TENANT under this Lease, nor (ii) release TENANT from liability under this Lease.

TWENTY SEVEN: Successors in Interest - This Lease Contract and every provision thereof, shall bind and inure to the benefit of the legal representatives, successors and assigns of the parties. However, the term "LANDLORD", as used in this Contract, so far as any covenants or obligations on the part of LANDLORD under this Lease are concerned, shall be limited to mean and include only the owner or lessor, at the time in question, of the Premises, so that in the event hereafter of a transfer of the title to the Premises, whether any such transfer be voluntary or by operation of law or otherwise, the person, natural or juridical, by whom any such transfer is made, shall be and hereby is entirely freed and relieved of all personal liability as respects the performance of the covenants and obligations of LANDLORD under this Lease from and after the date of such transfer.

TWENTY EIGHT: No Representation by LANDLORD - LANDLORD, LANDLORD'S agents or employees, or the agents, executives or employees of the Economic Development Administration, have made no representations or promises with respect to the Premises except as herein expressly set forth and no rights, easements or licenses are acquired by TENANT by implication or otherwise except as expressly set forth in the provisions of this Contract. The taking possession of the Premises by TENANT, shall be conclusive evidence, as against TENANT, that TENANT accepts same "AS IS" and that said Premises,

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particularly the building which forms a part of the same, were in good and satisfactory condition at the time such possession was so taken.

TWENTY NINE: Damages - LANDLORD shall not be responsible for any latent defect or change of conditions in the Premises resulting in damage to the same, or the property or person therein, except to the extent of LANDLORD'S gross negligence, and provided such claims or loss is not covered by insurance herein required from TENANT. TENANT shall promptly notify LANDLORD of any damage to or defects in the Premises, particularly in any part of the building's sanitary, electrical, air conditioning or other systems located in or passing through the Premises, and the damage or defective conditions, subject to the provisions of Article TWENTY ONE hereof, shall be remedied by LANDLORD with reasonable diligence.

THIRTY: General Liability Insurance - TENANT shall indemnify, hold harmless and defend LANDLORD and agents, servants and employees of LANDLORD against and from any and all liability, fines, suits, claims, demands, expenses, including attorneys' fees, and actions of any kind or nature arising by reason of injury to person or property including the loss of use resulting thereof or, violation of law occurring in the Premises occasioned in whole or in part by any negligent act or omission on the part of TENANT or an employee (whether or not acting within the scope of his employment), servant, agent, licensee, visitor, assignor or undertenant of TENANT, or by any neglectful use or occupancy of the Premises or any breach, violation or non-performance of any covenant in this Lease on the part of TENANT to be observed or performed.

Pursuant to the foregoing, TENANT shall, maintain during the term of this Lease, at its own cost and expense, a comprehensive General Liability Policy. Said policy shall: (i) be for a combined single limit of no less than $500,000.00 per accident, (ii) hold LANDLORD harmless against any and all liability as hereinbefore stated, and (iii) the care, custody & control exclusion shall be deleted from this coverage. LANDLORD may require additional reasonable limits of public liability insurance and coverages, when changing circumstances so require.

THIRTY ONE: Property Insurance - TENANT recognizes that the rent provided for herein does not include any element to indemnify, repair, replace or make whole TENANT, his employees, servants, agents, licensees, visitors, assignees, or undertenant for any loss or damage to any property or injury to any person in the Premises.

Accordingly, during the term of this Lease, TENANT shall keep the building standing upon the Premises at the commencement of the term hereof or thereafter erected upon the Premises, including all equipment appurtenant to the Premises and all alterations, changes, additions and improvements, insured for the benefit of LANDLORD and TENANT, as their respective interests may appear, in an amount at

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least equal to the percentages stated below (as LANDLORD may from time to time determine). The basis of the Property Insurance shall be Replacement Cost and the coverage an "All Risks" Property Insurance Policy. Coverages included in the All Risks Form:

1. Fire - "Building & Contents Form"
   (a) Building - 100% of insurable value exclusive of foundations
   (b) Contents - All equipment appurtenant to the Premises (State value of Policy)
2. Additional Coverages under the Fire Policy
   (a) Extended Coverage Endorsement - 100% of insurable value exclusive of foundations
   (b) Earthquake - 50% of insurable value including foundations
   (c) Vandalism and Malicious Mischief Endorsement
   (d) Improvements and Betterments - For all alterations, changes, additions and improvements
3. Landsite and Flood whenever applicable and/or necessary
4. Boiler and Machinery (if any) - 100% of insurable value
5. Pollution Liability Policy - if necessary.

THIRTY TWO: Multifactory Building Specific Provisions - In the event that the Premises constitute a section or sections of an industrial building and landsite in which other operations are conducted by other TENANTS: (i) the insurance coverage herein required, shall be acquired by LANDLORD for the whole of the industrial building and TENANT shall reimburse LANDLORD, for its proportionate share in the total cost of said policies, (ii) if, because of anything done, caused or permitted to be done, permitted or omitted by TENANT, the premium rate for any kind of insurance affecting the Premises shall be increased, TENANT shall pay to LANDLORD the additional amount which LANDLORD may be thereby obligated to pay for such insurance, and if LANDLORD shall demand that TENANT remedy the conditions which caused the increase in the insurance premiums rate, TENANT will remedy such conditions within five (5) days after such demand, and (iii) the insurance policies required in the preceding Articles 30- & 31 shall be endorsed to include a waiver of subrogation against TENANT. All amounts to be reimbursed by TENANT under this Article, shall be due and payable, as additional rent, with the next installment of rent. In the event that TENANT fails to make this payment, when due, it shall be subject to the provisions of Article THIRTY SEVEN hereof.

THIRTY THREE: Additional Insurance Provisions - All the insurance policies herein required from TENANT, shall be taken in form and substance acceptable to LANDLORD with Insurance Companies duly authorized to do business in Puerto Rico, having an "A" and/or a higher financial rating according to Best's Insurance Report; and

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shall include LANDLORD as an additional insured. TENANT shall instruct the corresponding insurer to deliver such policies or certified copies or Certificates of Insurance, in lieu thereof, directly to LANDLORD. LANDLORD reserves the right not to deliver possession of the Premises to TENANT, unless, and until two (2) days after such original policies, or certified copies or certificates have been deposited with LANDLORD.

Furthermore, said policies, shall: (i) provide that they may not be cancelled by the insurer for nonpayment of premium or otherwise, until at least thirty (30) days after service of notice by registered or certified mail of the proposed cancellation upon LANDLORD, and (ii) be promptly renewed by TENANT upon expiration and TENANT shall, within thirty (30) days after such renewal, deliver to LANDLORD adequate evidence of the payment of premiums thereon. If such premiums or any of them shall not be so paid, LANDLORD may procure the same in the manner set forth for governmental agencies, and TENANT shall reimburse LANDLORD any amount so paid. This reimbursement shall be due and payable with the next installment of rent. In the event that TENANT fails to make this payment when due, it shall be subject to the provisions of Article THIRTY SEVEN hereof. It is expressly agreed and understood, that payment by LANDLORD of any such premiums shall not be deemed to waive or release the default in the payment thereof by TENANT nor the right of LANDLORD to take such action as may be available hereunder as in the case of default in the payment of rent.

Upon the commencement of the term hereof, TENANT shall pay to LANDLORD the apportioned unearned premiums on all such policies of insurance then carried by LANDLORD in respect of the Premises in the event TENANT continues with the insurance policies placed in LANDLORD.

TENANT shall not violate nor permit to be violated any of the conditions or provisions of any of said policies, and TENANT shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to LANDLORD shall be willing to write and continue such insurance.

TENANT shall cooperate with LANDLORD in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to LANDLORD such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance monies, and in the event that TENANT shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, LANDLORD, in addition to any other remedies, may as the agent or attorney-in fact of TENANT, execute and deliver any proof of loss or any other instruments as may seem desirable to LANDLORD and any mortgagee for the collection of such insurance monies. This shall not be interpreted as any waiver of the obligations of TENANT under Articles THIRTY, THIRTY ONE, THIRTY

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THIRTY TWO and THIRTY THREE hereof or exclusively in favor of LANDLORD under Article THIRTY NINE hereof.

THIRTY FOUR: Waivers - The receipt by LANDLORD of the rent, additional rent, or any other sum or charges payable by TENANT with or without knowledge of the breach of any covenant of this Contract, shall not be deemed a waiver of such breach. No act or omission of LANDLORD or its agent during the term of this Lease shall be deemed an acceptance of a surrender of the Premises and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and subscribed by LANDLORD. This Contract contains all the agreements and conditions made between the parties hereto with respect to the Premises and it cannot be changed orally. Any additions to, or charges in this Lease must be in writing, signed by the party to be charged.

Failure on the part of LANDLORD to act or complain of any action or nonaction on the part of TENANT shall not be deemed to be a waiver of any of its respective rights hereunder nor constitute a waiver at any subsequent time of the same provision. The consent or approval by LANDLORD to, or of any action by TENANT requiring consent or approval, shall not be deemed to waive or render unnecessary the consent or approval by LANDLORD of any subsequent similar act.

THIRTY FIVE: Reinstatement - No receipt of monies by LANDLORD for TENANT after the termination or cancellation hereof in any lawful manner shall reinstate, continue or extend the term hereof, or affect any notice theretofore given to TENANT, or operate as a waiver of the right of LANDLORD to enforce the payment of rent, additional rent, or other charges then due or thereafter falling due, or operate as a waiver of the right of LANDLORD to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that, after the service of notice to terminate or cancel this Lease, and the expiration of the time therein specified, if the default has not been cured in the meantime, or after the commencement of suit, action or summary proceedings or of any other remedy, or after a final order, warrant of judgment of the possession of the Premises, LANDLORD may demand, receive and collect any monies then due, or thereafter becoming due, without in any manner affecting such notice, proceeding, suite, action, order, warrant or judgment; and any and all such monies so collected shall be deemed to be payments for the use and occupation of the Premises, or at the election of LANDLORD, on account of TENANT'S liability hereunder. Delivery or acceptance of the keys to the Premises, or any similar act, by the LANDLORD, or its agents or employees, during the term hereof, shall not be deemed to be a delivery or an acceptance of a surrender of the Premises unless LANDLORD shall explicity consent to it, in the manner set forth hereinbefore.

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THIRTY SIX: Subordination and Attornment - This Lease is and shall be subject and subordinate to all liens, or mortgages which may now or hereafter affect the Premises and to all renewals, modifications, consolidations, replacements and extensions thereof and, although this subordination provision shall be deemed for all purposes to be automatic and effective without any further instrument on the part of TENANT, TENANT shall execute any further instrument requested by the LANDLORD to confirm such subordination.

TENANT further covenants and agrees that if by reason of a default upon the part of the LANDLORD of any mortgage affecting the Premises, the mortgage is terminated or foreclosed by summary proceedings or otherwise, TENANT will attorn to the mortgage or the purchaser in foreclosure proceedings, as the case may be, and will recognize such mortgage or purchaser, as the TENANT'S landlord under this Lease. TENANT agrees to execute and deliver, at any time and from time to time, upon the request of LANDLORD or of the mortgagee or the purchaser in foreclosure proceedings, as the case may be, any reasonable instrument which may be necessary or appropriate to evidence such attornment. TENANT further waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give TENANT any right of election to terminate this lease or to surrender possession of the Premises demised hereby in the event any such proceeding is brought by the holder of any such mortgage, and TENANT'S obligations hereunder shall not be affected in any way whatsoever by any such proceeding.

TENANT, covenants and agrees, upon demand of the holder of any mortgage duly recorded or recordable in the corresponding Registry of the Property or of any receiver duly appointed by the foreclose of any such mortgage, to pay to the holder of any such mortgage or to such receiver, as the case may be, all rent becoming due under this Lease after such demand, provided such holder of any such mortgage or any such receiver complies with the obligations of LANDLORD under this Lease.

TENANT, upon request of LANDLORD or any holder of any mortgage or lien affecting the Premises, shall from time to time, deliver or cause to be delivered to LANDLORD or such lien holder or mortgagee, within ten (10) working days from date of demand a certificate duly executed and acknowledged in form for recording, without charges, certifying, if true, or to extent true, that this Lease is valid and subsisting and in full force and effect and LANDLORD is not in default under any of the terms of this Lease.

THIRTY SEVEN: Late Payments and Payment by LANDLORD - In the event that: (i) TENANT makes late payment, or fails to make payment to LANDLORD, in whole or in part, of the rent, or of the additional rent, or of any of the other payments of money required to be paid by TENANT to LANDLORD, as stipulated in this Lease, when and as due and

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payable; or if (ii) LANDLORD, without assuming any obligation to do so, after any notice or grace period provided hereunder, performs or causes to be performed, at the cost and expense of TENANT, any of the acts or obligations agreed to be performed by TENANT, as stipulated in this Lease, and TENANT fails to refund to LANDLORD any amounts of money paid or incurred by LANDLORD in performing or causing the performance of such acts or obligations, when and as due and payable, TENANT undertakes and agrees to pay LANDLORD as additional rent, interest on such late paid or unpaid rents, additional rent, and/or on such other payments of money required to be paid, and/or on any such amounts of money required to be refunded, from and after the date when payment thereof matured or became due and payable, until full payment, at the rate of twelve per cent (12%) per annum, or if such 12% interest, is unlawful, then and in such event, at the highest maximum prevailing rate of interest on commercial unsecured loans as fixed by the Board of Regulatory Rates of Interest and Financial Charges, created under Law #1, approved October 15, 1973 (10 LPRA 998), as amended, or by any successor statute or regulation thereof.

THIRTY EIGHT: Abatement - If any substantial service or facility to be provided by LANDLORD is unavailable for a period exceeding thirty (30) days and LANDLORD has been notified of the same, should time unavailability of such service render all or any portion of the Premises untenable, TENANT after the aforesaid thirty (30) days, shall be entitled to an abatement of a portion of the rent that shall reflect that portion of the Premises which is untenable, provided the damage to the service or facility is not attributable to the act or neglect of TENANT or the employees, servants, licensees, visitors, assigns or undertenants of TENANT.

THIRTY NINE: Fire or other Casualty - If before or during the term of this Lease, the Premises shall be damaged by fire or other casualty, LANDLORD after written notice thereof is given by TENANT, shall repair the same with reasonable dispatch after notice to it of the damage, due allowances being made for any delay due to causes beyond the LANDLORD'S reasonable control, provided, however, that LANDLORD shall not be required to repair or replace any furniture, furnishings or other personal property which TENANT may have placed or installed or which it may be entitled or required to remove from the Premises. LANDLORD shall proceed with due diligence to obtain the corresponding insurance adjustment of the loss and TENANT shall fully cooperate with LANDLORD and assist in the adjustment of the loss. Until such repairs are completed, and provided such damage or other casualty is not attributable to the act or neglect of TENANT or the employees, servants, licensees, visitors, assigns or undertenants of TENANT, the rent required to be paid pursuant to Article FOUR hereof, shall be abated in proportion to the part of the Premises which are untenable. If the building, be so damaged that LANDLORD shall decide

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to demolish and/or to reconstruct the building, in whole or in part, LANDLORD may terminate this Lease by notifying TENANT within a reasonable time after such damage of LANDLORD'S election to terminate this Lease, such termination to be effective immediately if the term shall not have commenced or on a date to be specified in such notice if given during the term. In the event of the giving of such notice during the term of this Lease, the rent shall be apportioned and paid up to the time of such fire or other casualty if the Premises are damaged, or up to the specified date of termination if the Premises are not damaged and LANDLORD shall not be otherwise liable to TENANT for the value of the unexpired term of this Lease.

FORTY: Default Provisions - If, during the term of this Lease, TENANT shall: (i) apply for or consent in writing to, the appointment of a receiver, trustee or liquidator of TENANT or of all or substantially all of its assets or (ii) seek relief under the Bankruptcy Act, or admit in writing its inability to pay its debts as they become due, or (iii) made a general assignment for the benefit of its creditors, or (iv) file a petition, case or an answer seeking relief (other than a reorganization not involving the liabilities of TENANT) or arrangement with creditors, or take advantage of any insolvency law, or (v) file an answer admitting the material allegations of a case filed against it in any bankruptcy, reorganization or insolvency proceeding or, if an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of TENANT or creditor adjudicating TENANT a bankrupt or insolvent, or approving a petition seeking reorganization of TENANT (other than a reorganization not involving the liabilities of TENANT) or appointment of a receiver, trustee or liquidator of TENANT, or of all or substantially all its assets, and such order, judgment or decree, shall continue unstayed and in effect for a period of sixty (60) consecutive days, the term of this Lease and all right, title and interest of TENANT hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and TENANT will then, quit and surrender the Premises to LANDLORD, but TENANT shall remain liable as hereinafter provided.

If, during the term of this Lease: (i) TENANT shall default in fulfilling any of the covenants of this Lease (other then the covenants for the payment of rent or additional rent), or of any other standing contract with LANDLORD or (ii) if, during the term of this Lease TENANT shall abandon, vacate, or remove from the Premises the major portion of the goods, wares, equipment, or furnishings usually kept on said premises, or (iii) this Lease, without the prior consent of LANDLORD, shall be encumbered, assigned or transferred in any manner in whole or in part or shall, by operation of law, pass to or devolve upon any third party, except as herein provided, or (iv) if TENANT is in violation of laws, rules and regulations regarding

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minimum wages of its employees, or of any other law, rules and regulations applicable to his operations, but which have not been specifically mentioned in this Lease, LANDLORD may give to TENANT notice of any such default or the happening of any event referred to above and if at the expiration of thirty (30) days after the service of such a notice the default or event upon which said notice was based shall continue to exist, or in the case of a default which cannot with due diligence be cured within a period of thirty (30) days, if TENANT fails to proceed promptly after the service of such notice and with all due diligence to cure the same and thereafter to prosecute the curing of such default with all due diligence (it being intended that in connection with a default not susceptible of being cured with due diligence within thirty (30) days that the time of TENANT within which to cure the same shall be extended for such period as may be necessary to complete the same with all due diligence), LANDLORD may give to TENANT a notice of expiration of the term of this Lease as of the date of the service of such second notice, and upon the giving of said notice of expiration the term of this Lease and all right, title and interest of TENANT hereunder shall expire as fully and completely as if that day were the date herein specifically fixed for the expiration of the term, and TENANT or any party holding under its will then quit and surrender the Premises to LANDLORD, but TENANT shall remain liable as hereinafter provided.

If, (i) TENANT shall default in the payment of the rent, the additional rent, or of any other payment as required under this Lease and such default shall continue for ten (10) working days after notice thereof by LANDLORD, or (ii) if the default of the payment of the rent, continues for thirty (30) days from the date any such payment became due and payable (AUTOMATIC DEFAULT TERMINATION), or (iii) if this Lease shall terminate as in the first and second paragraphs of this Article provided, this Lease shall terminate and TENANT will then quit and surrender the Premises to LANDLORD, but TENANT shall remain liable as hereinafter provided, LANDLORD or LANDLORD'S agents and servants may immediately or at any time thereafter re-enter the Premises and remove all persons and all or any property therefrom, whether by summary eviction proceedings or by any suitable action or proceeding at law, or with the license and permission of TENANT, which shall under this Contract be deemed given upon expiration of the strict thirty (30) day notice period recited in the second paragraph of this Article, without LANDLORD being liable to indictment, prosecution or damages therefor and repossess and enjoy the Premises with all additions, alterations and improvements.

If TENANT shall fail to take possession of the Premises within ten (10) days after the commencement of the term of this Lease, or if TENANT shall vacate and abandon the Premises, LANDLORD shall have the right, at LANDLORD'S option, to terminate this Lease and the

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term hereof, as well as all the right, title and interest of TENANT hereunder, by giving TENANT five (5) days notice in writing of such intention, and upon the expiration of the time fixed in such latter notice, if such default be not cured prior thereto, this Lease and the term hereof, as well as all the right, title and interest of TENANT hereunder, shall wholly cease and expire in the same manner and with the same force and effect (except as to TENANT'S liability) as if the date fixed by such latter notice were the expiration of the term herein originally granted; and TENANT shall immediately quit and surrender to LANDLORD the Premises and each and every part thereof and LANDLORD may enter into or repossess the Premises, either by force, summary proceedings or otherwise. The right granted to LANDLORD in this Article or any other Article of this Lease to terminate this Lease, shall apply to any extension or renewal of the term hereby granted, and the exercise of any such right by LANDLORD during the term hereby granted, shall terminate any extension or renewal of the term hereby granted and any right on the part of TENANT thereto.

Upon the termination of this Lease by reason of any of the foregoing events, or in the event of the termination of this Lease by summary eviction proceedings or under any provisions of law, now or at any time hereafter, in force by reason of, or based upon, or arising out of a default under or breach of this Lease on the part of TENANT, or upon LANDLORD recovering possession of the Premises in the manner or in any of the circumstances hereinbefore mentioned, or in any other manner or circumstances whatsoever, whether with or without legal proceedings, by reason of, or based upon, or arising out of a default under or breach of this Lease on the part of TENANT, LANDLORD, at its option, but without assuming any obligation to do so in any case, may at any time, and from time to time, relet the Premises or any part or parts thereof for the account of TENANT or otherwise on such terms as LANDLORD may elect, including the granting of concessions, and receive and collect the rents therefor, applying the same at a rental not higher than the one stipulated in this Contract, first to the payment of such reasonable expenses as LANDLORD may have incurred in recovering possession of the Premises, including reasonable legal expenses, and for putting the same into good order or condition or preparing or altering the same for re-rental, and expenses, commissions and charges paid, assumed, or incurred by LANDLORD in and about the reletting of the Premises or any portion thereof and then to the fulfillment of the covenants of TENANT hereunder. Any such reletting herein provided for, may be for the remainder of the term of this Lease or for a longer or shorter period or at a higher or lower rental. In any such case, whether or not, the Premises or any part thereof be relet, TENANT shall pay to LANDLORD the rent required to be paid by TENANT up to the time of such termination of this Lease, and/or the full rent provided for in the agreement for any holdover of

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such period after termination and up to the surrender or recovery of possession of the Premises by LANDLORD, as the case may be, and thereafter TENANT covenants and agrees, to pay to LANDLORD until the end of the term of this Lease as originally demised the equivalent of any deficiency amount of all the rent reserved herein, less the net avails of reletting, if any, as specified hereinabove in this Article and the same shall be due and payable by TENANT to LANDLORD as provided herein, that is to say, TENANT shall pay to LANDLORD the amount of any deficiency then existing.

FORTY ONE: LANDLORD'S Remedies - In the event TENANT shall default in the performance of any of the terms, covenants or provisions herein contained, LANDLORD may, but without the obligation to do so, perform the same for the account of TENANT and any amount paid or expense incurred by LANDLORD in the performance of the same shall be repaid by TENANT on demand. In the event of a breach or threatened breach by TENANT or any subtenant or other person holding or claiming under TENANT of any of the covenants, conditions or provisions hereof, LANDLORD shall have the right of injunction to restrain the same, and the right to invoke any remedy allowed by law or in equity as if specific remedies, indemnity or reimbursement were not herein provided for. The rights and remedies given to LANDLORD in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by LANDLORD, shall be deemed to be a waiver, or an exclusion of any of the others.

FORTY TWO: Notice of Default - Anything in this Lease to the contrary notwithstanding, it is specifically agreed that there shall be no enforceable default against LANDLORD under any provisions of this Lease, unless notice of such default be given by TENANT to LANDLORD in which TENANT shall specify the default or omission complained of, and LANDLORD shall have thirty (30) days after receipt of such notice in which to remedy such default, or if said default or omission shall be of such a nature that the same cannot be cured within said period, then the same shall not be an enforceable default if LANDLORD shall have commenced taking the necessary steps to cure or remedy said default within said thirty (30) days and diligently proceeds with the correction thereof.

FORTY THREE: Definition of Capitalization - For the purpose of this Contract, specifically of Article SIX, Capitalization means the total of owner's equity sources (preferred stock, common stock and surplus accounts) and long-term debts, it being agreed and understood that the amortization of any such debt shall in no way diminish the amount originally determined and Capitalization.

FORTY FOUR: Disclosure of Information - TENANT agrees to furnish to LANDLORD within ninety (90) days after the expiration of each fiscal year of TENANT, an annual statement certified by an independent

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Certified Public Accountant showing as of the end of each such fiscal year: (i) TENANT'S paid-in capital, (ii) long-term debts and capitalization as required by Articles SIX and FORTY THREE hereof, (iii) investment in machinery and its capacity to provide employment, (iv) taxes (including Social Security taxes) paid, and (v) any other information as required by this Lease.

In the event such statement is not filed with LANDLORD as herein provided, LANDLORD may obtain such information from TENANT at TENANT'S expense, and for such purpose TENANT shall make available to LANDLORD'S designated representatives, its books of accounts and other necessary data and facilities, all of which shall be provided and made available at TENANT'S principal office in Puerto Rico.

FORTY FIVE: Automatic Renewal - In the event TENANT does not vacate the Premises in the manner and under the conditions hereinbefore provided, within ninety (90) days after the normal expiration of the term hereof, LANDLORD shall have the option to be exercised at any time thereafter, to notify TENANT that the lease herein has been renewed for an additional term of ten (10) years from the date of the last normal expiration of the term hereof and, in such event, the parties agree that this Contract shall be held to have been renewed and to continue in full force and effect for such additional term of ten (10) years upon the mere mailing of such notice by LANDLORD to TENANT. This provision shall in no way prejudice, affect or deny any right which LANDLORD may otherwise have because, or at the time, of any such termination of the term hereof, particularly whenever LANDLORD does not exercise such option; it being agreed and understood that such renewal shall be upon the same terms and conditions contained herein except that the rental rate to be charged shall be the rate then currently being charged by LANDLORD for similar building in the area, but in no event shall it be less than the rate herein stipulated.

FORTY SIX: Partial Invalidity and Applicable Law - If any term or provisions 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 and 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, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law. This Contract is entered into and shall be interpreted in accordance with the laws of the Commonwealth of Puerto Rico.

FORTY SEVEN: Lease Termination and Holding Over - Upon the expiration or termination of this Lease: (i) TENANT shall furnish LANDLORD with a full and detailed report as to the environmental integrity of the landsite and Premises with specific reference to each and every environmental area of concern including, but not limited to,

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air emissions, effluent discharge, state of underground and surface waters, solid waste and hazardous and/or toxic wastes generation, storage, transportation, treatment and/or disposal, and any hazardous and/or toxic raw materials or by-products used or generated, stored, transported, treated and/or disposed of during the period of operation, state of the landsite, disclosure of any environmental regulatory violations, compliance plans, permits or any other regulatory procedures related to the operation. The report shall be accompanied by a Certification from TENANT as to the environmental state of the premises and landsite. In case there should be any damage or any remedial action to be performed or any other obligation to be fulfilled by TENANT, the Certification shall state so and present a plan of action with the appropriate financial provisions to execute it. LANDLORD shall hold TENANT responsible for any and all environmental damage, or any damage to third parties as a result of any environmental damage, or any remedial action (including monitoring) to be performed at landsite or otherwise as a result of TENANT'S operations after termination of Lease and until such a time as complete remediation or fulfillment of TENANT'S obligations is effected. In case TENANT fails to comply with the foregoing provisions, LANDLORD may elect to effect them at TENANT'S expense and responsibility.

(ii) TENANT shall remove all property of TENANT and that of any third party and failing so to do, TENANT hereby appoints LANDLORD its agent so that LANDLORD may cause all of the said property to be removed at the expense and risk of TENANT. TENANT covenants and agrees to give full and timely observance and compliance to this covenant to remove all its property and surrender the Premises broom clear. TENANT hereby agrees to pay all reasonable necessary cost and expenses thereby incurred by LANDLORD. If, as the sole result of the removal of TENANT'S property any portion of the Additional Premises or of the building of which they are a part, are damaged, TENANT shall pay to LANDLORD the reasonable cost of repairing such damages unless due to the gross negligence of LANDLORD, its agents, servants, employees and contractors. TENANT'S obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this Lease.

FORTY EIGHT: Change of Address - TENANT shall promptly notify LANDLORD of any change in the addresses other than those required from it in Article SEVEN hereof.

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FORTY NINE: The parties hereto acknowledge that Project S-0113-0-52 is in need of certain repairs as detailed in Schedule "B" hereto annexed and made part hereof, which repairs shall be carried out by Tenant subject to the following:

A. The repair work shall be done in coordination with Landlord's Maintenance Department.

B. The repair costs and payment to Tenant shall not exceed the amount of $35,606.00

C. Upon termination of the repairs and after the inspection and approval of Landlord's Maintenance Department, Landlord hereby agrees that it shall reimburse to Tenant such amount.

D. Such repairs shall be finalized not later than sixty (60) days from the date of commencement of the term of this lease.

FIFTY: This rental shall be paid in equal monthly installments, commencing on October 1, 1987 as follows:

TERM	RENT PER SQ. FT. OF GROSS BUILDING AREA PER ANNUM	MONTHLY INSTALMMENTS
1st. year	$ 1.25	$ 1,718.20
2nd. year	$ 1.35	$ 1,855.66
3rd. to 5th year	$ 1.60	$ 2,199.30
6th. to 10th year	$ 2.00	$ 2,749.13

FIFTY-ONE: Anything contained in this Contract to the contrary notwithstanding, in the event that TENANT requires additional volume of water and/or pressure as is now available within the area wherein the demised premises are located, is shall be at its own cost and expense the construction and/or installation of such improvements and/or facilities as may be necessary to or convenient and/or required by the Puerto Rico Aqueduct and Sewer Authority to increase such volume and/or pressure; it being agreed and undertood, however, that such construction and/or installation shall in no event be commenced until after LANDLORD'S written approval has first been requested and obtained.

FIFTY-TWO: TENANT hereby acknowledges that in the industrial park there are other industries; therefore TENANT hereby specifically agrees and undertakes to take such steps and install such equipment as may be necessary to prevent that any harzard and/or noise which

may be created by its operations may in any way or manner unduly affect the operations of the other industries and therefore TENANT hereby releases and saves LANDLORD harmless from any and all claims or demands arising therefrom or in connection therewith.

FIFTY-THREE: TENANT shall, at its own cost and expense, install a fire protection system and shall obtain the endorsement and approval from the Fire Department for such installation. TENANT must also provide security measures to prevent or reduce fire hazards due to the storage of inflamable materials and products.

FIFTY-FOUR: TENANT shall procure and obtain a permit for the operation of a solid waste emission source from the Environmental Quality Board and authorization from the Office of Solid Waste and/or from the Municipality of San Germán, Puerto Rico for the final disposition of wastes.

FIFTY-FIVE: It is hereby agreed and understood that TENANT shall take the necessary steps to comply with the regulations and law requirements of the Puerto Rico Occupational Safety and Health Office (PROSHO).

FIFTY-SIX: If required by TENANT'S operations, TENANT shall, at its own cost and expense, construct and/or install the necessary equipment to exceed the 50KVA electrical power in conformity with the Puerto Rico Electrical Power Authority and TENANT shall obtain the endorsement and approval of LANDLORD'S Engineering Department.

FIFTY-SEVEN: TENANT, at its own cost and expense, shall implement the necessary measures and install the control equipment to maintain the atmospheric air quality levels in compliance with the environmental laws of the Environmental Quality Board.

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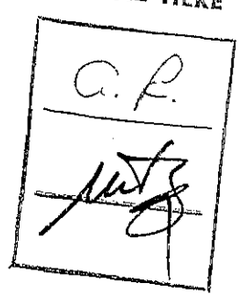

FIFTY-EIGHT: TENANT agrees to submit to LANDLORD within thirty (30) days from the date of execution of this Contract; (a) evidence of its registration in the Department of State of the Commonwealth of Puerto Rico and the name and address of its resident agent; and (b) a certificate of a resolution of its Board of Directors either authorizing or ratifying the execution of this Contract.

FIFTY-NINE: This Contract is made and entered into subject to and conditioned upon the endorsement and approval of the Planning Department of the Puerto Rico Industrial Development Company, the Office of Economic Studies of the Economic Development Administration and the Environmental Quality Board of Puerto Rico; provided that such approval shall be understood to constitute conditions of this Contract, which if not complied with, shall entitle the LANDLORD to rescind this Contract.

IN WITNESS WHEREOF, LANDLORD AND TENANT have respectively signed upon proper authority this Lease, this 23rd day of April 1987.

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
(LANDLORD)

BY: _____

INSERT CORPORATION OF P.R. (INSERTCO) INC
(TENANT)

BY: _____ — President

YEM/nv

INSERT CORPORATION OF P.R.
(INSERTCO) INC

DESCRIPTION OF PARCEL OF LAND
(FRONT SECTION OF LOT) LOCATED
AT RETIRO WARD INDUSTRIAL SUBDIVISION,
SAN GERMAN, PUERTO RICO, SITE FOR
PROYECT NO. S-0113-0-52

LANDSITE:

Parcel of land (front section of lot) located at Retiro Ward Industrial Subdivision, San Germnán, Puerto Rico.

It bounds: by the NORTH, with State Road No. 102; by the SOUTH; with rear section of lot owned by PRIDCO; by the EAST, with Street "A" of the same industrial subdivision, and by the WEST, with Municipal Coliseum.

It has an approximate surface area of 4482.00 square meters, equivalent to 1.1404 cuerdas.

ENCUMBRANCES:

It is not affected by any rights of way.

DESCRIPTION OF BUILDING LOCATED
AT SAN GERMAN, P.R. (PROJECT NO.
S-0113-0-52

This is a pitched roof type building consisting of reinforced concrete foundations, columns, and girders supporting a reinforced concrete roof slab.

The structure consists of a main floor 140.33' x 100.67' plus 39.50' x 2.33' out to out dimensions with an area of 14,219.00 sq.ft. of manufacturing space, a lobby 23.50' x 9.00' with an area of 211.00 sq.ft., two lean-tos 28.50' x 21.00 for an area of 1,096.00 sq.ft. to be used for sanitary facilities and two len-tos 31.25' x 15.60 with an area of 968.76 sq. ft. to be used for stock room and office facilities. This gives a total area of 16,494.76 sq.ft. of covered floor space.

The floor consists of a 4 inch thick reinforced concrete floor slab with an integral cement finish on the manufacturing area stock room, and stairs, asphalt tiles on the office area; native cement tiles on the Men's and Ladies' toilet rooms and monolithic cement finish on the entrance porch.

Exterior walls are of concrete blocks plastered and painted, except on the front wall which is plastered and painted together with a stucco finish ornamental wall.

Interior walls at the lean-to are plastered and painted together with a 5 feet high native cement tile finish wainscoat at the men's and ladies' toilet rooms.

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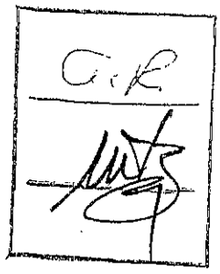

Ceilings are rubbed and painted throughout the building.

Windows are pivoted steel sash throughout the building except for Miami Aluminum Louvers at the lean-tos.

Doors are wood panel ones, except for one metal and glass, double sliding one at the loading platform.

Clearance in the manufacturing area from finish floor to lowest part of girders is 12'-o" ft. to lowest part of beams.

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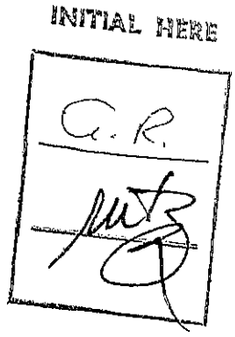

PRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

SCHEDULE "B"

PROJECT ESTIMATES

Computed by: Ing. Miguel A. Arias

Sheet No. 1 of 4

Date : April 21, 1987

Checked by :

ESTIMATE FOR: Reparaciones generales

PROJECT NO.: S-0113-0-52 (Insertco Corp) San Germán

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
1		L.S.	Limpieza general de paredes, ventanas		
			plafón y pisos, incluyendo lavado a		
			presión.		$ 300.00
2		L.S.	Resanado de paredes		175.00
3	1,548	yd. cua.	Pintura interior de paredes, columnas		
			y vigas (dos aplicaciones) Pintura		
			aprobada por CFI	$ 2.25	3,483.00
4	1,482	yd. cua.	Pintura de plafón (dos aplicaciones)		
			Pintura aprobada por CFI	2.25	3,334.50
5	65	yd. cua.	Pintura de puertas de metal.		
			Pintura aprobada por CFI	5.00	325.00
6	33	yd. cua.	Pintura de puertas de madera.		
			Pintura aprobada por CFI	5.00	165.00
7	1	c/u	Instalar puerta de metal de 6' x 7',		
			ver especificaciones técnicas		
			sección 6-A, incluyendo 'door stops		
			and holders', Yale #823-1/2 - igual		
			o similar	650.00	650.00
8	1	c/u	Instalar cerradura en puerta de metal		
			Yale #8750 with knob BWUS26D or Corbin		
			836US 26D', igual o similar	50.00	50.00
9	1	c/u	Instalar 'Panic-exit device',		
			vertical rod type Sargent No. 9700		
			& Mortise loch type No. 9900		
			including coordinator', igual o		
			similar.	500.00	500.00
10	5	c/u	Instalar puertas de madera en 'embuia'		INITIAL HERE
			de 1 3/4", marcos de 'embuia',		
			incluyendo herrajes y aplicación de		
			aceite de linaza, goznes - (3) por		
			puerta de 4" x 4", Stanley 179, igual	150.00	750.00

FRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

SCHEDULE "B"

PROJECT ESTIMATES

Computed by: Ing. Miguel A. Arias

Sheet No. 2 of 4

Date : April 21, 1987

Checked by :

ESTIMATE FOR: Reparaciones generales

PROJECT NO.: (S-0113-0-52 (Insertco Corp. -- San Germán

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
11	8	c/u	Instalar cerraduras Yale BW%$01US26D		
			o Corbin 836-410-US260 - igual o		
			similar	$ 35.00	$ 280.00
12	4	C/U	Instalar amortiguadores de puerta,		
			"Yale Series 70, SB #74 with #209		
			bracket', igual o similar	75.00	300.00
13	156	C/U	Instalar operadores de ventanas		
			'Heavy duty'(ver especificaciones		
			técnicas Sección 13).	6.00	936.00
14	2	C/U	Instalar 'fog nozzle, bronze size		
			1 1/2" NST. (100'-0")	30.00	60.00
15		L.S.	BAÑO DE DAMAS: Limpieza general incluyendo equipo		
			sanitario, piso, paredes, plafón,		
			lavado a presión	125.00	125.00
16	104	yd. cua.	Pintura interior de paredes con		
			'epoxy' hasta el plafón, pintura		
			aprobada por CFI	4.50	468.00
17	61	yd. cua.	Pintura de plafón, dos aplicaciones.	2.50	152.50
18	76	yd. cua.	Pintura de divisiones de inodoros		
			existentes de hormigón incluyendo		
			puerta. Pintura aprobada por CFI	5.00	380.00
19	10	C/U	Instalar válvulas de inodoro,		
			'110 FYV Sloan Royal Flush Valve'		
			igual o similar	105.00	1,050.00
20	11	C/U	Instalar asientos de inodoro, 'Moltex		
			No. 5320.114 - Black', igual o similar	20.00	220.00
21	1	c/u	Instalar lavamanos 'American Standard		
			Regalyn Catalog No. 4867.024 wall		
			hanger, 20" x 18" (enamel cast iron),		
			with supply fitting No. 2248.219,		
			igual o similar	235.00	235.00

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F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
San Juan, Puerto Rico

SCHEDULE "B"

PROJECT ESTIMATES

Computed by: Ing. Miguel A. Arias

Sheet No. 3 of 4

Date : April 21, 1987

Checked by :

ESTIMATE FOR: Reparaciones generales

PROJECT NO.: S-0113-0-52 (Insertco Corp.) San Germán

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
22	10	C/U	Instalar mezcladora 'heritage spread		
			faucet with crown handles and grid		
			drain, 2248-219. (igual o similar)	$ 105.00	$ 1,050.00
23	4	C/U	Instalar operadores de ventanas	6.00	24.00
			BAÑO DE CABALLEROS:		
24		L.S.	Limpieza general incluyendo equipo		
			sanitario, piso, paredes y plafón.		
			Lavado a presión.	125.00	125.00
25	84	yd.cua.	Pintura interior de paredes en		
			'epoxy' hasta el plafón, pintura		
			aprobada por CFI	5.00	420.00
26	48	yd. cua.	Pintura de plafón. Pintura aprobada		
			por CFI	2.25	108.00
27	76	yd. cua.	Pintura de divisiones de inodoros		
			existentes de hormigón. Pintura		
			aprobada por CFI.	5.00	380.00
28	11	c/u	Instalar válvulas inodoro. Véase		
			baño damas	105.00	1,175.00
29	11	c/u	Instalar asientos de inodoros.		
			Véase baño de damas.	20.00	220.00
30	9	c/u	Instalar mexcladora. Véase baño damas	105.00	945.00
31	2	c/u	Instalar urinal 'American Standard'		
			alta F-6240 - igual o similar	190.00	380.00
2	2	c/u	Instalar tapa drenaje de piso	5.00	10.00
33	1,350	yd. cua,	-- EXTERIOR -- Lavado a presión de paredes	.20	270.00
34		L.S.	Resanado de paredes	125.00	125.00
35	1,008	yd. cua.	Pintura exterior, dos aplicaciones		
			pintura aprobada por CFI. Garantía		
			en decoloración de 2 años	2.25	2,268.00
36	6	c/u	Instalar 'bumper' de goma de 10" x 22"	100.00	600.00

INITIAL REVIEW
C.F.

PRIDCO
F-4202

Commonwealth of Puerto Rico
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY SCHEDULE "B"
San Juan, Puerto Rico

PROJECT ESTIMATES

Computed by: Ing. Miguel A. Arias Sheet No. 4 of 4

Date : April 21, 1987

Checked by :

ESTIMATE FOR: Reparaciones generales

PROJECT NO.: S-0113-0-52 (Insertco Corp.) San Germán

ORDER NO.	QUANTITY	UNIT OF MEASURE	I T E M	Unit Price	T O T A L
37	220	p. ln.	Reparar verja de alambre de púas	$ 1.50	$ 330.00
38	737	p. ln.	Reparar verja de alambre eslabonado	1.00	737.00
39	350	p. ln.	Instalar verja de alambre de púas		
			según especificaciones de CFI	4.50	1,575.00
40	440	p. ln.	Instalar verja de alambre eslabonado		
			6'-0" según espec. por CFI (en frente		
			y lateral izquierdo)	19.00	8,360.00
41	1	c/u	Reparar portón de 30'-0" incluyendo		
			tubos de anclaje de 4" día.	1,350.00	1,350.00
42	1	c/u	Instalar portón de 4'-0" incluyendo		
			tubo de anclaje.	250.00	250.00
43		L.S.	Resanado de piso con mortero epóxico	300.00	300.00
44		L.S.	Desyerbo y limpieza de lote	250.00	250.00
45	330	p. ln.	Pintar flashing de techo	.50	165.00
46		L.S.	Reparar grietas y filos en plataforma		
			de carga	250.00	250.00
			TOTAL ----------		$35,606.00

INITIAL HERE

C.R.

CERTIFICATE OF INCORPORATION

OF

MENASHA INSERTCO ACQUISITION COMPANY

1. Name. The name of the Corporation is Menasha Insertco Acquisition Company.

2. Registered Office and Agent. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, DE 19801. The name of its registered agent at such address is The Corporation Trust Company.

3. Purpose. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

4. Authorized Stock. The total number of shares of stock which the Corporation shall have authority to issue is Three Thousand (3,000) shares of Common Stock and the par value of each of such shares is One Dollar ($1.00) amounting in the aggregate to Three Thousand Dollars ($3,000).

5. Incorporator. The name and mailing address of the sole incorporator is as follows:

NAME	MAILING ADDRESS
Bruce C. Davidson	411 East Wisconsin Avenue Milwaukee, WI 53202-4497

6. Number of Directors. The number of directors shall be fixed by, or in the manner provided in, the Bylaws.

7. Elimination of Certain Liability of Directors. No director of the Corporation shall be held personally liable to the Corporation or its stockholders for monetary damages of any kind for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.

8. Amendments to Certificate. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now

or hereafter prescribed by the DGCL, and all rights conferred upon stockholders herein are granted subject to this reservation.

9. Amendments to Bylaws. In furtherance and not in limitation of the powers conferred by the DGCL, the Board of Directors is expressly authorized to make, alter or repeal the Bylaws of the Corporation.

I, THE UNDERSIGNED, being the Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the DGCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 31st day of January, 1995.

Bruce C. Davidson

Bruce C. Davidson
Sole Incorporator

NJP INSERTCO, INC.

NOTES TO FINANCIAL STATEMENTS

NOVEMBER 30, 1996

14a

orporation (a privately owned Wisconsin Corporation) bought the shares of Insert Corporation of P.R., Inc., a Puerto Rico corporation, from its sole shareholder, through its wholly owned subsidiary Menasha Insertco Acquisition Company (MIAC), a Delaware corporation, incorporated on January 31, 1995, for $3,042,068, including costs directly related to the acquisition. The acquisition was accounted for as purchase. On that same date, MIAC merged with Insert Corporation of P.R., Inc. being MIAC the surviving corporation. All of the outstanding shares of common stock of Insert Corporation of P.R., Inc. were canceled on the merger date. In addition, MIAC changed its name to NJP Insertco, Inc.

NJP Insertco, Inc. (the Company) is engaged in the business of printing inserts, outserts and labels primarily for pharmaceutical and technological companies in Puerto Rico. An affiliate provides certain services and allocates related charges to the Company, which amounted to approximately $68,000 for the year ended November 30, 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventories

Inventories are carried at the lower of cost (first-in, first-out) or market. Cost includes material and conversion costs. At November 30, 1996, inventory consists of:

Raw materials and supplies	$494,168
Work-in-process	87,694
Finished goods	102,309
	$684,171

Property and Equipment

Property and equipment are carried at cost. Costs assigned to equipment and leasehold improvements of the acquired business are based on estimated fair values at the date of acquisition. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets, or term of the lease, whichever is shorter. Major renewals and improvements are capitalized, while maintenance and repairs, which do not improve or extend the useful life of the respective assets, are charged against current operations. Refer to Note 4.

FOMENTO

ESTADO LIBRE ASOCIADO DE PUERTO RICO
Compañía de Fomento Industrial

18 de octubre de 2005

Dr. Jorge Laboy Bruno

PC: Sr. José A. Rodríguez Martínez

Sr. Frank Bayrón Vigó

Juan Ramos Aponte

CCL INSERTCO DE PUERTO RICO, INC.
REACTIVACIÓN NEGOCIO NO LOCAL (RP-NL)
SAN GERMÁN, PUERTO RICO

SSP: 391813266

Le referimos el expediente de la empresa en la referencia para su evaluación y correspondiente crédito promocional de una reactivación de un negocio de manufactura no local de 95 empleos. La empresa se dedica a la manufactura de etiquetas, principalmente para la industria farmacéutica.

"Lucas Intsertco Pharmaceutical Printing" era una subsidiaria de "The John D. Lucas Printing Co.", de Baltimore, Maryland. Como le ha sucedido a muchas empresas, la globalización de la economía la colocó en una situación en que necesitaba llevar a cabo cambios sustanciales en sus operaciones, lo cual requería una inyección de capital que no tenían. Ante las opciones de la empresa, surgió la alternativa de venderla. La misma fue adquirida por "CCL Label", una empresa de origen canadiense con oficinas corporativas también en "South Dakota". La empresa fue adquirida por "CCL LABEL" en septiembre de 2003. Se estaba trabajando con ellos desde antes de ocurrir la adquisición, pero debido a situaciones imprevistas, tanto en PRIDCO como en las empresas, no es hasta este momento en que se logra que sometan los documentos necesarios para procesar la promoción del proyecto.

El proyecto se va a promover como un rescate (RP), ya que cumple con los requisitos para ello. Las operaciones se continuarán llevando a cabo en el edificio que ocupan actualmente.

Los datos más importantes del proyecto son los siguientes:

Nombre empresa local	:	**CCL INSERTCO DE PUERTO RICO, INC.**
Representante local	:	Luis D. Pérez, Gerente de Planta
Dirección postal local	:	Box 377 San Germán, PR 00683
Teléfono local	:	(787) 892-1268
Fax local	:	(787) 892-4112
Nombre firma matriz	:	CCL Label, Inc.
Dirección firma matriz	:	161 Worcenter Road Suite 41 Framinghan, MA
Certificado incorporación	:	9,481
Fecha de incorporación	:	9 de septiembre de 2003
Seguro social patronal	:	391813266
Edificio	:	S-0551-0-60 & S-0551-1-63
Área edificios	:	22,523.79 pc; 15,368.14 pc
Área total	:	37,891.93 pc
Lotes	:	4/6
Área Lotes	:	2.1000 cuerdas
Localización	:	Parque Industrial El Retiro San Germán, PR
Producto	:	Etiquetas impresas
SIC	:	2759
Empleos base	:	0
Empleo (RP)	:	95
Nomina anual estimada	:	$2,168,434.00
Inversión M & E	:	$1,200,000.00
Conglomerado	:	Ninguno
Polo	:	Oeste

Se está sometiendo un expediente similar a la Oficina de Bienes Raíces solicitando se prepare un ***Contrato de Arrendamiento en Inglés***, para el edificio S-0551-0-60 & S-0551-1-63. En este momento no se están recomendando incentivos, pero se hará más adelante, cuando se completen las negociaciones entre la empresa y PRIDCO.

PRIDCO
PRO-001
R-02-04

COMPAÑÍA DE FOMENTO INDUSTRIAL DE PUERTO RICO
San Juan, Puerto Rico

EVALUACION DE PROYECTOS DE PROMOCION

Nombre del Proyecto CCL INSERTCO PUERTO RICO, INC. SSP 3911813266
Promotor ☒ PR JUAN RAMOS APONTE ☐ EU N/A ☐ INTERNACIONAL N/A
Clas. RP-M Origen NL Fecha de Promoción Mayo 2006
Dirección Física Parque Industrial El Retiro San Germán, PR Polo: Oeste
Dirección Postal Box 377 San Germán, PR 00683
Producto (s) Etiquetas Conglomerado N/A Mercado 100% Local
Número Certificado de Incorporación 9,481 Fecha de Inc. 9/sept./2003 SIC (s) 2759 Tel. 787-892-1268
Nombre y Dirección de Firma Matriz Accionistas NAICS 323115 NL
CCL Label, Inc.
Framinghan, MA

Edificio ☐ Privado ☐ Propio Area p/c ☒ Existente ☐ A construirse
CFI (Núm.) S-0 551-0-60 / S-0551-1-63 Actual 37,891.93
Fecha Firma Contrato Propuesta 0
Total 37,891.93 Historial de Pago CFI N/A
Empleo Comprometido 95 Empleo Base (XT) 0

Empleo Propuesto – 6 Meses	50	Nómina Propuesta – 18 Meses	$2,168,434.
Empleo Propuesto – 12 Meses	95	Salario Mínimo/Hora	$5.25
Empleo Propuesto – 18 ó 24 Meses	95	Nómina Anual Actual (Casos XT)	N/A
Empleo Actual (Casos XT)	N/A		

Inversión Requerida	Actual (Casos XT)	Propuesta	Total	Niveles Anteriores (XT)	
Maquinaria y Equipo	N/A	$1,200,000.	$1,200,000.	Empleo	N/A
Capital de Operaciones	N/A	———	———	Inversión M & E	N/A
Total	N/A	$1,200,000.	$1,200,000.		

Datos Financieros

Activos Corrientes	$1,688,598.	Fecha	30 de noviembre de 2003
Activos Fijos	$1,569,232.	Certificado	☒ Notarizado ☐
Otros Activos	$38,267.	Ventas	$5,395,665.
Total Activos	$3,323,097.	Ganancias	$731,153.
Total Pasivos	$1,137,320.	Capital	$2,185,777.

Incentivos Recomendados

Localización
- Primeros 30 empleos
- Adicionales hasta 100
- Restantes
- Básicos
- Otros
- Total
- Cantidad que cualifica
- Incentivos / Empleos

Infraestructura

Incentivos Especiales
- Total

Historial de Incentivos Recibidos

Localización
- Cantidad Aprobada
- Cantidad Desembolsada

Infraestructura
- Cantidad Aprobada
- Cantidad Desembolsada

Otros
- Cantidad Aprobada
- Cantidad Desembolsada

Adiestramiento
- Wia - Cantidad
- Empleos

Pan Y Trabajo
- Cantidad
- Empleos

Usos

Comentarios y/o Justificación: Los incentivos se recomendarán posteriormente cuando se completen las negociaciones entre la empresa y PRIDCO.

RECOMENDADO

Juan Ramos Aponte — 10-18-2005
Representante de Promoción — Fecha

Frank Bayrón Vigó — 10-18-2005
Director Auxiliar, Oficina Promoción de industrias — Fecha

EVALUADO

Dr. Jorge Labov Bruno — 11-01-05
Subdirector Ejecutivo
Area de Análisis Económico y Planificación Estratégica — Fecha

APROBADO

Lic. José L. Ramírez Irizarry
Subdirector Ejecutivo Senior

ÁREA DE ANÁLISIS ECONÓMICO Y PLANIFICACIÓN ESTRATÉGICA
UNIDAD DE INCENTIVOS ESPECIALES
INFORME DE DATOS DE LOS PROYECTOS PROMOVIDOS

Fecha de Evaluación: 28 de octubre de 2005 **Fecha de Promoción:** Mayo de 2006

Nombre del Proyecto: CCL Insertco de Puerto Rico, Inc. **SSP:** 39-11813266

Clasificación: NB, AB, XT, RP, NM **Origen Inversión: Local:** ___ **Continental:** X **Extranjera:**

Forma de Organización: Corporación

Incorp. bajo las leyes de (en caso de CFC's) _____
Cooperativa: _____
Producto: **Español:** Etiquetas
Inglés: Lables

SIC: 2759 NAICS: 323115

Empleo Comp: 95 **Nómina Anual:** $2,168,434 **Inversión Maq. y Equipo:** $1,200,000
6 meses: 50
12 meses: 95
18 meses: 95
24 meses: ____
36 meses: ____
Base (XT):

Subcontratación: Sí No ( ) **Farmacéuticas** ( ) **Otros:** _____
( ) **Departamento de la Defensa de Estados Unidos**

Dirección Física: Urb. Industrial El Retiro Carr. 102 Km. 32.3
Municipio: San Germán **Zip Code:** 00683 **Tel:** (787)892-1268 **Fax:**
Dirección Postal: PO Box 377 **Tel:**
Municipio: San Germán **Zip Code:** 00683

Nombre de la Firma Matriz: CCL Label, Inc.
Dirección: 161 Worcester Road **Ciudad:** Framingham **Estado:** MA **País:** USA
Zip Code: 01701 **Accionistas:**

Edificio: CFI X **Privado** ____ **Edificio Subarrendado a:** _____
Número de Edificio: S-0551-0-60 / S-0551-1-63 **Área:** 37,891.93 p/c **Existente:** X

RP de (ID Firma): ____ **Empresa Rescatada:** CCL Insertco de Puerto Rico, Inc.

Incentivos Recomendados:
Básicos: _____ **Localización:** _____ **Total (Básicos +Loc.):** _____ **RP:**

Promotor: Sr. Juan Ramos Aponte
Área: Ind. Continentales
Aprobado por: Lcdo. José L. Ramírez

Evaluado por: Sra. Patricia Castañeda
Ofna. de San Juan : Especialista
Preparado por: Sr. Edgardo Rodríguez
Economista

Comentarios: _____
_____
_____

FOMENTO

ESTADO LIBRE ASOCIADO DE PUERTO RICO
Compañía de Fomento Industrial

le 2005

amírez Irizarry

EVALUACIÓN PROMOCIONAL
CCL INSERTCO DE PUERTO RICO, INC.
(RP-AB / NO-LOCAL)
SAN GERMÁN, PUERTO RICO **SSP: 39-11813266**

El Área de Análisis Económico y Planificación Estratégica presenta a su consideración la evaluación promocional del proyecto CCL Insertco de Puerto Rico, Inc.

Según el Área de Industrias Continentales e Internacionales, el proyecto se clasifica como una Reactivación - Negocio Adicional (RP-AB) de origen no-local. Se dedicará a la manufactura de etiquetas, principalmente para la industria farmacéutica. Se compromete a mantener 95 empleos, en tres turnos de trabajo, con una nómina propuesta a 18 meses de $2,168,434 y una inversión en maquinaria y equipo de $1,200,000. Las operaciones se llevarán a cabo en los edificios S-0551-0-60 y S-0551-1-63, ubicados en la Urb. Industrial El Retiro, del municipio de San Germán. Los mismos son propiedad de la CFI y tienen un área total de 37,892 (22,524 y 15,368) pies cuadrados.

La empresa rescatada es Lucas Insertco Pharmaceutical Printing Co. of Puerto Rico, una subsidiaria de John D. Lucas Printing Co., de Baltimore, Maryland. La operación requería una inversión sustancial de capital para cumplir con los requerimientos del FDA, por lo que se decidió vender a CCL Label, Inc., en julio de 2003. CCL Labels ubicada en Framingham, en el Estado de Massachusetts, es la matriz de la empresa CCL Insertco de Puerto Rico, Inc., que endosamos para promoción en este informe. CCL Label, Inc. tiene otra subsidiaria, que opera en el municipio de Cidra, con el nombre de CCL Label Puerto Rico, Inc. Por estas razones, el proyecto es un RP-AB, de origen Continental.

Es importante mencionar que aunque la transacción de compraventa se llevó a cabo en el 2003, el Gerente de Proyectos indica que se estaba trabajando con ellos desde antes de ocurrir la adquisición. Sin embargo, debido a situaciones improvistas, tanto en PRIDCO como en la empresa, no es hasta ahora que se logra presentar los documentos necesarios para el trámite de la promoción.

Recomendamos la promoción de este proyecto basados en las Normas para el Programa de Incentivos Especiales, según revisadas y certificadas el 14 de diciembre de 1999. Los incentivos se recomendarán próximamente cuando terminen las negociaciones entre la empresa y PRIDCO.

Dr. Jorge Laboy Bruno

Aprobado: _____
Lcdo. José L. Ramírez Irizarry
Subdirector Ejecutivo Senior

Entity Detail File Annual Report Statement of Change Forms

Name	**CCL LABEL/SIOUX FALLS, INC.** Obtain a Certificate of Good Standing
Corporate ID	**DB031810**
Incorporation/Qualification Date	**5/29/1992**
Home State	**SOUTH DAKOTA**
Status	**Good Standing**
Last Annual Report	**2015**
Corporation Type	**Domestic Business**
Stock Info	**1,000 CM @ $1.00**

Registered Agent Documents Officers

Registered Agent Name & Address

CORPORATION SERVICE COMPANY
503 SOUTH PIERRE STREET
PIERRE, SD 575014522

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
P. O. BOX 362350
SAN JUAN, PUERTO RICO 00936-2350

LEASE AGREEMENT
(Basic Plant)

between

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY

as Landlord

and

CCL INSERTCO PUERTO RICO, INC.

As Tenant

PROJECT NO.: S-0551-0-60 & Ext.
LOCATION: SAN GERMAN, PUERTO RICO

#2006-001321
12jan-06

I-2900

ARTICLE I
BASIC TERMS OF LEASE

The following sections set forth basic information referred to in this Lease Agreement and, where appropriate, constitute definitions of the terms hereinafter listed.

1.01 LANDLORD: **Puerto Rico Industrial Development Company (PRIDCO).**

1.02 (a) LANDLORD'S POSTAL ADDRESS: P.O. Box 362350
San Juan, P.R. 00936-2350
Attn.: Real Estate Office

(b) LANDLORD'S PHYSICAL ADDRESS: 355 F.D. Roosevelt Avenue
Hato Rey, Puerto Rico 00918
Telephone: (787) 758-4747
Fax: (787) 764-3791

1.03 (a) TENANT: CCL INSERTCO PUERTO RICO, INC.

(b) TENANT'S TRADE NAME: CCL INSERTCO PUERTO RICO, INC.

1.04 (a) TENANT'S POSTAL ADDRESS:

Sr. Luis D. Pérez
P O Box 377
San Germán, P. R. 00683
Tel.: (787) 892-1268

Parent Company
CCL Label, Inc.
161 Worcenter Rood
Framinghon, MA

1.05 TENANT'S EMPLOYER IDENTIFICATION NO. 391813266.

1.06 **LEASED PREMISES: Project No. S-0551-0-60 & Ext.**, consisting of a parcel of land and a building constructed thereon, which shall be fully described in Attachment A to this Lease Agreement, thereon having a gross construction area of 37,891.93 sq. ft. (the **"Building"**), located in SAN GERMAN, Puerto Rico. The Leased Premises include the special facilities, if any, that will described in Attachment A. For purposes of this Lease Agreement, the Building's gross construction area includes, without limitation, bathrooms, ramps, access stairs, loading docks, exterior shelters, corridors between buildings or structures and other roofed structures on the parcel of land, as described in described in Attachment A. Should the Leased Premises consist of various projects, the term "Building" shall be construed to include each and all of the buildings described in described in Attachment A to this Lease Contract.

Additional Parcel. Should LANDLORD lease to TENANT a parcel of land in addition to the Leased Premises to be used as a parking facility for the Leased Premises, this additional parcel of land shall appear described in Attachment B hereto (the "Additional Parcel"). Said Attachment B contains the rental amount and the terms and conditions under which the Additional Parcel will be leased to TENANT. TENANT shall, upon receiving possession of the Additional Parcel, execute and deliver to LANDLORD a certificate of delivery for the Additional Parcel in form similar to Attachment C to this Lease Agreement.

Additional/New Premises. Should the growth in the TENANT's business activities require the use of either additional parcels or new PRIDCO parcels of land and building, LANDLORD and TENANT agree to negotiate a new lease for this additional space

Initials

LPK
QCW

requirement. If this negotiation results in a move of its whole operations to a new PRIDCO location, this lease may be terminated without penalty as agreed by LANDLORD and TENANT.

1.07 **PERMITTED USE:** The Leased Premises shall be used exclusively for the manufacture of: **"LABELS" – SIC #: 2759.**

1.08 **INVESTMENT AND EMPLOYMENT LEVELS:** The minimum level of Investment and number of Employees that TENANT is required to have for its operations at the Leased Premises, as defined in Section 4.02(c) of this Lease Agreement. TENANT will be required to maintain the following levels:

(a) Capitalization	$ N/A
(b) Machinery and Equipment	$ 1,200,000
(c) Employees	95

As used in this Lease Agreement, the term "capitalization" includes the stream of total value ("equity") of the owner (preferred stock, common stock and surplus) plus long-term debt. Amortization of the long-term debt will not reduce the amount originally established as the minimum capitalization amount.

1.09 **LEASE TERM:** TENANT shall hold the Premises for a period of **TEN (10)** years, plus one (1) additional renewal period of Ten (10) years. The term shall commence on the date of execution of this Contract. Renewals shall take effect automatically upon the expiration of the term then in force, unless one of the parties hereto, no later than one hundred eighty (180) days before the expiration of such term, notifies the other party of its intention to terminate the lease upon conclusion of the term then in force.

1.10 **YEAR:** "Year" shall mean 365 consecutive days unless the year in question is a leap year, in such case the term "Year" shall mean 366 consecutive days.

1.11 **DATE OF DELIVERY OF POSSESSION:** Tenant's obligation to pay Basic Rent hereunder shall commence on the Date of Delivery of Possession..

1.12 **RENT COMMENCEMENT DATE:** The date on which Tenant's obligation to pay Basic Rent commences, which shall occur on and coincide with the Date of Delivery of Possession. **TENANT shall pay rent beginning on the date of commencement of the term.**

1.13 **BASIC RENT:** TENANT shall pay rent as follows:

Months	Square Feet	Rate per Sq. Ft.	Monthly Installments	Annual Rent
1 to 5	37,891.93	$3.00	$9,472.98	$113,675.76
6 to 10	37,891.93	$3.45	$10,893.93	$130,727.16

Renewal - The Basic Rent for a renewal period shall be the prevailing lease rate charged by Landlord at the time of the renewal for similar properties in the zone in which the Leased Premises are located.

Tenant's obligation to pay Basic Rent shall commence on the date set forth in Section 1.12 of this Lease Agreement.

1.14 **SECURITY DEPOSIT:** A sum equivalent to the aggregate of i) the payment(s), below identified as "Reservation Payment", made by Tenant prior to the execution of this Lease Agreement to reserve the Leased Premises and ii) the amount below identified as the

Initials

LPR QCW

"Security Deposit Balance", which amount is the remaining balance to complete the security deposit required under Section 6.01 of this Lease Agreement.

Previous Deposit $8,266.70 Cash Receipt No. 135179 Date 8-15-1995
Security Deposit Balance $5,374.39 Cash Receipt No. 163859 Date 6/1/06 AR

Total Security Deposit $13,641.09

The required Security Deposit Balance shall be made payable with a Manager's or Official Certified Bank Check and delivered by TENANT together with this Lease Agreement.

1.15 **GUARANTOR:** N/A

1.16 **EFFECT OF REFERENCE TO A DEFINED TERM IN ARTICLE I.** Each of the defined terms used in Article I shall be construed in conjunction with the definition thereof contained in this Lease Agreement. In the event of any conflict between the defined term and the balance of the Lease Agreement, the latter shall prevail.

1.17 **ATTACHMENTS.** The following marked attachments are incorporated in this Lease Agreement by reference as if set forth at length herein and form an integral part hereof:

[x] **Attachment A - Description of Leased Premises**
[ ] **Attachment B - Lease of Additional Parcel**
[ ] **Attachment C - Certificate of Delivery of Leased Parcel**
[ ] **Attachment D - Certificate of Delivery of Keys**
[ ] **Attachment E - Work to be Performed by Tenant**
[ ] **Attachment F - Notice of Delivery of Possession**
[ ] **Attachment G - Form of Lease Guaranty**
[ ] **Attachment H - List of Improvements (Deficiencies)**
[ ] **Attachment I - Acknowledgment of Flood Zone**
[ ] **Attachment J - Disaster Impact Quantification Form**
[x] **Attachment K – Additional Clauses**

ARTICLE II
TITLE, AUTHORITY AND DEMISE

2.01 Title and Authority. Landlord is the owner of the property described in Attachment A hereto and, in such capacity, has full right and lawful authority to lease said property to Tenant and to grant to Tenant all the rights pertaining thereto, subject to the liens, encumbrances and restrictions which may affect it, if any, and the terms and conditions of this Lease Agreement and of its attachments.

2.02 Demise. Subject to the terms, covenants and conditions of this Lease Agreement, Landlord leases the property described in Attachment A (the "Leased Premises") to Tenant, and Tenant accepts same.

ARTICLE III
LEASE TERM AND POSSESSION

3.01 Term. The term of this Lease Agreement (hereinafter the "Term") shall commence on the Date of Delivery of Possession (as defined in Section 1.11 hereof) and shall expire on the last day of the Lease Term (including any possible extension as per Section 1.09 hereof), unless earlier terminated in accordance with the provisions of Article XVIII of this Lease Agreement.

Initials

LPK
AA

3.02 **Delivery of Possession of Leased Premises.** The exact date on which the Leased Premises shall be delivered to Tenant shall either be set forth in Section 1.11 of this Lease Agreement or attested to in writing by Landlord and Tenant in a document in form substantially similar to Attachment D of this Lease Agreement (the "Certificate of Delivery of Keys").

ARTICLE IV
USE OF THE LEASED PREMISES, RESTRICTIONS AND OPERATIONAL REQUIREMENTS

4.01 **Use of Leased Premises.** (a) Authorized Use. Tenant shall use and occupy the Leased Premises solely and exclusively as authorized in Section 1.07 of this Lease Agreement. Any change in the authorized use must be previously approved in writing by Landlord.

(b) Restrictions. Landlord reserves exclusively to itself the air rights over any building or structure forming part of Leased Premises, for any purpose.

4.02 **Ongoing Operation; Employment.**

(a) Purpose. Tenant acknowledges that this Lease Agreement is entered into in furtherance of the Government of Puerto Rico's economic and industrial development plan. Accordingly, strict compliance with the provisions of this Section 4.02 is a paramount and indispensable requirement of this Lease Agreement.

(b) Interruption of Operations. In accordance with the previous paragraph, Tenant shall use all reasonable efforts to maintain uninterrupted its warehouse at the Leased Premises. However, nothing contained in this section shall be deemed to require Tenant to conduct its operations in any other way than in compliance with sound business principles. The temporary shutdown or interruption of the warehouse for reasonable cause shall not constitute a breach of this Lease Agreement if Tenant has satisfied the following conditions:

(i) Tenant shall notify Landlord in writing of any interruption or temporary shutdown of its warehouse at least seven (7) days prior to the scheduled occurrence thereof, except in the event of an emergency interruption or shut down, in which case notice shall be given as quickly as possible but not later than the next business day;

(ii) the interruption or temporary shutdown of its warehouse shall not last for more than three (3) consecutive months; and

(iii) during the period of interruption or temporary shutdown of its warehouse, Tenant shall observe and comply with all the terms, conditions and obligations of this Lease Agreement, including, but not limited to, the payment of Rent (Basic and Additional) and the maintenance of the Leased Premises.

ARTICLE V
RENT

5.01 **Basic Rent.** As of the Rent Commencement Date set forth in Section 1.12 hereof, Tenant shall pay to Landlord the Basic Rent specified in Section 1.13 of this Lease Agreement. The Basic Rent for any renewal period shall be the prevailing lease rate charged by Landlord at the time of the renewal period for similar properties in the zone in which the Leased Premises are located; provided, however, that the Basic Rent for a renewal period shall not be less than that of the preceeding lease period. Tenant shall pay the Basic Rent in monthly installments in the amount indicated in Section 1.13 in advance on or before

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the first day of each calendar month (the "Monthly Rent"); provided, however, that if the Rent Commencement Date does not fall on the first day of a calendar month, the rent for the initial partial month shall be prorated based on a 30 day month and included with the first payment of Monthly Rent due the first day of the first full calendar month following the Rent Commencement Date.

5.02 **Additional Rent**. Any amount Tenant is obligated to pay or reimburse Landlord under this Lease Agreement that is not Basic Rent shall be considered to be Additional Rent.

5.03 **Payment Method**. The Basic Rent and the Additional Rent (hereinafter collectively, the "Rent") shall be paid in legal currency of the United States of America. Any payment or charge identified in this Lease Agreement as Additional Rent shall be made on or before the first day of the month following the date the request for payment was sent by Landlord to Tenant. All Rent shall be remitted to Landlord, delivered either personally or by mail to the address indicated in Section 1.02 of this Lease Agreement, or to any other address that Landlord may from time to time notify to Tenant, it being Tenant's duty to take the necessary measures and precautions to ensure that the Rent is received by Landlord on or before its due date. The payment of Rent is separate from any other agreement or obligation contained in this Lease Agreement, and shall be paid without the need of previous request or notice by Landlord, without set off, adjustment or abatement of any kind, except as otherwise provided for herein. Landlord may demand at any time that Rent payments be made by a manager's or official bank check.

ARTICLE VI
SECURITY DEPOSIT

6.01 **Security Deposit**. Simultaneously with the execution of this Lease Agreement, Tenant shall deliver to Landlord a manager's or official bank check, for the amount specified in Section 1.14 of this Lease Agreement (the "Security Deposit"), to guarantee the faithful performance of each and every one of Tenant's obligations, including, but not limited to, the payment of all the Basic Rent, any other expenditure Tenant is responsible for hereunder, and the surrender of the Leased Premises upon expiration of the Term, or at the termination of this Lease Agreement, in the condition and good order required by Article XIX of this Lease Agreement. Tenant shall not have the right to receive interest on the Security Deposit.

6.02 **Use of Security Deposit**. Landlord may use all or part of the Security Deposit at any time to cover any payment (including Rent) or expense that, according to the terms and conditions of this Lease Agreement, is Tenant's responsibility. Should it become necessary for Landlord to use the Security Deposit as a result of a default or violation of the Lease Agreement by Tenant, Tenant must replace the amount used by Landlord within fifteen (15) days of a written demand therefor by Landlord.

6.03 **Surrender of Security Deposit**. Upon termination of this Lease Agreement, Tenant shall request in writing the Security Deposit (or the remaining balance after use by Landlord to cover any payment (including Rent) or other allowable expense under this Lease Agreement) after Landlord (i) has inspected the Leased Premises; (ii) confirms that the Leased Premises have been surrendered according to Article XIX and the other pertinent terms and conditions of this Lease Agreement; and (iii) determines that no environmental deficiencies exist which are attributable to or a consequence of the operations of Tenant at the Leased Premises.

6.04 **Transfer of Security Deposit**. In the event of sale, assignment or transfer of the Leased Premises by Landlord to a third party, Landlord shall be entitled to transfer the Security Deposit to its successor, who shall thereafter be solely and exclusively liable for the return of the Security Deposit, and Landlord shall be released upon said transfer from any claim or liability towards Tenant regarding the Security Deposit or its return upon termination of this Lease Agreement.

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ARTICLE VII
ALTERATIONS AND IMPROVEMENTS

7.01 **General Provisions.** Except for the repairs and improvements, if any, Tenant is to make to the Leased Premises according to Attachment E hereto, Tenant takes possession of the Leased Premises, and the special facilities described in Attachment A, if any, in their present "as is" condition and acknowledges that said property is in good state of repair.

7.02 **Alterations and Improvements.** Except for the work described in Attachment E hereto, if any, for which Landlord has agreed to reimburse Tenant, all alterations, changes, additions or improvements necessary for the Leased Premises to be used for the purposes set forth in Section 1.07 of this Lease Agreement, shall be paid for by Tenant. Tenant shall make no alterations, changes, additions or improvements without Landlord's prior written consent except for the work described in Attachment E, if any, which Landlord expressly authorizes Tenant to undertake.

7.03 **Air Conditioning; Electric Power Generator.** It is hereby agreed and understood that TENANT, at its own cost and expense, shall install an air conditioning system in the demised premises, in the event TENANT needs to use and/or install it in his process. Such air conditioning system shall be considered as a special facility from LANDLORD, and it shall be installed in coordination with LANDLORD'S Engineering and Maintenance Departments.

7.04 **Sprinkler System.** Tenant shall implement the necessary security measures to avoid or reduce the risk of fire due to the storage of flammable materials or products. If required by law, Tenant shall install a sprinkler system at its own cost and expense. It shall be Tenant's obligation to obtain the necessary endorsements and/or approvals of the Puerto Rico Fire Department for such installation.

7.05 **Floor Load.** Tenant acknowledges having been informed by Landlord that the Building's maximum sustainable floor load is one hundred and fifty (150) pounds per square foot. In the event that the type of raw material, finished products to be stored and/or utilized in the Building by Tenant for its warehouse exceeds said maximum floor load limit, Tenant shall, at its own expense, make the necessary improvements to the Building which will allow the Building floor to sustain the maximum load required by Tenant's operations without affecting or damaging the strength or stability of the Building.

7.06 **Liens and Encumbrances.** (a) Tenant may not create nor allow the filing of any lien against the Leased Premises.

(b) Tenant certifies and guarantees that all materials used in or for any construction or work in the Leased Premises shall be free of liens and encumbrances at the time said materials are incorporated into the Leased Premises. At the time the construction or work begins, Tenant shall certify to Landlord that the materials to be used are free of liens and encumbrances.

(c) Tenant shall immediately notify Landlord regarding any lien or attachment on materials or supplies used in construction or work at the Leased Premises which become incorporated into the Leased Premises. Should an attachment be placed upon the Leased Premises or any other type of lien be created that may directly or indirectly affect the Leased Premises, Tenant will quickly take any action, including payment of the amount claimed, necessary to cancel said attachment or lien and release the Leased Premises from the lien in a term not greater than thirty (30) days from the date that the

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lien is filed. Should the lien not be canceled within the period provided above, in addition to any other rights or remedies available to Landlord, Landlord may, but is not obligated to, obtain the cancellation of the lien by making payment of the amount claimed, by posting of a bond for the amount of the lien, or by any other procedure that Landlord deems appropriate; and any expense incurred in said effort, including attorneys' fees incurred by Landlord, shall be paid by Tenant as Additional Rent.

7.07 **Ownership of Improvements; Surrender.** (a) Unless the parties agree otherwise, upon termination of the Lease Agreement, all alterations, changes, additions, or improvements made by Tenant to the Leased Premises with incentives, credits, or other economic assistance from Landlord shall be deemed incorporated into the Leased Premises and therefore property of Landlord, with no rights of Tenant to any compensation or reimbursement therefore by Landlord. Landlord may require Tenant to remove, at Tenant's expense, any or all such alterations, changes, additions, or improvements upon termination of the Lease Agreement.

(b) Upon termination of the Lease Agreement, Tenant, unless specifically permitted by Landlord, shall remove, at Tenant's expense, those improvements i) installed by Tenant in the Leased Premises at Tenant's cost and expense, or ii) described on Attachment H hereto, installed by a prior tenant and whose ownership was accepted by Tenant, or iii) not identified as special facilities on Attachment A.

(c) Tenant, after removal of any alterations, changes, additions or improvements, shall restore the Leased Premises to a condition reasonably similar to their condition when delivered to Tenant.

7.08 **Plans and Specifications.** Should Tenant request the consent of Landlord to effect any alteration, change, addition, or improvement, Landlord may, at its option and in its discretion, require Tenant to submit to Landlord for approval plans and specifications for the proposed work, including such work, if any, as described in Attachment E. Said plans and specifications must be submitted and approved by the pertinent governmental entities prior to Tenant's commencement of any work.

ARTICLE VIII
MAINTENANCE AND REPAIRS

8.01 **Tenant's Duties and Responsibilities.** (a) Except for those repairs that according to Section 8.02 hereof are Landlord's responsibility, Tenant shall maintain in good condition, at its own cost and expense, the Leased Premises, with all improvements including, but not limited to, the exterior premises, the Building, the special facilities, stairs, elevators, ramps, sidewalks, curbs, roads, landscaping, the ground and underground of the Leased Premises, and the pipes, lines, cables or ducts and other utility connections that service the Leased Premises. Any repair to the Leased Premises is Tenant's responsibility, unless said repair is necessary as a consequence of the negligence or some intentional act of Landlord, its agents, employees or contractors. As appropriate, Tenant shall (i) repair or replace doors, windows and their frames; the electrical system; the air conditioning and/or ventilation system; the plumbing, sanitary and sewage systems as well as the equipment, machinery, facilities or objects within the Leased Premises or that form part of the Leased Premises with the same type and quality; and (ii) paint the interior and exterior of the Building.

(b) Tenant shall also maintain the Leased Premises and its surroundings free of insects, rodents and pests; (ii) free of garbage, refuse, debris and any other solid waste; and (iii) free from unpleasant or offensive odors. Moreover, Tenant shall maintain the drainage and sewer systems of the Leased Premises free from obstructions.

(c) If Tenant fails to make any repair or if any repair is performed in an unsatisfactory manner, or if equipment is not replaced when necessary, Landlord may, but is not obligated to, undertake any such repair or replacement. Tenant shall reimburse

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Landlord for all costs incurred in any such repair or replacement plus an additional thirty percent (30%) of the cost of any such repair or replacement in order to cover Landlord's administrative costs. Any such costs reimbursed by Tenant including the additional percentage charge established above shall be considered Additional Rent, and as such, shall be paid within the period provided in Article V of this Lease Agreement. Tenant shall hold Landlord harmless from any damage or inconvenience suffered by Tenant as a consequence of any repairs performed by Landlord as provided in this paragraph, and Tenant shall have no rights of adjustment or reduction in Rent in connection therewith.

(d) Tenant shall perform all maintenance work necessary to ensure that all its warehouse fully comply with the applicable fire prevention standards and environmental requirements, legal or regulatory.

(e) The provisions of this Section 8.01 shall not be applicable in the case of damage or destruction resulting from fire or any other event covered by Article XIII of this Lease Agreement.

8.02 **Landlord's Duties and Responsibilities.** Landlord shall be solely and exclusively responsible for any necessary repairs or restorations due to defects in the design of the Building or construction defects thereof, not apparent at the moment Tenant inspected the Leased Premises prior to occupancy. Except as provided in this Section 8.02, Landlord shall not be responsible for any repair, replacement or improvement to the Leased Premises or to equipment, machinery, facilities, furniture or any other object within the Leased Premises, all of which shall be the responsibility of Tenant as provided in Section 8.01 of this Lease Agreement.

8.03 **Roof Care and Maintenance.** Tenant shall not, without the previous written consent of Landlord: (i) place any fixture, equipment or other load on the roof of the Building; (ii) perforate the Building's roof; or (iii) use the roof of the Building for storage. Tenant shall take all necessary measures to maintain the roof's drainage system free from obstructions and in good and working condition at all times. Prior to undertaking any repairs to the Building's roof, Tenant shall submit in writing to Landlord a detailed description of the work to be performed and provide any other pertinent information related to said repairs Landlord may request, provided however, that Landlord shall be responsible to repair and correct any leaks whatsoever on the roof.

ARTICLE IX
PUBLIC UTILITIES

9.01 **Tenant's Duties and Responsibilities.** Tenant shall pay for the cost of electricity, water, gas, telephone and any other utility service to the Leased Premises during the Term of this Lease Agreement, including the period of time, if any, between the Date of Delivery of Possession and the Rent Commencement Date. Tenant shall request and coordinate the installation of metering devices and other mechanisms or systems necessary to obtain the various utility services for the Leased Premises, and shall be liable for any deposit and/or installation charge required by the corresponding agency or utility company.

9.02 **Service Interruption.** Tenant shall not make adjustments to the Rent nor hold Landlord liable for any utility service interruption to the Leased Premises or for damages suffered as a consequence of any interruption.

9.03 **Water Supply.** (a) Should Tenant require water volume and/or water pressure greater than that existing in the area of the Leased Premises, the construction and/or installation of any improvements (including structures), that are necessary, convenient or required by the Puerto Rico Aqueduct and Sewer Authority (hereinafter "PRASA") to increase said volume and/or pressure, shall be made at Tenant's own expense and coordinated with

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Landlord, but without any right to reimbursement from Landlord for any such improvements.

(b) Should PRASA require improvements to the Leased Premises' water main connection, Tenant shall perform the corresponding improvements at its own expense, and only after written approval has been given by Landlord, which shall not be unreasonably withheld.

ARTICLE X
QUIET ENJOYMENT

10.01 **Quiet Enjoyment.** Upon Tenant's payment of Rent and observance of all other terms, covenants and conditions of this Lease Agreement that are to be observed and performed by Tenant, Landlord covenants that Tenant may peaceably and quietly enjoy the Leased Premises, during the Term, or until the termination of the Lease Agreement in accordance with Article XVIII.

ARTICLE XI
TAXES, ASSESSMENTS AND DUTIES

11.01 **Taxes, Assessments and Duties.** Tenant shall be liable for the payment of all taxes, assessments, duties or any other tax levied by any government entity having taxing authority over real property, personal property, and/or the activities directly or indirectly related to Tenant's warehouse at the Leased Premises, including, but not limited to, personal property taxes on equipment and machinery located at the Leased Premises. Tenant shall pay these taxes, assessments, and duties before their due date.

ARTICLE XII
ENVIRONMENTAL

12.01 **Governmental Regulations and Environmental Protection.** Tenant shall comply with all laws, rules, regulations, executive orders, administrative orders and requirements of local and federal governmental agencies having jurisdiction over Tenant's warehouse at the Leased Premises. Upon request by Landlord, Tenant shall submit evidence of said compliance and of any permits, and agency endorsements such as, but not limited to:

(i) the Puerto Rico Fire Department;
(ii) the Puerto Rico Department of Health;
(iii) the U.S. Food and Drug Administration (FDA);
(iv) the Puerto Rico Occupational Safety and Health Office (PROSHO);
(v) the Puerto Rico Environmental Quality Board (EQB);
(vi) the U.S. Environmental Protection Agency (EPA);
(vii) the Puerto Rico Aqueduct and Sewer Authority (PRASA);
(viii) the Puerto Rico Natural and Environmental Resources Department (DNER);
(ix) the Regulations and Permits Administration (ARPE);
(x) the Puerto Rico Planning Board.
(xi) the Solid Waste Administration
(xii) the pertinent Municipal Government

Tenant shall maintain the Leased Premises and conduct its warehouse thereat in compliance with the terms, conditions, and requirements specified in i) the Environmental Impact Statement, or any other document prepared for the evaluation of environmental aspects of its operations at the Leased Premises; and ii) the permits issued by the governmental agencies with jurisdiction over the warehouse at the Leased Premises.

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Tenant, at its own cost and expense, shall install on the Leased Premises the necessary equipment to prevent its warehouse from affecting adversely the environmental integrity of the Leased Premises, or causing any disturbance to the adjacent properties or to the community in general.

Any improvements or installation of equipment for pollution controls required by any agency or governmental entity having jurisdiction thereof shall be at Tenant's expense and subject to Article VII of this Lease Agreement. Tenant shall also comply with the following permits and regulations, without limitation of any other applicable environmental requirements:

(a) Wells. Landlord will not allow the drilling of a water well at the Leased Premises unless Tenant's warehouse at the Leased Premises requires a volume of water greater than that which PRASA can supply. In such case Tenant will obtain a construction permit and a franchise from the Department of Natural and Environmental Resources to drill such well and to extract water therefrom. For any other type of well (i.e., monitoring, injection, etc.) Tenant shall obtain the necessary permits and Landlord's written consent.

(b) Noise. Tenant shall not exceed the maximum noise levels allowed by the Noise Pollution Control Regulation of the Puerto Rico Environmental Quality Board.

(c) Gas Storage Tanks. Tenant shall obtain a permit from the Public Service Commission to install and/or store flammable gases in aboveground storage tanks.

(d) Underground Storage Tanks. Tenant shall not install underground tanks to store fuels, raw materials or chemical substances. In the event that any such tanks have been previously installed at the Leased Premises and removal thereof would constitute a risk to the Leased Premises or to Tenant's warehouse, such tanks shall be used only if they comply with federal and state regulations for underground storage tanks.

(e) Aboveground Storage Tanks. Tenant, if applicable, shall prepare and implement a Spill Prevention, Control and Countermeasure Plan (SPCC Plan) as required by 40 CFR 112 and comply with the requirements of the Environmental Quality Board for the installation and operation of aboveground storage tanks.

(f) Chemicals. Storage of any chemical substance shall be undertaken in full observance of the applicable safety measures required by the governmental agencies having jurisdiction thereof so as to prevent any leakage or spillage that may contaminate the Leased Premises or adjacent properties.

(g) Storage of Hazardous Materials. Tenant shall strictly abide by the rules and regulations established by the Occupational Safety and Health Administration (OSHA) for the storage of hazardous materials (29 CFR Part 1910 Subpart H) as well as with the Puerto Rico Code for Fire Prevention. Tenant will comply with the minimum distances set forth in the federal and local codes for the storage of hazardous materials, particularly those materials which are inflammable.

(h) Industrial and Sanitary Effluents. Tenant shall not discharge its sanitary or industrial effluents into the sewer system nor into any other place until Tenant has obtained the necessary authorization to do so, be it from the Puerto Rico Aqueduct and Sewer Authority, from the Environmental Quality Board, or the Environmental Protection Agency (EPA), as applicable. Tenant shall request and obtain the necessary permits and/or endorsements from the Environmental Quality Board or any other local or federal agency with jurisdiction in order to install and operate any treatment or pretreatment plant or system for said effluents. Tenant must obtain Landlord's endorsement and approval to install a treatment or pretreatment plant or system prior to any request for the permits and endorsements of the other pertinent government agencies with jurisdiction. Tenant shall

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treat its effluents as required prior to discharge, as required by the pertinent governmental agency having jurisdiction.

(i) Septic Tanks and Systems. Should the Leased Premises have a septic tank or system, such facility can be used only to discharge sanitary effluents. Therefore, Tenant shall not discharge industrial effluents nor any substance nor material other than sanitary effluent into the septic tank or system. Moreover, Tenant must obtain from the Environmental Quality Board a permit to operate said septic tank or system. Any industrial effluent that may be generated and that is not discharged into the Aqueduct and Sewer Authority sewer system or through a discharge permit from the National Pollutant Discharge Elimination System ("NPDES"), shall be disposed of by transporting it to an Aqueduct and Sewer Authority treatment plant, with previous authorization, or to another entity authorized to handle such effluents.

(j) NPDES Permit. Tenant shall not discharge any industrial effluent into the ground. Tenant shall obtain an NPDES permit to discharge stormwater or other effluents into a body of water. Tenant shall obtain an NPDES permit, if stormwater run-off is exposed to raw materials, unfinished or finished products, waste, by-products, industrial machinery or equipment, a materials handling area or a process area. Tenant shall obtain, when applicable, the pertinent industrial discharge permit or pre-treatment permit required by PRASA.

(k) Hazardous Substances. Tenant will not treat, store or dispose of any hazardous substance at the Leased Premises, unless Tenant possesses the necessary permits from the agencies with jurisdiction and such activities are performed in compliance with applicable regulations and the terms and conditions of the permit. Tenant will not generate or store any hazardous substance or waste at the Leased Premises without first obtaining the necessary permits from the local and federal agencies with jurisdiction. The generation and storage of hazardous substances shall be conducted in compliance with applicable environmental laws, regulations and permits. Also, Tenant shall not store hazardous waste at the Leased Premises, without first giving notice to Landlord of the location of the storage area and providing evidence of compliance with state and federal regulations as well with the measures Landlord considers necessary to protect the Leased Premises. At no time shall Tenant dispose of any hazardous substances or waste at the Leased Premises.

(l) Non-hazardous Solid Waste. Non-hazardous solid waste generated from the warehouse at the Leased Premises shall be stored, handled, transported and disposed of in accordance with the Environmental Quality Board's Hazardous and Non-hazardous Waste Control Regulations. Tenant must obtain a permit from the Environmental Quality Board for a Non-hazardous Waste Generating Activity (DS-3), when it generates more than fifteen (15) cubic yards of non-hazardous solid waste weekly during construction activities. Tenant, at its own cost and expense, shall keep the grounds clean and free of solid wastes, rubbish, garbage and debris.

(m) Equipment or Materials containing Polychlorinated Biphenyls (PCB). Tenant shall not install or introduce equipment or materials containing PCB's at the Leased Premises.

(n) Reports to Landlord - In addition to any other information or document that may be required hereunder, Tenant shall provide Landlord with the following:

1. Written notice, within forty-eight (48) hours, of any event that requires verbal or written notice to the Environmental Protection Agency, the Environmental Quality Board or any entity designated by them, together with, a copy of any order, communication or report regarding the event. This includes, but is not limited to, any notice required under the provisions of the "Emergency Planning and Community Right to Know Act."

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2. Written notice within forty-eight (48) hours of any change to the hazardous materials handled at the Leased Premises, or if Tenant observes or has any knowledge of an environmental problem at the Leased Premises even if such problem is not a result of Tenant's activities.

3. A copy of all the permits mentioned in this Article XII.

(o) Audits and Access to the Property. Landlord reserves the right to inspect the Leased Premises, from time to time, at any time upon twenty-four (24) hour's prior written notice, during the Term of this Lease Agreement as deemed necessary, for the purpose of evaluating the environmental condition of the Leased Premises, and as to Tenant's compliance with federal and state environmental regulations and the provisions of this Article XII. Tenant, for this purpose, will provide Landlord with access to all areas or structures on the Leased Premises. Tenant shall provide access to all the books, registers, documents or instruments that Landlord deems necessary to determine the environmental condition of the Leased Premises, or compliance with environmental regulations.

In the event that Landlord believes, based upon any inspection performed on the Leased Premises, that Tenant is in material violation of a federal or local environmental law or regulation, Landlord shall request Tenant to perform, at Tenant's cost, the environmental site assessments necessary to determine the existence and extent of contamination at the Leased Premises, if any and all activities of removal, mitigation and remediation needed to correct any environmental problem caused by the Tenant at the Leased Premises. Tenant, upon Landlord's request, at the termination of this Lease Agreement, shall submit an environmental site assessment, Phase I and/or Phase II, of the environmental condition of the Leased Premises prepared by an environmental consultant of proven experience. The assessment shall determine whether the activities performed by Tenant affected the conditions of the Building and the lot. The assessment shall be performed following the standards established for preparing such reports by the scientific community (ASTM). The assessments shall be signed and certified by an engineer or chemist licensed to practice in Puerto Rico.

In the event that an environmental audit or inspection reveals an environmental deficiency or condition at the Leased Premises, Tenant shall submit an action plan to remedy such situation together with a bond or guarantee to secure payment of the remediation. The plan shall be reviewed and its execution coordinated with Landlord.

(p) Emergency Remediation Response Action. In the event of any hazardous substance spill, leak, or escape or any other occurrence which requires the removal of hazardous substances or environmental remediation, Tenant shall be responsible to remedy it immediately. Tenant shall be responsible for hiring, at its own expense, those companies with proven experience and reputation to perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation. Prior to the formation of any contractual agreement with any company or consultant for the removal and/or, remediation, the company or consultant must be approved by Landlord. The scope of work prepared by the Landlord authorized company shall be submitted to Landlord for its approval. In the event of any violation or contamination of the Leased Premises, Landlord may request Tenant to remain in the Leased Premises and to continue paying Rent until the Leased Premises are in compliance with local and federal regulations. At all times, Tenant shall be obligated to immediately notify Landlord in writing upon occurrence of any event that requires removal of contaminants or environmental remediation and shall coordinate with Landlord any clean-up, contamination removal, or environmental remediation before commencement thereof provided that if the event which requires removal of

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contaminants or environmental remediation should occur during non-working periods, in which case (such as weekends or holidays) Tenant shall immediately notify Landlord the next working day. The notice to Landlord by Tenant in the event of a spill, leak or escape does not release Tenant of its obligation to notify the pertinent governmental agencies as required by law, regulation, municipal ordinance, judicial order, executive order, administrative order or by any other legal requirement.

Should any environmental mishap occur, such as, but not limited to, a spill, release or leak that poses an imminent danger to human health or to the environment, in addition to taking all such protective measures, responses and notifications as are required by environmental laws, regulations, and permits, Tenant shall cease its warehousing if Tenant's warehouse are the direct cause of said environmental mishap until said mishap is controlled and all risk to human life or to the environment is suppressed.

(q) Environmental Conditions Liability. Tenant shall be liable for any environmental damage and the necessary or remedial action as results from Tenant's operations. Tenant shall indemnify Landlord for any lawsuit, civil or criminal action, administrative action, fine, claim, remedial action and/or clean-up and/or pollutant removal action, toxic or hazardous substance or waste as defined in local and federal laws and regulations, that may arise as a result of Tenant's warehoue or during Tenant's occupation of the Leased Premises. The term contaminant includes petroleum and its derivatives, asbestos, and PCB. Tenant shall also be liable and shall indemnify Landlord for any complaint, civil or criminal action, administrative action, fine or claim that arises as a result of any violation of any law, regulation, rule, Administrative Order, Executive Order or environmental requirement of any local or federal governmental entity that arises as a result of Tenant's warehouse or during the term Tenant occupied the Leased Premises. Tenant's liability toward Landlord and its obligation to indemnify Landlord shall survive the termination of this Lease Agreement.

ARTICLE XIII
DESTRUCTION OF PREMISES

13.01 **Notice of Event.** Tenant shall immediately notify Landlord after any fire, explosion, spill of hazardous wastes or pollutants (except as otherwise provided in Article XII and Section 13.06 hereof) or any other kind of accident or extraordinary event which causes or threatens damage to the Leased Premises.

13.02 **Landlord's Duty to Repair.** Should the Leased Premises be damaged by fire, explosion or any other casualty covered by the insurance policies as required by this Lease Agreement, Landlord shall repair or restore the Leased Premises to a condition substantially similar to that before the accident or event, provided that:

(i) Landlord has received the corresponding insurance proceeds from the insurance company; and

(ii) the accident or event causing the damage is not attributable to or did not occur as a consequence of negligence, an omission, or intentional act of Tenant or any of its employees, agents, visitors or representatives; nor as a result of acts by any of them in violation of a federal, state, or municipal law regulation, order, ordinance, or breach of any obligation or condition under this Lease Agreement.

Tenant recognizes that Landlord's duty to repair damage or destruction to the Leased Premises is limited to those repairs made possible by the proceeds received as a result of the insurance policies required hereunder, and that Tenant shall be responsible for the deductibles or the amount in excess of the insurance proceeds necessary to cover the costs to repair, reconstruct, or replace the Leased Premises.

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13.03 Lease Agreement Termination. Notwithstanding the provisions of Section 13.02 hereof, Landlord shall have the option to terminate this Lease Agreement in any of the following circumstances:

(i) should the insurance policy of Tenant as required by this Lease Agreement not provide coverage for the accident or event which damages the Leased Premises;

(ii) the damage suffered by the Leased Premises is such that it exceeds the cost of replacement; or

(iii) if the Building and other structures of the Leased Premises, in the opinion of Landlord, cannot be repaired in a period of one hundred twenty (120) days from the day the accident or event occurred;

(iv) should the damage to the Building be so extensive that Landlord decides to demolish it; or

(v) should the accident or event occur at any time during the last two (2) years of the Term of this Lease Agreement.

In any of the above circumstances Landlord may terminate this Lease Agreement by written notice to Tenant within ninety (90) days from the date the accident or event occurred, in which case both parties are released of any further liability under this Lease Agreement as of the effective date of termination except for those that survive termination pursuant to Article XII hereof.

13.04 Restoration. Should Landlord have the obligation to repair or restore the Leased Premises according to Section 13.02 hereof, or should Landlord not terminate this Lease Agreement as provided in Section 13.03 hereof, and proceeds to repair or restore the Lease Premises, Tenant shall hold Landlord harmless for the loss of any equipment, machinery or any other property that Tenant had placed, joined, built-in or installed, or kept at the Leased Premises.

13.05 Rent Adjustment. Should the Leased Premises be damaged or destroyed and Landlord elects to repair (provided that the cause of the fire or accident is not the result of any negligence, omission, or any intentional act of Tenant, its employees, agents, guests or representatives, nor the violation by any of them of any federal, state, or municipal law, regulation, order, ordinance, nor the failure to comply with any obligation or condition under this Lease Agreement), Tenant shall have a right to adjust the Basic Rent in proportion to the total area of the Leased Premises that becomes untenantable during the repair period (i.e., from the date of the accident or event until the date Landlord finishes the repair work). Should Landlord terminate this Lease Agreement due to any of the causes set forth in Section 13.03 hereof, the Rent shall be due until the date of the casualty or destruction.

13.06 Damage Report. In the event of a casualty or disaster, Tenant shall complete and deliver to Landlord the form "Disaster Impact Quantification (CD1001)" (Attachment J hereto) within eighteen (18) hours after the occurrence of the event.

ARTICLE XIV
WAIVER OF CLAIMS; INDEMNIFICATION

14.01 Indemnification. Tenant shall defend, indemnify and hold harmless Landlord, its directors, officers, employees, invitees, representatives, successors and assignees of liability from any loss, claim, fine, penalty, attachment, action or complaint of any type or

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kind, including any incidental expense or cost (including, but not limited to, defense costs, settlement and attorney fees) in relation to or as a consequence of any damage to a third party (including death), or any damage, loss or destruction of any third party's property, (a) in or around the Leased Premises due to any act or omission of the Tenant or any of its employees (whether or not said act is within the scope of employee's job), agents, authorized persons, visitors, successors or assignees, or caused wholly or in part by any act or omission of any of the former or (b) due to the use or occupation of the Leased Premises by Tenant, its agents, employees, invitees, or visitors; (ii) violation of any federal or state law or regulation, or municipal ordinance, or of any judicial or administrative order, as a direct indirect consequence of the use or occupation of the Leased Premises by Tenant; (iii) or due to breach of any of the obligations under this Lease Agreement. The provisions of this Article XIV shall survive and remain in full force after the expiration of the Term or the termination of this Lease Agreement.

14.02 **Waiver of Claims.** Landlord shall not be liable, and Tenant releases Landlord and waives any claim against Landlord, for any damage to or loss of any property located at the Leased Premises which belongs to Landlord and/or its agents, employees, invitees and/or visitors, and for any other damage or loss suffered by Tenant, or any damage or loss to Tenant which arises from fire, steam, or smoke; short circuit; water, electricity, gas or other utility failure; rain, storms, hurricanes or other weather conditions; flood or leakage; defects in pipes, cables, appliances, plumbing and/or air conditioning systems, regardless if such damage or inconvenience is the result of the condition or working order of the Leased Premises, or any part of it. Landlord shall not be liable for any damage or loss suffered by Tenant and/or its agents, employees, invitees and visitors as a result of criminal conduct, intentional acts, and/or negligent or intentional acts of a third party or of Tenant, its agents, employees, invitees and/or visitors. Tenant waives and shall be barred from filing any claim against Landlord for any damage or loss at the Leased Premises or to any person or property within the Leased Premises for any cause other than gross negligence by Landlord.

14.03 **Tenant Responsible for Personal Property.** Tenant recognizes that Landlord shall not be liable and waives any claim for any damage to personal property in the Leased Premises that belongs to Tenant, or for the theft or misappropriation thereof. Except as otherwise provided herein, Tenant bears all risk for any damage or loss of any personal property of Tenant.

ARTICLE XV
INSURANCE

15.01 **Insurance.** During the Term of this Lease Agreement, Tenant shall maintain in force the following insurance policies:

(a) commercial general liability, including contractual liability, with limits of not less than $1,000,000 for bodily injury (including death) and $1,000,000 for property damage, per occurrence, which will insure Tenant against any claim for accidents in or around the Leased Premises due to use or occupation of the Leased Premises by Tenant. This insurance shall include Landlord and its agents, officers, directors and employees as additional insureds, and said policy shall include a "fire legal liability" endorsement;

(b) property insurance with "All Risk" coverage, for one hundred percent (100%) real property replacement cost, including foundations, with an extended coverage endorsement, which names Landlord as beneficiary in case of loss. This insurance shall include coverage for fire, hurricanes, floods, earthquakes and other events of a similar nature, vandalism and malicious mischief, boilers and machinery (if applicable) in building format and content, including all changes, alterations, extensions and improvements made by Tenant to the Leased Premises;

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(c) pollution liability if required by Landlord because of the type of the operations carried on by Tenant; and,

(d) any other insurance over the Leased Premises which provides adequate coverage for those insurable risks that are common for property similar to the Leased Premises.

The deductibles of the insurance policies herein required shall be Tenant's responsibility and should Landlord undertake any repairs after any loss or damage to the Leased Premises, Tenant shall reimburse Landlord the deductible payable under the insurance policy, together with any amount paid by any insurance provider.

15.02 **Insurance During Construction.** During any construction period at the Leased Premises, including the work to be performed by Tenant described in Attachment E, if any, Tenant must have in force the following insurance policies:

(i) "builders' risk" insurance which provides coverage for all improvements that are being constructed, equivalent to one hundred percent (100%) of their replacement value;

(ii) if the estimated cost of construction is over five thousand dollars ($5,000), Tenant must, at Tenant's own cost and expense, provide Landlord with a performance bond from a surety company recognized and approved by Landlord, or other satisfactory guarantee acceptable to Landlord, in a sum equal to the estimated cost of said construction to guarantee completion of any construction within a reasonable time. At Landlord's option, instead of Tenant's obtention of a separate bond or guarantee for each project that may be in process at any given time, Tenant shall provide Landlord with one bond or guarantee that covers all alterations, changes, additions or improvements and other construction occurring at the same time; and,

(iii) Workers' Compensation from the State Insurance Fund Corporation in such coverage amounts as required by law.

15.03 **Insurance Policy Increase.** Tenant will pay any premium increase required by an insurance company to cover additional risks resulting from any alteration, change, addition or improvement made by Tenant to the Leased Premises.

15.04 **General Requirements.** All insurance policies required of Tenant under this Article XV must comply in form and substance to Landlord's requirements, and must provide the following: (i) that the insurance coverage may not be reduced, canceled or not renewed by the insurance company without written notice to Landlord and Tenant at least sixty (60) days in advance (unless said cancellation is due to failure to pay premium, in which case notice must be sent at least thirty (30) days in advance); and (ii) that the policy shall be immediately renewed by Tenant on or before its expiration date. Tenant must obtain said policies from insurance companies duly authorized to do business in Puerto Rico, and acceptable to Landlord. Said insurance companies shall have a classification of not less than "A" and a financial rating of "IV" or better, as rated by A.M. Best and Company.

15.05 **Insurance Certificates.** Before the Date of Delivery of Possession Tenant shall submit to Landlord the policies (or certified copies) of same required under this Article XV with all the mentioned endorsements, and certificates of insurance which evidence the required coverage by Sections 15.01 and 15.02 of this Lease Agreement. Tenant expressly recognizes Landlord's right not to deliver the Leased Premises to Tenant until two (2)

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days after the policies (or certified copies) and the insurance certificates have been submitted to Landlord, as required in this section.

15.06 **Evidence of Payment; Renewal of Policies.** Tenant must deliver to Landlord satisfactory evidence of payment of the insurance premiums within fifteen (15) days of the respective renewal dates of the respective policies and at the same time submit the corresponding insurance certificate or certified copy of each renewed policy.

15.07 **Claims.** Tenant shall cooperate with Landlord in the collection of claims against the corresponding insurance companies in those cases where Landlord handles such claims, including the preparation of damage reports and other documents required to process the claim. In the event Tenant does not provide said documents, Landlord, as Tenant's agent and attorney-in-fact, shall, in addition to any other remedy available to Landlord, execute and submit any evidence of loss and/or any other document necessary for collection of the claim.

15.08 **Periodic Reviews.** Landlord reserves the right to review and demand periodically increases in the limits of the coverages required in this Lease Agreement as results from the effects of inflation.

15.09 **Penalties.** Notwithstanding the provisions of Section 22.08, and without affecting the general terms of the matters stipulated therein, should Tenant breach its duty to obtain any of the policies required in Article XV, which as a result renders it necessary for Landlord to obtain said policies, in addition to reimbursement for the premium paid for said policies, Tenant shall pay Landlord a sum equal to twelve percent (12%) of the cost of the policies obtained by Landlord to cover Landlord's administrative costs.

15.10 **Waiver of Subrogation.** (a) Landlord and Tenant agree that all fire and extended coverage and other property damage insurance carried by either of them in relation to the Leased Premises shall be endorsed with a clause providing that any release from liability or waiver of claim for recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder, provided that the insurer waives all rights of subrogation which such insurer might have against the other party. Any release or any waiver of claim shall not be operative in any case where the effect of such release or waiver is to invalidate any insurance coverage or invalidate the right of the insured to recover thereunder. Should any waiver of subrogation result in a premium increase, Tenant shall, within ten (10) days of notice, pay said increase in order to maintain the effectiveness said release or waiver.

(b) Neither Landlord nor Tenant shall be liable to the other or the insurance company that provided the coverage for any loss or damage to any building or structure of the Leased Premises for the loss of income either through subrogation or any other form, regardless if such loss or damage be, in whole or in part, caused by a negligent act or omission of the other party, its agents, officers, directors or employees, to the extent that such loss or damage is covered by insurance policy in favor of the affected party.

ARTICLE XVI
LANDLORD'S RIGHTS

16. 01 **Access to Leased Premises.** Landlord shall be entitled to enter the Leased Premises for the purposes of inspection to perform any repairs or work required pursuant to the provisions of this Lease Agreement, or for those repairs or work which Tenant has failed to do despite being responsible therefor under this Lease Agreement, or to show the Leased Premises to persons interested to lease or acquire the same. This right to access is subject to the following conditions: (a) if due to any emergency situation, which Landlord shall determine at its discretion, Landlord shall have full access to the Leased Premises at any time; (b) under any other circumstances Landlord shall have access to the Leased

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Premises during normal business hours, upon reasonable notice; and (c) Landlord must maintain at a minimum any interruption to Tenant's operations during any exercise of its rights under this Article.

ARTICLE XVII
TENANT BANKRUPTCY

17.01 **Lease Agreement Assumption Requirements.** The following provisions shall apply upon commencement of a voluntary or involuntary case under Title 11, United States Code, wherein Tenant is a debtor under 11 U.S.C. §§101 et. seq. (the "Bankruptcy Code"), and only insofar as the Bankruptcy Code applies or affects the provisions of this Lease Agreement.

(a) Should the trustee or "debtor in possession" not elect to assume this Lease Agreement within a period of sixty (60) days from the commencement of proceedings under the Bankruptcy Code, this Lease Agreement shall be deemed rejected and terminated as provided under Article XVIII of this Lease Agreement (including any provisions as to damages) giving Landlord the immediate right to repossess the Leased Premises.

(b) Any assumption and/or assignment of this Lease shall not take effect unless there is compliance with the following:

(i) all Tenant's defaults have been cured and Landlord has been provided with adequate and reasonably satisfactory assurances of Tenant's future performance; if the Lease Agreement is assigned, Tenant shall provide (1) any guarantee and/or deposit reasonably required, and (2) any other reasonable assurance that there will be sufficient funds and personnel available to operate the Leased Premises in strict compliance with the provisions of this Lease Agreement;

(ii) neither the assumption of this Lease Agreement nor the operation of the Leased Premises after this Lease Agreement has been assumed or assigned, in the reasonable opinion of Landlord, will cause or result in breach or violation of any of its provisions or of any other applicable contract with Landlord;

(iii) the assumption, and if applicable, the assignment of this Lease Agreement fully complies with the provisions of the Bankruptcy Code, including, but not limited to Sections 365(b)(1) and (3) and 365(f)(1) and (2) thereof; and

(iv) the assumption and/or assignment has been ratified and approved through an order of the Bankruptcy Court or any other court having jurisdiction.

(c) No assignment of this Lease Agreement by the trustee or the "debtor in possession" shall be valid unless the proposed assignee has also satisfied the conditions provided in paragraphs (b) (i), (ii), (iii) and (iv) of this section, and all other requirements established in this Lease Agreement which further Landlord's public policy of promoting employment and the industrial development of Puerto Rico, which is accomplished by observing the capitalization, investment and employment levels stated in Section 1.08 and the continuance of operational requirements set forth in Section 4.02 of this Lease Agreement.

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(d) Whenever a "debtor in possession" is required under the Bankruptcy Code to comply with its obligations as Tenant under this Lease Agreement, the Basic Rent and the other charges identified in this Lease Agreement as Additional Rent shall not be subject to adjustment and must be paid in full as provided in the pertinent sections of this Lease Agreement.

(e) Pursuant to Section 22.01 of this Lease Agreement, except where the provisions of the Bankruptcy Code mandate otherwise, the assignment of this Lease Agreement is prohibited.

(f) Unless agreed to by Landlord, under no circumstances will this Lease Agreement be renewed if the Term has expired or the Lease Agreement has terminated according to its provisions. No bankruptcy procedure shall annul, postpone or affect the expiration or termination of the Term of this Lease Agreement as provided in Article XVII or prevent Landlord from recovering possession of the Leased Premises at the expiration of the Term or upon earlier termination of this Lease Agreement.

ARTICLE XVIII
TERMINATION BY BREACH

18.01 **Breach by Tenant as Cause for Termination.** In addition to, and separate from, any other cause for termination set forth in this Lease Agreement or available under applicable law, each of the following events or acts shall be considered a breach and constitute cause for termination, which termination will be effective upon written notice to Tenant:

(a) Tenant's failure to pay the Rent to Landlord within the term provided in Section 5.01 of this Lease Agreement, or upon failure to pay any other sum required to be paid hereunder within ten (10) days after its due date;

(b) Tenant's failure to pay the Rent to Landlord on or before the first day of the month, or failure to pay any other amount when due, on two or more occasions within any consecutive twelve (12) month period;

(c) Tenant's abandonment of the Leased Premises (as defined in Section 18.03 of this Lease Agreement), upon certification of such abandonment by the procedure provided in clause (b) of Section 18.03;

(d) if Tenant encumbers, assigns or transfers this Lease Agreement, in whole or in part, except as otherwise provided in this Lease Agreement;

(e) if Tenant makes a general assignment of its assets in benefit of its creditors;

(f) if Tenant fails to take physical possession of the Leased Premises within ten (10) days following the Date of Delivery of Possession;

18.02 **Other Causes for Termination.** In addition to the causes for termination set forth in Section 18.01, Landlord may terminate this Lease Agreement if Tenant fails to comply with any of Tenant's principal obligations hereunder within fifteen (15) days of receipt of written notice from Landlord requesting performance of any principal obligation. However, if Tenant shall have begun efforts toward performance within said fifteen (15) day period and continues to act diligently and makes every reasonable effort to perform, said period of fifteen (15) days may be extended by Landlord for a maximum period of sixty (60) days, as necessary for Tenant's performance of any principal obligation. Principal obligations under this Lease Agreement include, but are not limited to, the following:

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(i) The duty of Tenant to not interrupt its use of the Leased Premises without prior notice to Landlord as provided in Section 4.02(b) of this Lease Agreement and that such interruption will not last for a period in excess of that period notified to Landlord. No interruption shall exceed three (3) months;

(ii) the obligation of Tenant, when required hereunder, to submit any plans for Landlord's approval or any other information in connection with improvements and alterations to be made by Tenant to the Leased Premises;

(iii) the compliance by Tenant of the environmental provisions of Article XII of this Lease Agreement; and

(iv) the prohibition to use or allow the Leased Premises or any part thereof to be used for illegal purposes or for a use that is not permitted by Section 1.07.

18.03 **Abandonment**. Tenant acknowledges that the Puerto Rico Industrial Development Company was established with the public purpose of promoting the creation of jobs and the continuous industrial development of Puerto Rico. In order to continuously and consistently comply with said public purpose, Landlord must maintain as available inventory the largest possible number of industrial facilities for the development of new projects or industries. Acts such as those described in clause (a) below, of this Section 18.03, defeat the purpose of this Lease Agreement, diminish the powers of the Landlord to maintain the largest number of industrial facilities in operation and in turn, impair Landlord's ability to pursue its established purpose. Therefore, Tenant recognizes that the delivery to Landlord of the keys to the Leased Premises constitutes conclusive proof of Tenant's intention to abandon the Leased Premises and any equipment, machinery, furniture or other property found within. Tenant also recognizes the fact that the voluntary abandonment of property at the Leased Premises through the delivery of the keys is incontrovertible evidence of Tenant's decision to forsake such property and renounce ownership thereof, giving Landlord the absolute right to dispose of said property, as established in clause (b)(ii) below.

(a) For the purposes of this Lease Agreement Tenant has abandoned the Leased Premises upon the occurrence of any of the following events:

(i) should the Tenant deliver to Landlord the keys to the Leased Premises;

(ii) should the Tenant cease operations and close down the Leased Premises, notwithstanding that raw material, finished products, equipment, machinery, furniture or other property remain thereat; and/or

(iii) if Tenant removes or transfers its personnel equipment, raw material or finished product at the Leased Premises to another location, without the consent of Landlord.

(b) The following procedure is adopted by the parties hereto to confirm the act of "abandonment" by Tenant under clause (a) of this Section 18.03:

(i) If Tenant has incurred in any act of abandonment described in Section 18.03(a) hereof, Landlord will send Tenant, by certified mail, return receipt requested, a notice which will describe the act

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of abandonment committed by Tenant. From the date of said notice, Tenant shall have fifteen (15) days to discontinue the abandonment or to dispute in writing the information contained in Landlord's notice. Should the act of abandonment notified by Landlord continue for more than the fifteen (15) days provided herein, Landlord shall send a second notice to reconfirm the act of abandonment, which notice will be effective at the time the notice is sent.

(ii) Once the act of abandonment is reconfirmed as provided in clause (b)(i) above, Landlord may declare this Lease Agreement terminated by notice to Tenant and such termination shall be effective as of the date mailed. The notice will contain a request to Tenant to remove within ten (10) days all equipment, machinery furniture or other property remaining at the Leased Premises, and contain a warning to Tenant that if such property is not removed in that time period, Landlord may either remove and store said property, at its own discretion, at the expense and cost of Tenant, or dispose freely of said property as it deems convenient and Tenant will have no right to claim or be compensated for the value of the abandoned property or for any damage or loss caused by such removal by Landlord.

(c) Subject to the performance of the procedure previously described, Tenant waives any claim and releases and holds Landlord harmless from any damage or loss that Tenant may suffer as a consequence of the removal and disposal of the property that Tenant has abandoned at the Leased Premises.

18.04 **Landlord's Options.** (a) Landlord may terminate this Lease Agreement upon Tenant's breach of any of its obligations hereunder, or upon occurrence of any of the events of termination set forth in Sections 18.01 and 18.02 hereof. Said notice shall be given by certified mail with return receipt requested. The termination of this Lease shall become effective on the date indicated in said notice,.

(b) Notwithstanding subsection (a), Landlord may always compel specific performance of the terms and conditions of this Lease Agreement and demand and protect its rights under this Lease Agreement through legal proceedings in law or equity to obtain the faithful performance of the covenants and obligations hereunder, including the payment of all amounts due under this Lease Agreement.

(c) Should any cause for termination arise, Landlord shall have available all the rights and remedies provided herein, which are separate and independent. Landlord's resort to any particular right and/or remedy will not deprive Landlord of any other right or remedy available at law or in equity.

(d) In the event Landlord terminates this Lease Agreement, Tenant's economic and environmental obligations and any other obligations of Tenant hereunder shall survive the termination and remain in effect until they are complied with to Landlord's satisfaction.

18.05 **Damages.** If Landlord elects to terminate this Lease Agreement in accordance with Section 18.05 hereof Tenant shall be responsible for payment of the following:

(i) all Rent due and unpaid up to the date of termination;
(ii) all losses, damages and costs incurred by Landlord as a consequence of the early termination of this Lease Agreement including, but not limited to expenses related to any notices by

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Landlord to terminate this Lease Agreement; collection costs; attorneys' fees during the termination process; and the costs of court proceedings, if any; the costs to repair the Leased Premises in order to restore them to the condition in which Tenant would have been obligated to deliver the premises had an early termination not been effected; and expenses incurred by Landlord to relet the Leased Premises in accordance with Section 18.07 of this Lease Agreement; and

(iii) damages equivalent to the total amount of Basic Rent corresponding to the unexpired portion of the Term (i.e., the Basic Rent for the period between the date of termination and the expiration date of the Term in accordance with Sections 1.09 and 3.01 hereof), that Landlord would have received had the Lease Agreement not been terminated.

18.06 **Right to Relet.** (a) At any time after Landlord recovers possession of the Leased Premises or any portion thereof, whether or not this Lease Agreement is terminated pursuant to Section 18.05, Landlord shall do reasonable efforts to relet the Leased Premises or part thereof, in Tenant's name (as a sublease) or in Landlord's own name, as Landlord deems it convenient. The reletting of the Leased Premises, or part thereof, shall be for a term and under conditions as Landlord, in its own discretion, determines advisable; including that the term of any relet may be for a period longer or shorter than the remaining balance of the Term hereunder. Any relet may include special provisions, such as rent credits, a rent lower than that fixed under this Lease Agreement, or no rent. Tenant acknowledges that the damages formula under Section 18.06 is not subject to adjustments in the event the Leased Premises or part thereof is leased to a third party at a rent lower than that of this Lease Agreement.

ARTICLE XIX
RETURN OF LEASED PREMISES

19.01 **Surrender of Possession.** Upon termination of this Lease Agreement, at the expiration of the Term or otherwise, Tenant must vacate and surrender the Leased Premises to Landlord in good condition, reasonable wear and tear excepted, including all improvements, changes, or alterations made thereto with Landlord's consent and which Landlord does not require to be removed.

19.02 **Holding Over.** Should Tenant remain in possession of the Leased Premises after the expiration of the Term and does not execute a new lease agreement with Landlord, Landlord at its option may consider the tenancy of the Leased Premises to be on a month-to-month basis, with a Rent equal to one hundred fifty percent (150%) of the last Monthly Rent amount under the Lease Agreement, subject to all other terms and conditions of this Lease Agreement consistent with a month-to-month term. Tenant shall indemnify Landlord for, and hold Landlord harmless from and against any damages, liabilities or expenses (including attorneys' fees) which result from Tenant's delay in surrendering the Leased Premises, including, without limitation, any claims made by succeeding tenants or third parties with Landlord had committed the Leased Premises, or part thereof. Acceptance of Rent after termination of this Lease Agreement shall not constitute in itself a renewal or novation of this Lease Agreement. None of the foregoing shall be deemed to constitute a waiver by Landlord of its right to recover the Leased Premises or any other right or remedy that Landlord may have under law, equity, or under this Lease Agreement.

19.03 **Inspection of Leased Premises.** Upon expiration of the Term or termination of this Lease Agreement and prior to Landlord's acceptance of possession, the Leased Premises shall be inspected by Landlord, who shall certify in an inspection report the physical and environmental condition of the Leased Premises. The inspection report shall identify any deficient physical or environmental condition(s) of the Leased Premises that must be

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corrected, remedied, or repaired at Tenant's cost as a condition precedent to Landlord's acceptance of possession of the Leased Premises. Should Tenant fail take the corrective action required by the deficient condition of the Leased Premises as indicated in the inspection report within a reasonable time, Landlord may, but is not obligated to, perform the same, and Tenant shall reimburse Landlord for the cost of the corrective action.

19.04 Raw Material, Finished Products, Equipment, Machinery, and Furniture Not Removed. Any raw material, finished products, equipment, machinery, furniture or other property of Tenant remaining at the Lease Premises after termination of the Term or the termination of this Lease Agreement may be removed by Landlord and stored in another location, and Tenant will be responsible for the removal and storage costs. In no event shall Landlord be liable for the value, preservation, or care of said property. Any sum that Landlord must pay or spend for removal and storage of the property shall be reimbursed by Tenant. Any raw material, finished product, equipment, machinery, furniture or other property not claimed within a term of thirty (30) days after the expiration or termination of this Lease Agreement, shall be deemed abandoned by Tenant. At Landlord's option, the property deemed abandoned by Tenant shall be transferred to Landlord without any other formality or document, and Landlord shall be entitled to freely dispose of the same without Tenant having any right or claim to any payment or consideration for said property.

19.05 Tenant's Liabilities. Except as otherwise provided herein, neither the expiration or termination of this Lease Agreement, nor the repossession of the Leased Premises or part thereof, nor the reletting of the Leased Premises or any part thereof, pursuant to the provisions hereof, shall release the Tenant of its financial or other obligations under this Lease Agreement, which obligations shall survive the expiration or termination of this Lease Agreement, as well as repossession or reletting of the Leased Premises.

ARTICLE XX
LEGAL REQUIREMENTS

20.01 Legal and Insurance Compliance. (a) Tenant, at its own cost and expense, shall observe and comply with (i) any requirement or condition under any federal, state or municipal law or regulation (including any executive order or municipal ordinance) applicable now or in the future to the Leased Premises, or to the use of the Leased Premises (including but not limited to any federal, state or local law, regulation or ordinance applicable to air and water quality, toxic or hazardous materials or substances, waste disposal, emissions or any other environmental matter), if necessary; (ii) all requirements or conditions to obtain, maintain, and when appropriate, renew all permits and endorsements necessary to use the Leased Premises for the purposes allowed by this Lease Agreement and by the use permit issued by ARPE for the Leased Premises; (iii) the requirements of the insurance companies having issued policies for the Leased Premises as provided by Article XV of this Lease Agreement; (iv) any real estate condition, lien or encumbrance affecting the Leased Premises; (v) all zoning and land use requirements; and (vi) any other requirement imposed by law that compels any duty or obligation with respect to the use or occupation of the Leased Premises.

(b) Tenant's compliance with any requirement described above shall be at Tenant's cost and expense, including, but not limited to, any other expense related to improvements or installations required by any agency or government instrumentality with jurisdiction, as a condition to the issuance or renewal of a permit or endorsement for the operations that Tenant is to carry out at the Leased Premises.

(c) Tenant, upon request of Landlord, shall submit evidence of its compliance with the above requirements or of the validity of permits and endorsements of the administrative agencies Tenant requires for its operations at the Lease Premises.

ARTICLE XXI
ASSIGNMENT AND SUBLEASE

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21.01 Assignment and Sublease. Tenant shall not (i) assign this Lease Agreement, sublet the Leased Premises or any part thereof, mortgage its leasehold right over the Leased Premises or otherwise place a lien upon its right or any interest in this Lease Agreement in favor of any person or entity; (ii) allow by operation of law the constitution of any lien over Tenant's leasehold right over the Leased Premises or the transfer of Tenant's leasehold right over the Leased Premises to a third party; (iii) allow the use or occupation of the Leased Premises, or part thereof, by any person or entity that is not Tenant, its agents or employees. Except as provided in Article XVII of this Lease Agreement, under no circumstances may this Lease Agreement be assigned in a voluntary or involuntary bankruptcy proceeding, and under no circumstances shall this Lease Agreement or the rights or privileges granted to Tenant herein constitute an asset of Tenant under a bankruptcy, insolvency or reorganization proceeding.

21.02 Change of Control. The transfer of Tenant's voting stock, a change of control in Tenant or change in the persons or entities having a direct or indirect interest in a tenant that is not a corporation (any of the foregoing hereinafter a "change of control"), shall be considered as an assignment for purposes of this Article XXI. Nevertheless, the above shall not apply to transfers of shares of voting stock traded in a nationally recognized stock exchange or reported through a national quotation system, provided that those shares transferred remain outstanding in said market or quotation system after the transfer. For purposes of this Section 21.02, a change of control of a corporation shall be deemed to have occurred at any time and as frequently as the persons who hold the majority of voting stock of said corporation as of the date of this Lease Agreement, or who immediately after the date on which any change of control occurs, cease to be owners of the majority of said stock, be it in one or a series of transactions. The term "voting stock" means the stock of a corporation regularly having voting rights in the election of corporate directors. In the case of a partnership, a change of control shall be deemed to have occurred at any time that a change in any of the managing partners of said partnership occurs.

21.03 Permitted Assignments and Subleases. As an exception to the general rule established in Section 21.01 of this Lease Agreement, and subject to Landlord's prior consent, which shall not unreasonably withheld, Tenant may assign its rights under this Lease Agreement, or sublease the Leased Premises or a part thereof, to any parent, affiliate, or subsidiary whose operations are compatible with those of Tenant or to a purchaser of all or substantially all of Tenant's business related to this Lease. Landlord's consent to the assignment or sublease will require Tenant to be in full compliance with its obligations under this Lease Agreement, including the payment of Rent.

ARTICLE XXII
GENERAL PROVISIONS

22.01 Signs and Advertising. Tenant shall not install or permit to be installed or erected any poster, sign or structure of any kind on the roof or exterior walls of the Building or in any other part of the Leased Premises without previous written consent of Landlord, which shall not be unreasonably withheld.

22.02 Parking. Should the number of parking spaces available at the Leased Premises not satisfy Tenant's requirements, Landlord shall not be responsible for Tenant's parking requirements, and Tenant hereby releases Landlord of any duty or responsibility with respect to parking.

22.03 Attorneys' Fees. Tenant shall pay all of Landlord's charges and expenses, including court costs and attorneys' fees in any action (a) commenced by Landlord in order to obtain Tenant's compliance with any of its obligations and commitments under this Lease Agreement, or said charges and expenses incurred by Landlord in any action filed by Tenant in which Landlord prevails. Tenant shall pay all charges and expenses including

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court costs and attorneys' fees incurred by Landlord in any litigation, negotiation, or transaction in which Tenant requires Landlord's intervention or participation, where no fault or negligence is claimed against Landlord.

22.04 **Successors and Assignees**. This Lease Agreement shall bind and inure to the benefit of each of the parties, in their respective capacities as Landlord and Tenant, and their respective successors and assigns; provided, however, should title to the Leased Premises be transferred, either voluntarily or by operation of law, the entity or natural person acquiring title shall take title free of all liability to perform this Lease Agreement, unless the entity or natural person expressly assumes and accepts the obligations as Landlord under this Lease Agreement by means of a written instrument in which the new titleholder and Tenant appear.

22.05 **Landlord's Obligations to Lease**. (a) The mere delivery to Tenant of an unsigned draft of this Lease Agreement for Tenant's review and consideration does not create in Tenant a right of option nor does it bind Landlord in any way to lease the Leased Premises to Tenant. Landlord's obligation to lease under this Lease Agreement shall not be binding until Landlord has executed same upon approval by Landlord's Board of Directors or Landlord's Executive Director, as the case may be.

(b) Tenant shall have thirty (30) days after receipt of the final lease agreement prepared for the Leased Premises to execute same. Should Tenant not execute and return the lease agreement to Landlord within thirty (30) days after receipt, Landlord shall have no obligation to lease, and any rights Tenant possessed in and to the Leased Premises shall be extinguished.

22.06 **Definition of the Term "Tenant"**. The term "Tenant" as used in this Lease Agreement shall be construed as plural if there be more than one person or entity appearing and executing this Lease Agreement as Tenant. All changes and grammatical adjustments required to make the provisions of this Lease Agreement apply equally to corporations, partnerships or other entities, or individuals shall, in all instances, be construed as incorporated into the text of the document. Whenever Tenant consists of two or more persons or entities each shall be jointly and severally ("solidariamente") bound hereunder.

22.07 **Headings**. The headings of the articles and sections of this Lease Agreement are for convenience only and do not limit, expand, or define the contents of the articles and sections hereof.

22.08 **Late Charges**. (a) All payments that Tenant is obligated to make under this Lease Agreement, including without limitation, the Deposit, the Basic Rent, the Additional Rent, and any adjustment thereto, shall bear interest from its due date until payment in full, at a rate of one percent (1%) over the prime rate charged by the principal commercial banks in the city of New York as of the date the payment is due. Should the interest be held as usurious, then interest shall be deemed to have accrued at and continue to accrue at accrue the maximum rate of interest permissible, as established by the Interest Rate and Finance Charges Regulatory Board created by Act No. 1, of October 15, 1973, as amended (P.R. Laws Ann. Tit 10, sec. 998), or any future law or regulation.

(b) Should Tenant fail to make a Rent payment within ten (10) days after its due date, then Tenant shall also pay to Landlord a penalty to recover Landlord's administrative expenses and collection costs equal to (i) one hundred dollars ($100.00) per day, or (ii) for each day the amount owed is past due, one half of one percent (0.05%) of the overdue amount, whichever is greater. Anything contained in this section regarding the payment of overdue amounts shall not constitute an extension of the due date of any amount Tenant is obligated to pay under this Lease Agreement, nor or shall it constitute a waiver of Tenant's obligation to pay such amounts as provided in this Lease Agreement.

22.09 **Lease Guaranty**. Simultaneously with the execution and delivery of this Lease Agreement, if required by Landlord, Tenant shall deliver the Lease Guaranty to Landlord

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duly executed by the Guarantor identified in Section 1.15 hereof, if any, which Lease Guaranty shall be in form substantially similar to Attachment G hereto.

22.10 **Performance.** Whenever a requirement, obligation, or liability is imposed upon one of the parties hereto, the concerned party shall comply with or satisfy said requirement, obligation or liability at its own expense, unless specifically provided to the contrary.

22.11 **Entire Agreement.** This Lease Agreement, along with its attachments contains all the terms, conditions, agreements and covenants between the parties with respect to the Leased Premises; it substitutes and nullifies any other lease agreement or other agreement, oral or written, between the parties regarding the occupation and use of the Leased Premises by Tenant, including any letter of agreement that governed the relationship between the parties prior to and during the negotiation of this Lease Agreement. This Lease Agreement shall only be modified, amended, altered, or canceled by a written document subscribed by both parties.

22.12 **Force Majeure.** In the event that Landlord or Tenant shall be hindered or delayed in the performance of any of its obligations or commitments under this Lease Agreement by reason of force majeure, the performance of such act shall be excused for the period of time which it is reasonably understood that said act or event hinders its performance. Force majeure is understood as any incident or occurrence beyond such party's control, including, but not limited to, lock-outs, strikes, shut downs or labor disputes; inability to obtain necessary materials; riots, acts of war and insubordination; fires, explosions, accidents and acts of sabotage; lack of electricity or fuel; floods, earthquakes, torrential rains and hurricanes; administrative, governmental or court orders or injunctions; federal, state or municipal laws and regulations; the revocation, modification or suspension of a permit, license or other necessary authorization; matters of national security; acts or occurrences directly or indirectly caused by the other party (its agents, employees, contractors, or invitees); or any other situation or event reasonably beyond the control of the party in question. In said situation, the period of time for Landlord or Tenant to comply with any obligation or commitment shall automatically be extended for a period equivalent to the period of duration of such force majeure.

22.13 **Safety Programs.** Tenant agrees to cooperate, assist and participate in any program Landlord develops or adopts to address any emergency or occurrence constituting force majeure.

22.14 **Estoppel Certificate.** Tenant, upon Landlord's request, shall provide Landlord with an Estoppel Certificate wherein Tenant certifies that (i) this Lease Agreement is unmodified and in full force and effect (or if any modifications, Tenant will specify such modifications and certify that this Lease Agreement as modified is in full force and effect); (ii) the date upon which Tenant began paying Basic Rent and the dates in which all Rent payments were made; (iii) that Landlord is not in default under any provision of this Lease Agreement; (iv) that the work by Landlord to the Leased Premises, was completed as agreed and that Tenant is in possession of the Leased Premises, (iv) Tenant has no claims against Landlord under this Lease Agreement, and (vi) that there is no petition, whether voluntary or otherwise, pending as to Tenant under the bankruptcy laws of the United States.

22.15 **Tenant's Duties; Landlord's Rights.** All obligations and agreements which Tenant is to perform or carry out under the terms of this Lease Agreement, shall be done exclusively at Tenant's expense, and without a right to set-off or adjustment against Rent. Should Tenant breach or fail to perform any of the obligations under this Lease Agreement, and said default persists for more than ten (10) days from the delivery by hand or the U.S.

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Mail of Landlord's notice demanding performance thereof, Landlord shall be entitled, but shall not be obligated, to act as required to remedy said situation, without waiving or releasing Tenant from its liability with respect to said obligation. Any sum paid or expense incurred by Landlord in said efforts shall accrue interest pursuant to the provisions of Section 22.08 hereof and must be paid by Tenant to Landlord upon demand.

22.16 **Relationship Between the Parties**. The relationship existing between the parties hereto is that of Landlord and Tenant exclusively, and nothing provided for in this Lease Agreement shall be interpreted as creating a partnership, joint venture, principal and agent relationship or any other type of relationship between parties.

22.17 **Nullity or Partial Invalidity**. If any term, clause, section or article of this Lease Agreement, or the application or enforceability thereof, be declared null, invalid or unenforceable by a final order or judgment from a court having jurisdiction, the remainder of the Lease Agreement, or the application of said term, clause, section or article to persons or circumstances other than those against whom the nullity, invalidity or unenforceability was declared, shall not be affected by said order or judgment, and each term and condition in this Lease Agreement shall be valid and enforceable to the extent permitted by law and consistent with said order or judgement.

22.18 **Accord and Satisfaction**. No payment by Tenant, or the acceptance by Landlord of an amount less than the Rent herein stipulated shall be deemed to be other than a payment toward the stipulated Rent, nor shall any endorsement or statement on any check or any letter or other communication accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease Agreement or at law or equity.

22.19 **Applicable Law**. This Lease Agreement is executed, and its terms and conditions shall be construed and enforced, in accordance with the laws of the Commonwealth of Puerto Rico.

22.20 **Jurisdiction and Competency**. The parties agree that any action, proceeding, claim, counterclaim or any other kind of judicial action that either of the parties initiates against the other regarding (i) any matter that arises out of or related to this Lease Agreement; (ii)the legal relationship existing between Landlord and Tenant; (iii) the use or occupation of the Leased Premises by Tenant; (iv) any claim for damages; and/or (v) any statutory remedy, shall be filed and litigated before the Court of First Review of Puerto Rico.

22.21 **Net Lease**. Tenant recognizes and admits, without limiting the meaning of any other terms and conditions of this Lease Agreement, and as otherwise provided in this Lease Agreement, that the intentions of the parties in this Lease Agreement are that all Rent to be paid by Tenant to Landlord under this Lease Agreement, must be paid to Landlord, without deduction or setoff of any kind, and that any and all expenses incurred regarding the Leased Premises, or regarding Tenant's operations in the Leased Premises, including any assessments, taxes, municipal operating licenses, charges, special license and permit fees, insurance premiums, electricity, water, gas, telephone bills and other similar services, cost of repair, maintenance and operation of the Leased Premises or Property, together with all such fixtures that are placed on, attached to, installed or contained in the Leased Premises, shall be paid by Tenant.

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22.22 Notices. All notices, claims or communications between the parties referred to or required by this Lease Agreement shall be in writing and sent by certified mail, return receipt requested, or personally delivered, to the addresses of the parties set forth in Sections 1.02 and 1.04 of this Lease Agreement. Any address change shall be notified to the other party in writing not less than thirty (30) days before the effective date of said change.

22.23 Non-Waiver. The failure of either party to demand strict performance of any of the provisions of this Lease Agreement upon default of any provision by the other party shall not constitute nor may it be construed as a waiver of said party's right to demand performance of any provision in the future if the default continues, or if the other party should later repeat the default with respect to the same provision. The receipt or acceptance by Landlord of the Rent or any other amount payable by Tenant under this Lease Agreement, with or without knowledge of Tenant's default on any obligation or condition under this Lease Agreement, shall not be deemed as release by Landlord in favor of Tenant from compliance with said obligation or condition, nor a waiver of Landlord's rights or remedies under this Lease Agreement with regard to said default. The consent or approval given by Landlord for any act by Tenant which requires said consent or approval, is solely and exclusively limited to the act or event for which said consent or approval was given, and should not be understood as a waiver of any requirement for prior consent or approval for a similar act by Tenant in the future.

22.24 Cumulative Remedies. The rights and remedies of each of the parties in this Lease Agreement are independent, separate and cumulative. The exercise, or failure to exercise any right or remedy, shall not be interpreted or deemed to exclude or bar the exercise of any other right or remedy of either party under this Lease Agreement or under any law or regulation.

22.25 Brokers. Each party represents and warrants to the other party that it has not engaged nor used the services of a real estate broker or agent in connection with this lease, and that no real estate agent has participated at any time in the negotiation of this Lease Agreement. Notwithstanding the foregoing, the liability for the payment of any commission or compensation claimed by any real estate professional who may have rendered services to any party with respect to this Lease Agreement shall be borne by the party that engaged said real estate professional, and furthermore said party shall indemnify the other against any damages, liability, expenses and/or attorney's fees, arising from any claim or lawsuit of any real estate professional for any commission allegedly owed for any service rendered.

22.26 Cross Default. Any default by Tenant under any other agreement with Landlord shall be considered a default under this Lease Agreement.

22.27 Representations. Tenant expressly represents that neither Landlord nor its directors, officers, agents, employees or representatives has made any representations or promises with respect to the Leased Premises, except as expressly provided in this Lease Agreement.

22.28 Financial Statements. Upon request of Landlord, Tenant must submit to Landlord, within ninety (90) days after the expiration of Tenant's fiscal year, a certified financial

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statement issued by an authorized certified public accountant. The certified financial statement will include: (a) Tenant's capital; (b) Tenant's long-term debts and capitalization; (c) Tenant's investment in machinery and its ability to provide employment; (d) taxes paid by Tenant, including Social Security payments; and (e) any other information that is required by this Lease Agreement. Should Tenant fail to deliver the certified financial statement, Landlord shall obtain this information at Tenant's cost and Tenant shall permit Landlord access to Tenant's books and records at Tenant's main offices in Puerto Rico for this purpose.

22.29 **Additional Documents**. If Tenant is a corporation, Tenant agrees to submit to Landlord contemporaneously with the execution and delivery of this Lease Agreement (a) evidence of Tenant's registration with the State Department of the Commonwealth of Puerto Rico, including the name and address of its resident agent; and (b) a certificate of corporate resolution of Tenant's Board of Directors which authorizes or ratifies the execution of this Lease Agreement. If Tenant is a partnership, Tenant represents and warrants that this Lease Agreement has been subscribed by all managing partners or administrators representing Tenant, and that the same constitutes a valid and enforceable agreement for the partnership and each and every one of the partners, and also, that each and every one of Tenant's present and future partners are now and shall remain at all times jointly and severally liable under this Lease Agreement. Tenant represents and warrants that the death, resignation or retirement of any partner shall not release said partner from its liability under the terms of this Lease Agreement without Landlord's consent in writing.

22.30 **Fiscal Liabilities**. (a) Tenant represents and warrants that, at the time of execution of this Lease Agreement (i), if applicable, has filed tax returns for the last five (5) years; (ii) that Tenant has no outstanding tax debt with the Government of Puerto Rico nor with the United States Government (if applicable) that is not subject to a payment plan which is current as of the date of execution of this Lease Agreement; (iii) and has paid its unemployment taxes, disability and social security taxes (as applicable), or is in compliance with a payment plan therefore and in compliance with the terms and conditions thereof.

(b) Tenant expressly recognizes that the compliance with the provisions of this Section 22.30 is an essential condition of this Lease Agreement, and if any representation or warranty is not accurate, in whole or in part, the same shall constitute cause for Landlord to terminate this Lease Agreement.

22.31 **Debt Certification**. Tenant warrants to Landlord that neither Tenant nor its partners (or if Tenant is a corporation, its directors, officers or stockholders) owe any amount to Landlord or to any agency or instrumentality of the Government of Puerto Rico, either personally or under this or any other corporate or partnership name.

22.32 **Non-Conflict Certification**. Tenant represents and warrants to Landlord that there is no conflict of interest, neither actual or potential, between Landlord and any of Tenant's directors, officers, employees, partners and agents, as a result of business, labor, economic, or family relationships, or for any other reason. Tenant hereby covenants that upon Landlord's request Tenant shall deliver to Landlord a sworn statement from any of its directors, officers, employees, and/or agents that will confirm the veracity of Tenant's representation and warranty contained in this provision.

22.33 Tenant has been notified by Landlords that it has retained the professional service of a credit reporting agency in order to obtain credit references of its Tenants and that its results can be used for financial and credit evaluations.

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22.34 The Company shall not abide to any obligation or consideration that is object of this agreement until it has been registered at the Commonwealth of Puerto Rico Comptroller's Office, as stated in Public Act No. 18, October 30th, 1975, as amended.

IN WITNESS WHEREOF, the parties subscribe this Lease Agreement on the dates below stated.

LANDLORD:

PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
S.S.P.#66-0292871

By: [signature]
Name: ANIBAL ESPINOSA VALENTIN
Title: DEPUTY EXECUTIVE DIRECTOR OF FINANCE
Date: JUNE/8/2006

TENANT:

CCL INSERTCO PUERTO RICO, INC.
S.S.P.#66-391813266

By: [signature]
Name: Luis D. Pérez
Title: General Manager
Date: 05/26/06

FROM OTHER AREA
2006 JUN -1 AM 8:30

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ATTACHMENT "A"

DESCRIPTION OF PARCEL OF LAND, LOTS NUMBER 4 AND 6 (GROUPED), LOCATED AT EL RETIRO WARD INDUSTRIAL PARK, SAN GERMAN, PUERTO RICO SITE FOR PROJECT NO. S-0551-1-60 AND EXT.

GENERAL:

Parcel of land, lot No. 4 and 6 (grouped), located at El Retiro Ward Industrial Park, San Germán, Puerto Rico.

It bounds: by the NORTH, with land owned by Ernesto Quiñones Sambolín; by the SOUTH, with Street "B" of the same industrial park; by the EAST, with lot No. 10 of the same industrial park; and by the WEST, with lot number 1 and Street "B" of the same industrial park.

It has an approximate surface area of 8,253.83 square meters, equivalent to 2.1 cuerdas.

It is affected by the following right of way:

A 25 feet wide strip in favor of PREPA running along the South boundary.

DESCRITPION OF BUILDING S-0551-0-60
AT SAN GERMAN, PUERTO RICO:

This is a pitched roof type building consisting of reinforced concrete foundations, columns and beams supporting 30 pre stressed concrete (porete) slabs, covered by 1.3" isocianurate insulation and a 3 plies built-up roofing. The building has no monitors but roof ventilators are provided.

The structure consists of a main floor 120' -10" x 180' -8" out to out dimensions for an area of 21,830.36 sq. ft. of manufacturing space; a lean-to area 45'- 2" x 11' -0" for an area of 496.87 sq. ft. an entrance lobby 21'- 3" x 9'- 3" for an area of 196.56. This amounts a total area of 22,523.79 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab designed for a load of 150 p.s.f. with monolithic cement finish.

Exterior walls are of concrete blocks painted of both sides.

Ceiling is rubbed and painted throughout the building.

Interior walls at the lean-to are plastered and painted.

Windows are Miami louvers throughout the building.

Interior doors are made of plywood and exterior ones are industrial type metal doors. One (1) metal 10' -0" x 10'- 0" roll up doors is provided.

Clearance from finished floor to lowest part of beams at the side eaves is 12'-0".

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DESCRITPION OF BUILDING S-0551-0-63
AT SAN GERMAN, PUERTO RICO:

This is a pitched roof type building consisting of reinforced concrete foundations, columns and beams supporting 30 pre stressed concrete (porete) slabs, covered by 1.3" isocianurate insulation and a 3 plies built-up roofing. The building has no monitors but roof ventilators are provided.

The structure consists of a main floor 120' -0" x 120' -10" out to out dimensions for an area of 14,499.60 sq. ft. of manufacturing space; a lean-to area 31'- 2" x 10' -6" for an area of 327.29 sq. ft. and a covered loading platform 26'- 0" x 16'- 2" for an area of 420.42. This amounts to a total area of 15,247.31 sq. ft. of covered floor space.

The floor consists of a 4" thick reinforced concrete slab designed for a load of 150 p.s.f. with monolithic cement finish.

Exterior walls are of concrete blocks, painted of both sides.

Ceiling is rubbed and painted throughout the building.

Interior walls at the lean-to are plastered and painted.

Windows are Miami louvers throughout the building.

Interior doors are made of plywood and exterior ones are industrial type metal doors. One (1) metal 12' -0" x 10'- 0" roll up doors is provided.

Clearance from finished floor to lowest part of beams at the side's eaves is 12'-0".

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ATTACHMENT K

ADDITIONAL CLAUSES

ONE: TENANT recognizes and accepts that this Contract is subject to the endorsement of the Puerto Rico Aqueduct and Sewer Authority (PRASA). Said endorsement have been requested by LANDLORD and is under evaluation at this moment.

TWO: TENANT accepts and recognizes this Lease Contract is conditioned to the approval and endorsement of the Economic Studies Office and the Executive Director of the Puerto Rico Industrial Development Company.

Luis D. Pérez

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Estado Libre Asociado de Puerto Rico
Commonwealth of Puerto Rico
OFICINA DEL CONTRALOR
Office of the Comptroller
San Juan, Puerto Rico

CERTIFICACIÓN
CERTIFICATION

SOBRE OTORGAMIENTO DE CONTRATO, ESCRITURA O DOCUMENTO RELACIONADO
REGARDING THE EXECUTION OF CONTRACTS, DEEDS AND OTHER RELATED DOCUMENTS

[1] Código de Entidad 3180
Entity Code

[2] Número del Contrato 2006-0011321-
Contract Number

[3] Fecha de Otorgamiento (dd/mm/aa) 01-06-06
Date of execution (dd/mm/yy)

[4] Cuantía Total $1,222,014.60
Total amount

[5] Código del Tipo de Contrato 10
Contract Type Code

[6] Exento 7
Exempt

[7] Orden (Aprobación o dispensa de algún organismo del Gobierno) _____
Authorization or waiver from another government entity

[8] Vigencia desde (dd/mm/aa) 01-06-06 hasta (dd/mm/aa) 31-05-16
Effective date from (dd/mm/yy) to (dd/mm/yy)

[9] Seguro Social Personal o Patronal 391-81-3269
Social Security Number

[10] Contratista(s) CCL INSERTCO PUERTO RICO, INC.
Contractor

[11] Representante(s)de la(s) Entidad(es) Gubernamental(es) Anibal Espinosa Valentín COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
Government Representative(s)

Se somete la presente certificación en cumplimiento con la Carta Circular promulgada por el Contralor de Puerto Rico y en cumplimiento con el Reglamento Núm. 33 Sobre Registro de Contratos, Escrituras y Documentos Relacionados y Envío de Copias a la Oficina del Contralor. Esta debe ser remitida a la Oficina del Contralor. (This certification is submitted in compliance with the instructions issued by the Comptroller of Puerto Rico and in accordance with Regulation No. 33, regarding the Registration of Contracts, Deeds and Other Related Documents and the Mailing of such Copies to the Comptroller's Office by the government entity.)

Los suscribientes certificamos haber otorgado hoy el contrato descrito en este documento.
The undersigned, certify having that the contract described in this document was executed on this date.

[12] En (ciudad) SAN JUAN, Puerto Rico, hoy (dd/mm/aa) 01-06-06
In , Puerto Rico, today (dd/mm/yy)

[13] Firma(s) Contratista(s):
Signature of the Contractor(s):

Luis O. Peña
Firma (Signature)

Letra de molde (print)

Firma (Signature)

Letra de molde (print)

[14] Firma(s) Funcionario(s) Gubernamental(es):
Signature of the Government Official(s):
COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO

Firma (Signature)

ANIBAL ESPINOSA VALENTIN
Letra de molde (print)

Firma (Signature)

Letra de molde (print)

Revisado V.B: LAMP

COMPAÑIA DE FOMENTO INDUSTRIAL
OFICINA DE CONTRALORIA
DIVISION DE FACTURACION

RESUMEN DE CONTRATOS OTORGADOS

CONTRATO NUEVO: _____ RENOVACION: XX SUPLEMENTO: _____

PERMISO DE ENTRADA:_____ CARTA CONTRATO:_____ CARTA ACUERDO:_____

FECHA: 8-JUNIO-2006 CLIENTE NUM.: I-2900 CLASIFICACION: RP/NL

NOMBRE DE LA EMPRESA: CCL INSERTCO PUERTO RICO, INC.

NUM. DEL PROYECTO: S-0551-0-60 & 163 MUNICIPIO: SAN GERMAN, PR

PIES CUADRADO: 37,891.93 p.c. EMPLEOS: 95 CAPITALIZACION: N/A

MAQUINARIA Y EQUIPO (VALOR): $1,200,000.00

Cláusula 1.09: TERMINOS: 10 años
FECHA EFECTIVIDAD: 6/08/2006 a 6/07/2016

RENOVACION AUTOMATICA: 10 años, a la renta prevaleciente vigente en ese momento.

Cláusula 1.13: RENTA: 6/08/2006 a 6/07/2016

AÑO	PERIODO FACTURACION	RENTA P.C.	S-0551-0-60-00 (22,523.79 p.c.)	S-0551-1-63-00 (15,368.14 p.c.)	TOTAL RENTA MENSUAL
1 - 5	6/08/2006 a 6/07/2011	$3.00	$5,630.94	$3,842.04	$9,472.98
6 - 10	6/08/2011 a 6/07/2016	3.45	6,475.59	4,418.34	10,893.93

DEPOSITO: $5,374.39 CR# 163859 FECHA: 6/01/06
8,266.70 (Depósito Anterior) 135179 8/15/95
$13,641.09

SIC: 2759 - FOR THE MANUFACTURE OF "LABELS".

CERTIFICADO DE ENTREGA DE LLAVES: N/A REPARACIONES: NO

MODIFICACION NUM.: 6779 FECHA: 6/26/06
ENTRAR LOS CAMBIOS DE LA EMPRESA EN EL "BILLING SYSTEM"

PERSONA DE CONTACTO: MR. LUIS D. PEREZ		
DIRECCION: PO BOX 377, SAN GERMAN, PR 00683		
SSP # 39-1813266	TELEFONO: (787) 892-1268	FAX: –

PREPARADO POR: DIANA PADILLA FECHA: 6/26/06

2015 Enter Filing Year

Secretary of State Office
500 E Capitol Ave
Pierre, SD 57501
(605)773-4845

ANNUAL REPORT ANNEX 15a

FILE DATE 3/19/2015

RECEIPT NO 284084

DOMESTIC

Please Type or Print Clearly In Ink

FILING FEE: $50.00 Make check payable to SECRETARY OF STATE

1. Corporate ID and Name:
DB031810
CCL LABEL/SIOUX FALLS, INC.
1209 W BAILEY
SIOUX FALLS, SD 57104-1312

2. The jurisdiction under whose law it is formed SOUTH DAKOTA

3. The address of the principal executive office (business address).

1209 W BAILEY	SIOUX FALLS	SD	57104-1312
Street Address	City	State	ZIP+4
Mailing Address	City	State	ZIP+4

4. The name of the South Dakota Registered Agent

Agent Name: CORPORATION SERVICE COMPANY

503 SOUTH PIERRE STREET	PIERRE	SD	57501-4522
Street Address or Rural Route Box Number in This State and	City	State	ZIP+4
Mailing Address in This State, if Different from Street Address	City	State	ZIP+4

5. The names and addresses of its principal officers and directors. Please place a checkmark next to the name if the principal officer serves as a director. South Dakota Law requires at least one director.

[X]	GEOFFREY T. MARTIN	161 WORCESTER ROAD, SUITE 502	FRAMINGHAM	MA	01701
	President	Street Address	City	State	ZIP+4
[X]	LALITHA VAIDYANATHAN	161 WORCESTER ROAD, SUITE 502	FRAMINGHAM	MA	01701
	Vice President	Street Address	City	State	ZIP+4
[ ]	BOHDAN I. SIROTA	105 GORDON BAKER ROAD, SUITE 500	WILLOWDALE, ONTARIO		m2h 3p8
	Secretary	Street Address	City	State	ZIP+4
[ ]	SEAN WASHCHUK	105 GORDON BAKER ROAD, SUITE 500	WILLOWDALE, ONTARIO		M2H 3P8
	Treasurer	Street Address	City	State	ZIP+4
[X]	JOHN PEDROLI	4000 WESTINGHOUSE BLVD.	CHARLOTTE	NC	28273
	Director	Street Address	City	State	ZIP+4
[ ]	BRENT CHORNEYKO	1209 WEST BAILEY	SIOUX FALLS	SD	57117-5037
	Assistant-Secretary	Street Address	City	State	ZIP+4
[ ]	MARK MCCLENDON	17700 FOLTZ PARKWAY	STRONGSVILLE	OH	44149
	Vice President	Street Address	City	State	ZIP+4

No person may execute this report knowing it is false in any material aspect. Any violation is subject to a civil penalty.
By signing this form you agree to have both the fee and the form processed electronically.

Dated 03/19/2015

Signature Accepted Electronically
(Signature of an Authorized Person)

BOHDAN I SIROTA
(Printed Name)

3/19/2015 10:02:17 AM

Corporations Division

Business Entity Summary

ID Number: 000763023 Request certificate New search

Summary for: CCL LABEL, INC.

The exact name of the Foreign Corporation: CCL LABEL, INC.	
Entity type: Foreign Corporation	
Identification Number: 000763023	**Old ID Number:** 000000000
Date of Registration in Massachusetts: 07-30-2001	
	Last date certain:
Organized under the laws of: State: MI **Country:** USA **on:** 12-01-1987	
Current Fiscal Month/Day: 12/31	**Previous Fiscal Month/Day:** 00/00
The location of the Principal Office: Address: 161 WORCESTER ROAD SUITE 502 City or town, State, Zip code, Country: FRAMINGHAM, MA 01701 USA	
The location of the Massachusetts office, if any: Address: City or town, State, Zip code, Country:	
The name and address of the Registered Agent: Name: CORPORATION SERVICE COMPANY Address: 84 STATE STREET City or town, State, Zip code, Country: BOSTON, MA 02109 USA	

The Officers and Directors of the Corporation:

Title	Individual Name	Address
PRESIDENT	GEOFFREY T. MARTIN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA
TREASURER	SEAN WASHCHUK	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ON M2H 3P8 CAN
SECRETARY	BOHDAN I. SIROTA	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ONTARIO, M2H 3P8 CAN

VICE PRESIDENT	JOHN PEDROLI	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
VICE PRESIDENT	LALITHA VAIDYANATHAN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA
VICE PRESIDENT	VICTOR THERIAULT	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
VICE PRESIDENT	STEPHAN FINKE	21481 8TH STREET EAST, SUITE 15 SONOMA, CA 95476 USA
VICE PRESIDENT	SEBASTIAN RUBINO	15 CONTROLS AVENUE SHELTON, CT 06784 USA
VICE PRESIDENT	MARK MCCLENDON	17700 FOLTZ PKWY STRONGSVILLE, OH 44149 USA
ASSISTANT SECRETARY	SUZANA FURTADO	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ONTARIO, M2H 3P8 CAN
DIRECTOR	LALITHA VAIDYANATHAN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA
DIRECTOR	JOHN PEDROLI	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
DIRECTOR	GEOFFREY T. MARTIN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA

Business entity stock is publicly traded: ☐

The total number of shares and the par value, if any, of each class of stock which this business entity is authorized to issue:

Class of Stock	Par value per share	Total Authorized		Total issued and outstanding
		No. of shares	Total par value	No. of shares
CWP	$ 1.00	50,000	$ 50000.00	509

☐ **Consent** ☐ **Confidential Data** ☒ **Merger Allowed** ☐ **Manufacturing**

View filings for this business entity:

ALL FILINGS
Amended Foreign Corporations Certificate
Annual Report
Annual Report - Professional
Application for Reinstatement
Articles of Consolidation - Foreign and Domestic

View filings

Comments or notes associated with this business entity:

New search

AACR4

FEDERAL IDENTIFICATION NO. _____

Examiner

Name Approved

The Commonwealth of Massachusetts

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

FOREIGN CORPORATION CERTIFICATE

(General Laws, Chapter 181, Section 4)

We, MELDON H. SNIDER, ~~President~~ *Vice President,

and BOHDAN I. SIROTA, ~~Assistant Secretary~~ *Secretary

of CCL LABEL, INC.
(Exact name of corporation)

in compliance with the provisions of General Laws, Chapter 181, Section 4, certify as follows:

1. Exact name of the corporation, including any words or abbreviations indicating incorporation or limited liability:
CCL LABEL, INC.

2. If the exact name of the corporation is not available for use in the Commonwealth of Massachusetts, state the name the corporation *will use* to transact business in the Commonwealth of Massachusetts:

3. The corporation is organized under the laws of:
MICHIGAN

4. The date of its organization is:
DECEMBER 1, 1987

01211055

5. The location of its principal office is:
15 CONTROES DRIVE, SHELTON, CONNECTICUT 06484-0511

6. The activities of the corporation within the Commonwealth of Massachusetts are:
MANUFACTURE AND SAEE OF LABELS

C ☐
M ☑
R.A. ☑

7. The location of its office in Massachusetts, if any, is:
161 WORCESTER ROAD, SUITE 101, FRAMINGHAM, MASSACHUSETTS 01701

8. The name and street address of the resident agent of the Corporation in the Commonwealth of Massachusetts is:
CT CORPORATION SYSTEM, 101 FEDERAL STREET, SUITE 300, BOSTON, MASSACHUSETTS 02110

9. The date on which the corporation's fiscal year ends is:
DECEMBER 31

10. If the corporation's existence is other than perpetual, state the duration of existence:

P.C.

*Delete the inapplicable words.

11. The name and business address of the officers and directors of the corporation are as follows:

	NAME	BUSINESS ADDRESS
President	Geoffrey T. Martin	161 Worcester Road, Suite 101 Framingham, Massachusetts 01701
Vice President	Craig Groendyk	120 Stocktown Street, P.O. Box 1388 Hightstown, New Jersey 08520-0975
Vice President	John Pedroli	285 Union Avenue Memphis, Tennessee 38103
Vice President	Meldon H. Snider	105 Gordon Baker Road, Suite 800 Willowdale, Ontario M2H 3P8 Canada
Vice President	Victor Theriault	15 Controls Drive, P.O. Box 511 Shelton, Connecticut 06484
Vice President	Lalitha Vaidyanathan	161 Worcester Road, Suite 101 Framingham, Massachusetts 01701
Treasurer	Steven W. Lancaster	105 Gordon Baker Road, Suite 800 Willowdale, Ontario M2H 3P8 Canada
Secretary	Bohdan I. Sirota	105 Gordon Baker Road, Suite 800 Willowdale, Ontario M2H 3P8 Canada

Directors:

Geoffrey Martin	161 Worcester Road, Suite 101 Framingham, Massachusetts 01701
John Pedroli	285 Union Avenue Memphis, Tennessee 38103
Victor Theriault	15 Controls Drive, P.O. Box 511 Shelton, Connecticut 06484
Lalitha Vaidyanathan	161 Worcester Road, Suite 101 Framingham, Massachusetts 01701

*Please provide the name and business address of the Vice President and Assistant Clerk/ Assistant Secretary if they are executing this certificate.

12. Please indicate the fees a Massachusetts corporation would be required to pay to register to do business in the state of incorporation: $300.00

13. Attached to this certificate shall be a Certificate of Legal Existence of such foreign corporation issued by an officer or agency properly authorized in the state or country in which such foreign corporation was organized or other evidence of legal existence acceptable to the Secretary. If such certificate or other evidence of such legal existence is in language other than English, a translation thereof, under oath of the translator, shall also be attached.

SIGNED UNDER THE PENALTIES OF PERJURY, this 5th day of July, 20 01,

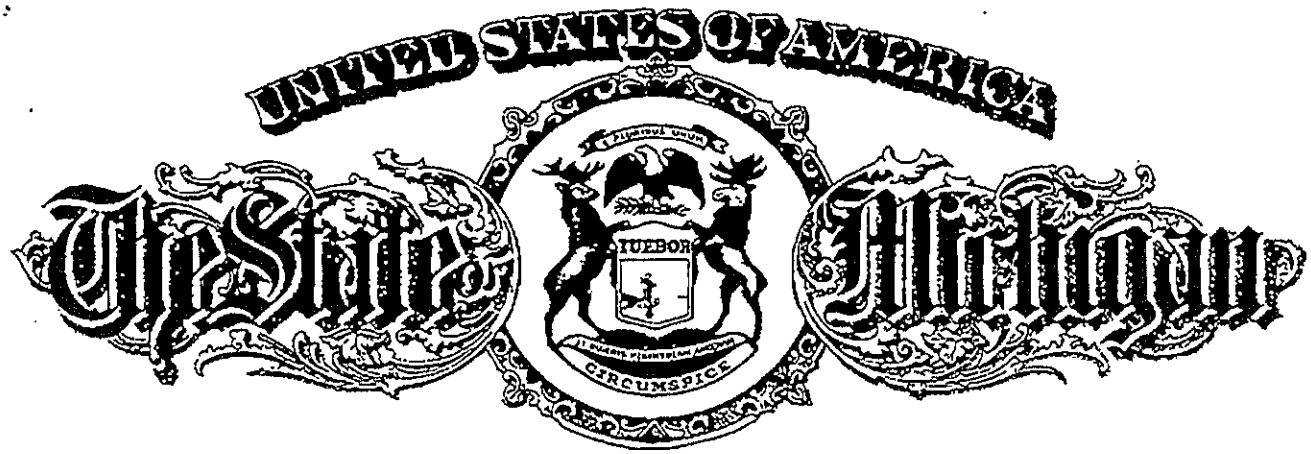
Meldon H. Snider, *Vice President,

Bohdan I. Sirota, *Secretary

*Delete the inapplicable words.

UNITED STATES OF AMERICA

The State of Michigan



Michigan Department of Consumer and Industry Services

Lansing, Michigan

This is to Certify That

CCL LABEL, INC.

was validly incorporated on December 1, 1987, as a Michigan profit corporation, and said corporation is validly in existence under the laws of this state.

This certificate is issued to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business or conduct affairs in Michigan and for no other purpose.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 5th day of July, 2001

Andrew L. Metcalf Jr., *Director*

Bureau of Commercial Services

GOLD SEAL APPEARS ONLY ON ORIGINAL

263023

#000584

THE COMMONWEALTH OF MASSACHUSETTS

FOREIGN CORPORATION CERTIFICATE

(General Laws, Chapter 181, Section 4)

SECRETARY OF THE COMMONWEALTH
01 JUL 30 PM 12:22
CORPORATION DIVISION

I hereby approve the within Foreign Corporation Certificate and, the filing fee in the amount of $300.00 having been paid, said certificate is deemed to have been filed with me this 30th day of July, 2001.

William Francis Galvin

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

TO BE FILLED IN BY CORPORATION
Photocopy of document to be sent to:

Ms. Suzana Medeiros

CCL Industries Inc.

105 Gordon Baker Road, Suite 800, Willowdale, Ontario M2H 3P8

Telephone: (416) 756-8540

Department of State: Division of Corporations

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Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number:	2476628	Incorporation Date / Formation Date:	01/31/1995 (mm/dd/yyyy)
Entity Name:	CCL LABEL (SAN GERMAN), INC.		
Entity Kind:	CORPORATION	Entity Type:	GENERAL
Residency:	DOMESTIC	State:	DE

REGISTERED AGENT INFORMATION

Name:	CORPORATION SERVICE COMPANY		
Address:	2711 CENTERVILLE RD SUITE 400		
City:	WILMINGTON	County:	NEW CASTLE
State:	DE	Postal Code:	19808
Phone:	(302)636-5401		

Additional Information is available for a fee. You can retrieve Status for a fee of $10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of $20.00.

Would you like ◉ Status ○ Status,Tax & History Information Submit

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Entity Details

THIS IS NOT A STATEMENT OF GOOD STANDING

File Number:	2120169	Incorporation Date / Formation Date:	03/12/1987 (mm/dd/yyyy)
Entity Name:	CCL LABEL (DELAWARE), INC.		
Entity Kind:	CORPORATION	Entity Type:	GENERAL
Residency:	DOMESTIC	State:	DE

REGISTERED AGENT INFORMATION

Name:	THE CORPORATION TRUST COMPANY		
Address:	CORPORATION TRUST CENTER 1209 ORANGE ST		
City:	WILMINGTON	County:	NEW CASTLE
State:	DE	Postal Code:	19801
Phone:	(302)658-7581		

Additional Information is available for a fee. You can retrieve Status for a fee of $10.00 or more detailed information including current franchise tax assessment, current filing history and more for a fee of $20.00.

Would you like ○ Status ○ Status,Tax & History Information Submit

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To contact a Delaware Online Agent click here.

The Commonwealth of Massachusetts
William Francis Galvin

Minimum Fee: $100.00

Secretary of the Commonwealth, Corporations Division
One Ashburton Place, 17th floor
Boston, MA 02108-1512
Telephone: (617) 727-9640

Annual Report
(General Laws, Chapter 156D, Section 16.22; 950 CMR 113.57)

Federal Employer Identification Number: 000763023 *(must be 9 digits)*

1. Exact name of the corporation: CCL LABEL, INC.

2. Jurisdiction of Incorporation: State: MI Country: USA

3,4. Street address of the corporation registered office in the commonwealth and the name of the registered agent at that office:

Name: CORPORATION SERVICE COMPANY
No. and Street: 84 STATE STREET
City or Town: BOSTON State: MA Zip: 02109 Country: USA

5. Street address of the corporation's principal office:

No. and Street: 161 WORCESTER ROAD
SUITE 502
City or Town: FRAMINGHAM State: MA Zip: 01701 Country: USA

6. Provide the name and business street address of the officers and of all the directors of the corporation:
(A president, treasurer, secretary and at least one director are required.)

Title	Individual Name First, Middle, Last, Suffix	Address (no PO Box) Address, City or Town, State, Zip Code
PRESIDENT	GEOFFREY T. MARTIN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA
TREASURER	SEAN WASHCHUK	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ON M2H 3P8 CAN
SECRETARY	BOHDAN I. SIROTA	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ONTARIO, M2H 3P8 CAN
VICE PRESIDENT	JOHN PEDROLI	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
VICE PRESIDENT	LALITHA VAIDYANATHAN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA
VICE PRESIDENT	VICTOR THERIAULT	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
VICE PRESIDENT	STEPHAN FINKE	21481 8TH STREET EAST, SUITE 15 SONOMA, CA 95476 USA
VICE PRESIDENT	SEBASTIAN RUBINO	15 CONTROLS AVENUE SHELTON, CT 06784 USA
VICE PRESIDENT	MARK MCCLENDON	17700 FOLTZ PKWY STRONGSVILLE, OH 44149 USA
ASSISTANT SECRETARY	SUZANA FURTADO	105 GORDON BAKER ROAD, SUITE 500 WILLOWDALE, ONTARIO, M2H 3P8 CAN
DIRECTOR	LALITHA VAIDYANATHAN	161 WORCESTER ROAD, SUITE 502

		FRAMINGHAM, MA 01701 USA
DIRECTOR	JOHN PEDROLI	4000 WESTINGHOUSE BLVD. CHARLOTTE, NC 28273 USA
DIRECTOR	GEOFFREY T. MARTIN	161 WORCESTER ROAD, SUITE 502 FRAMINGHAM, MA 01701 USA

7. Briefly describe the business of the corporation:

MANUFACTURER OF LABELS

8. Capital stock of each class and series:

Class of Stock	Par Value Per Share Enter **0** if no Par	Total Authorized by Articles of Organization or Amendments		Total Issued and Outstanding
		Num of Shares	*Total Par Value*	*Num of Shares*
CWP	$1.00000	50,000	$50,000.00	510

9. Check here if the stock of the corporation is publicly traded: ___

10. Report is filed for fiscal year ending: 12/31/ 2014

Signed by BOHDAN I. SIROTA , its OTHER OFFICER
on this 14 Day of January, 2015

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COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
G. P. O. BOX 2350 SAN JUAN, PUERTO RICO 00936

A. Neil Montilla
President & General Manager

PHONE (809) 764-1175

October 29, 1982

Mr. Americo A. Abadía
Digital Equipment Corporation
de Puerto Rico
P.O. Box 106
San Germán, Puerto Rico 00753

Dear Mr. Abadía:

Re: Letter Contract 8-19-82
Letters of 10-22-82

We refer to our Contract Letter of August 19, 1982 wherein we lease to your Company on a temporary basis Projects T-0261-0-54, T-0261-1-62 and T-0261-2-72 located in San Germán, Puerto Rico and further to your two letters of October 22, 1982 addressed to the attention of Mr. Rafael Fabián Náter wherein you confirm that the above referred projects would be emptied by November 15, 1982 for the further occupancy of same by International Silver de P.R., Inc. who recently signed a Lease Contract with this Company for said projects and also to your request for the temporary lease of Projects S-0373-0-56 and S-0373-1-58 located in the same area for a period of six (6) months.

Please be advised that based on your request we hereby amend said contract letter of August 19, 1982 as follows:

a) The lease of 24,575 square feet of Projects S-0373-0-56 and S-0373-1-58 for a period of six (6) months commencing on November 16, 1982 and ending on May 13, 1983 at a rental rate per square foot of $1.60, such rent to commence on December 1, 1982.

b) Release and delivery of building keys of Projects T-0261-0-54 and T-0261-1-62 by Digital Equipment Corp. of P.R. by November 15, 1982. Proper coordination on or before said date shall be made by Digital with our Maintenance, Contracts and Insurance Department. We call your attention to the fact that the fire and supplementary risks insurable values might change or be affected for Projects S-0373-0-56 and S-0373-1-58.

All other terms and conditon of our Contract Letter of August 19, 1982 shall remain in full force and effect.

If in agreement, please have the enclosed copy of this contract amendment signed by an authorized officer of your company and return same to us at the earliest possible time.

Cordially,

A. Neil Montilla
President and General Manager

ACCEPTED

BY: _____

DATE: 11/8/82

ANNEX 16a

PRIDCO
F-8018
R-4-75

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
SAN JUAN, PUERTO RICO

Date : November 12, 1982

FROM : Contracts Dept.

TO : Maintenance Dept.

RE : DELIVERY OF BUILDING KEYS

OK

TENANT Digital Equipment Corp.

PROJECT NO. S-0373-0-56 LOCATION San Germán
S-0373-1-58

NO. OF KEYS QUANTITY DOOR

c/o Mr. Américo A. Abadía
Box 106
San Germán, P. R. 00753

INSURANCE POLICIES VERIFIED BY : Damaris M. Bonilla

11/17/82
Date

KEYS
DELIVERED BY :

Rent.

11/12/82
Date

KEYS
RECEIVED BY :

11-23-82
Date

ANNEX 16b

COMMONWEALTH OF PUERTO RICO
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY
G. P. O. BOX 2350 SAN JUAN, PUERTO RICO 00936

PHONE (809) 764-1175

José M. Cobián
President & General Manager

Bldg 6

June 7, 1984

Contract Negotiations Department

José R. Díaz Rodríguez, Esq.
Digital Equipment Corporation
de Puerto Rico
93 Méndez Vigo St.
Mayaguez, Puerto Rico 00708

Dear Mr. Díaz:

We refer to your letter of March 26, 1984 addressed to the attention of Mr. Angel J. Seda, Vice President of Finance of this Company, wherein you request an extension of the term of your present Contract Letter of August 19, 1982 as amended on October 29, 1982 covering Projects S-0373-0-56 & S-0373-1-58 located in San Germán, Puerto Rico.

Please be advised that based on your request we hereby amend said contract letter of August 19, 1982, as amended on October 29, 1982, subject to the following, terms and conditions:

A. Term - Extended for thirty six (36) additional months commencing on July 1, 1984 and ending on June 30, 1987.

B. An additional 10,000 sq. ft. shall be devoted to manufacturing in our Projects S-0974-0-69, S-0974-1-74 and S-1171-0-74.

C. Digital shall employ 85 additional direct permanent employees in San Germán in addition to 1,800 permanent employees and 300 temporary employees actually employed in the San Germán manufacturing operations.

D. Digital shall invest approximately $1,000,000.00 as additional leasehold improvements on this Company's projects actually leased by Digital from this Company under fixed terms and shall invest $3,000,000.00 in machinery and equipment to be installed in said projects.

E. Digital shall invest approximately $300,000.00 as additional leasehold improvements to Projects S-0373-0-56 and S-0373-1-58.

F. Insurance - During the term hereof, Tenant shall provide and keep in force insurance policies for the benefit of this Company according to such risks and terms and conditions specified in Annex "A" of this Contract.

All other terms and conditions of our Contract Letter of August 19, 1982, as amended on October 29, 1982, shall remain in full force and effect except as hereinbefore amended.

If in agreement please have the enclosed copy of this Contract Letter amendment by an authorized officer of your Company and return same to us at the earliest possible time.

Cordially,

José M. Cobián
President and General Manager

ACCEPTED BY: [signature]

DATED: 6/14/84

Luis R. Lopez
Plant Facilities Mgr. 6/14/84

OK [signature] 6/14/84

ANNEX "A"

INSURANCE: Pursuant to the foregoing, Tenant shall maintain, during the term of this Lease, at its own cost and expense a Comprehensive General Liability Policy. Said Policy shall: (i) be for a combined single limit of no less than $500,000.00; (ii) hold Landlord harmless against any and all liability as hereinafter stated, "Tenant shall indemnify, save harmless and defend Landlord and agents, servants and employees of Landlord against and from any and all liability, fines, suits, claims, demands, expenses, including attorneys fees, and actions of any kind or nature arising by reason of injury to person or property including the loss of use resulting thereof or, violation of law occuring in the Premises occasioned in whole or in part by any negligent act or omission on the part of Tenant or an employee (whether or not action within the scope of his employment), servant, agent, licensee, visitor, assignor or undertenant of Tenant, or by any neglectful use or occupancy of the Premises or any breach, violation non-performance of any covenant in this Lease on the part of Tenant to be observed or performed". This indemnity agreement has to be quoted verbating in an endorsement and made a part of the Comprehensive General Liability Policy, and (iii) the care, custody and control exclusion shall be deleted from this coverage. Landlord may require additional reasonable limits of public liability insurance and coverage, when changing circumstances so require.

PROPERTY INSURANCE: Tenant recognize that the rent provided for herein does not include any element to indemnify, repair, replace or make hold Tenant, his employees, servants, agents, licensees, visitors, assignees, or undertenant for any loss or damage to any property or injury to any person in the Premises.

Accordingly, during the term of this Lease, Tenant shall keep the building standing upon the Premises at the commencement of the term hereof or thereafter erected upon the Premises, including all equipment appurtenant to the Premises and all alterations, changes, additions and improvements, insured for the benefit of Landlord and Tenant, as their respective interest may appear, in an amount at least equal to the percentages stated below (as Landlord may from time to time determine). The basis of the Property Insurance shall be Replacement Cost and the coverage an "All Risks" Property Insurance Policy. Coverages included in the All Risks Form:

1. Fire- "Building & Contents Form"
   (a) Building - 100% of insurable value exclusive of foundations

   (b) Contents- All equipment appurtenant to the PREMISES (State value on Policy)

2. Additional Coverages under the Fire Policy
   (a) Extended Coverage Endorsement- 100% of insurable value exclusive of foundations.

   (b) Earthquake- 50% of insurable value including foundations.

(c) Vandalism and Malicious Mischief Endorsement

(d) Improvements and Betterments- For all alteration, changes, additions and improvements.

3. Landsite and Flood whenever applicable and/or necessary.

4. Boiler and Machinery (if any) - 100% of insurable value.

5. Pollution Liability Policy - if necessary .

ADDITIONAL DISPOSITIONS ABOUT INSURANCE: All the insurance policies herein required from Tenant, shall be taken in form and substance acceptable to Landlord with insurance Companies duly authorized to do business in Puerto Rico, having an "A" and a higher financial rating according to Besst's Insurance Report; and shall include Landlord as additional insured. Tenant shall instruct the corresponding insurer to deliver such policies or certified copies of Certificates of Insurance, in lieu of, directly to Landlord. Landlord reserves the right not to deliver possession of the Premises to Tenant, unless, and until two (2) days after such original policies, or certified copies or certificates have been deposited with Landlord.

Furthermore, said policies, shall: (i) provide that they may not be cancelled by the insurer for nonpayment of premium or otherwise, until at least thirty (30) days after service of notice by registered or certified mail of the proposed cancellation upon Landlord, and (ii) be promptly renewed by Tenant upon expiration and Tenant shall, within thirty (30) days after such renewal, deliver to Landlord adequate evidence of the payment of premiums thereon. If such premiums or any of them shall not be so paid, Landlord may procure the same in the manner set forth for governmental agencies, and Tenant shall reimburse Landlord any amount so paid. This reimbursement being due and payable with the next installment of rent. In the event that Tenant fails to make this payment when due, it shall be subject to the following dispositions:

(a) Late Payments and Payment by Landlord: In the event that (i) Tenant makes late payment, or fails to make payments to Landlord, in whole or in part, of the rent, or of the additional rent, or of any of the other payments of money required to be paid by Tenant to Landlord, when and as due and payable; or if (ii) Landlord, without assuming any obligation to do so, after any notice or grace period provided hereunder, performs or causes to be performed, at the cost and expense of Tenant, any of the acts or obligations agreed to be performed by Tenant, and fails to refund Landlord any amounts of money paid or incurred by Landlord in performing of causing the performance or such acts of obligations, when and as due and payable, Tenant undertakes and agrees to pay Landlord as additional rent, interest on such lately paid or unpaid rents, and/or on such other payments of money required to be paid, and/or on any such amounts of money required to be refunded, from and after the date when payment thereof mature or became due and payable, until full payment, at the rate of twelve per cent (12%)

per annum, or if such 12% interest, is unlawful, then and in such event, at the highest maximum prevailing rate of interest on commercial unsecured loans as fixed by the Board of Regulatory Rates of Interest and Financial Charges, created under Law #1, approved on October 15, 1973 (10 LPRA 998), as amended, or by any successor statute or regulation thereof.

b) In the event that Tenant fails to make reimbursements on due premiums already paid by Landlord it shall be considered an event of default under the Contract and shall be subject to the dispositions stated in "A" above. It is expressly agreed and understood, that payment by Landlord or any such premiums shall not be deemed to waive or release the default in the payment thereof by Tenant nor the right of Landlord to take such action as may be available hereunder as in the case of default in the payment of rent.

Tenant shall not violate nor permit to be violated any of the conditions or provisions of any of said policies, and Tenant shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing and acceptable to Landlord shall be willing to write ad continue such insurance.

Tenant shall cooperate with Landlord in connection with the collection of any insurance monies that may be due in the event of loss and shall execute and deliver to Landlord such proofs of loss and other instruments that may be required for the purpose of facilitating the recovery of any such insurance monies, and in the event that Tenant shall fail or neglect so to cooperate or to execute, acknowledge and deliver any such instrument, Landlord, in addition to any other remedies, may as the agent or attorney-in fact of Tenant, execute and deliver any proof of loss or any other instruments as may seem desirable to Landlord and any mortgagee for the collection of such insurance monies.

GOBIERNO DE PUERTO RICO
COMPAÑIA DE FOMENTO INDUSTRIAL

355 AVE. F.D. ROOSEVELT
HATO REY, PUERTO RICO 00918
TELEFONO (787) 758-4747

16 de abril de 1998

Sr. Carlos Troche Acosta
Presidente
BAY-TEX INTERNATIONAL, CORP.
PO Box 1204
Boquerón, PR 00622-1204

RE: PROYECTO S-0373-0-56 Y S-0373-1-58
Y SOLAR 7-A
SAN GERMAN, PUERTO RICO

Estimado señor Troche:

Nos referimos a su interés, en representación de Bay-Tex International Corp. (en adelante denominado "Arrendatario") en arrendar de la Compañía de Fomento Industrial de Puerto Rico (en adelante denominado "Arrendador") los Proyectos Número S-0373-0-56 y S-0373-1-58 de 34,921 pies cuadrados y Solar 7-A de 1.398 cuerdas, localizados en San Germán, Puerto Rico (en adelante denominada la "Propiedad").

Deseamos informarle que estamos accediendo a su petición bajo los siguientes términos y condiciones:

A. Término - De mes a mes a comenzar en la fecha de entrega de la propiedad y por un periodo que no excederá de seis (6) meses con opción a seis (6) meses adicionales mediante acuerdo entre las partes.

B. Renta - $2.20 p.c. anual comenzando el primer día del mes siguiente a la fecha del comienzo del término. La renta de los primeros tres (3) meses será en pagos diferidos a realizarse conjuntamente con los meses 13, 14 y 15 del Contrato de Arrendamiento a ser otorgado entre las partes. El Solar 7-A será arrendado a razón de $1,250.00 mensuales, adicionales al arrendamiento del edificio.

C. Seguros - El Arrendatario reconoce y acepta que el Arrendador proveerá las Pólizas de Seguro cubriendo la Propiedad bajo los términos y condiciones estipulados en el Anejo "A" que se incluye. El Arrendatario será responsable del costo de la parte proporcional del seguro de acuerdo al área que ocupará bajo los términos de este Contrato.

D. Uso de la Propiedad - La Propiedad será arrendada en su condición actual y será utilizada por el Arrendatario para la manufactura de camisetas y el Solar 7-A para

estacionamiento. El Arrendatario no podrá arrendar, subarrendar o facilitar el uso de la Propiedad, ni en todo ni en parte, a entidad pública o privada alguna, sin el previo consentimiento por escrito del Arrendador.

E. Mantenimiento - El Arrendatario se obliga a cuidar la Propiedad, incluyendo todas las facilidades y mejoras permanentes instaladas en la estructura arrendada y en el solar, como un buen padre de familia y no realizará o permitirá construcción o mejora alguna en los mismos sin el consentimiento por escrito del Arrendador. Al terminarse el Contrato, el Arrendatario deberá devolver la posesión de los bienes arrendados al Arrendador en buen estado de reparación y mantenimiento y removiendo de los mismos todo aquello excepto que lo que el Arrendador resuelva retener, lo que quedará gratuitamente para beneficio del Arrendador.

F. Relevo - El Arrendatario deberá indemnizar, mantener indemne y defender al Arrendador y a sus agentes servidores y empleados contra todos los gastos, responsabilidades, multas, demandas, reclamaciones incluyendo costas de abogado y acciones de toda clase y naturaleza. De igual forma, el Arrendatario deberá indemnizar, mantener indemne y defender al Arrendador por cualquier violación de ley que ocurra en la Propiedad ocasionada en todo o en parte por cualquier acto negligente u omisión de parte del Arrendatario o un empleado (esté su acto o no dentro del ámbito de acción de su empleo), servidor, agente, persona autorizada, visitante, cesionario o subarrendatario, o por cualquier uso u ocupación en forma negligente de la Propiedad, o cualquier violación o incumplimiento de cualquier convenio que deba ser observado o realizado por parte del Arrendatario en este Contrato.

El Arrendatario releva al Arrendador de cualquier reclamación, demanda o acción que pudiera surgir por causa de cualquier accidente o daño que pueda ocurrir en y cerca de la Propiedad y como consecuencia del uso y ocupación de ésta y como resultado de cualquier labor o mejoras a la Propiedad llevadas a cabo por el Arrendatario bajo las disposiciones de este Contrato. En la eventualidad en que surja contra el Arrendador cualquier acción, reclamación o demanda, el Arrendatario se compromete a defender al Arrendador o indemnizarlo en caso de cualquier pérdida así resultante.

G. Inspección. - El Arrendador se reserva el derecho de inspeccionar la Propiedad en todo momento, a través de sus agentes, representantes y/o empleados, sin perjuicio de las actividades llevadas a cabo por el Arrendatario dentro de la misma.

H. Notificaciones - Todas las notificaciones y/o consentimientos que por medio de este Contrato se requieran o se permitan entre las partes, serán hechas por escrito, entregadas personalmente o remitidas por correo certificado o registrado con acuse de recibo a un oficial de la parte a quien vaya dirigida dicha notificación en su oficina, o a la siguiente

dirección postal; en caso de notificación al Arrendador: Apartado (G.P.O.) Box 362350, San Juan, Puerto Rico 00936-2350; en caso de notificación al Arrendatario: PO Box 1204, Boquerón, Puerto Rico. 00622-1204.

I. Reglamentos Gubernamentales - El Arrendatario acuerda y se compromete a cumplir con todas las leyes, reglas, reglamentos y requisitos de la Junta de Planificación de Puerto Rico, del Departamento de Salud, del Departamento de Bomberos, la Junta de Calidad Ambiental, la Agencia de Protección Ambiental (EPA por sus siglas en inglés), el Municipio donde ubica la Propiedad, la Autoridad de Acueductos y Alcantarillados y la Administración de Reglamentos y Permisos, según le sea requerido y/o de cualquier otra agencia gubernamental federal o estatal que tenga jurisdicción en relación al uso, labores, mejoras y las operaciones del Arrendatario en la Propiedad. El Arrendatario deberá someter evidencia de tales cumplimientos, de ser requerido por el Arrendador. Se acuerda y entiende que el incumplimiento de cualquiera de esas reglas, reglamentos y requisitos se considerará como una violación a las disposiciones de este Contrato y será causa suficiente para que el Arrendador pueda dejar sin efecto el mismo.

J. El Arrendatario por la presente reconoce que en la urbanización industrial actualmente ubican o se ubicarán otras empresas; por lo tanto, el Arrendatario específicamente acuerda y se compromete a tomar las medidas necesarias e instalar los equipos que sean necesarios para evitar que cualquier peligro y/o ruido, creados por sus operaciones, puedan de alguna forma o manera afectar indebidamente las operaciones de las demás industrias. Por lo tanto, el Arrendatario por la presente releva al Arrendador de todas las reclamaciones y/o demandas que surjan de lo anterior o en conexión con lo mismo.

K. Materiales Tóxicos - El Arrendatario, por su cuenta y costo, deberá mantener limpia la Propiedad; libre de desperdicios sólidos (que incluyen líquidos y gaseosos, según lo define la Ley de Conservación y Recuperación de Recursos "RCRA"), desechos, basuras y otras. Específicamente, el Arrendatario no deberá usar la Propiedad ni permitir el uso de la misma para almacenaje, depósito o vertedero de materia prima, desechos, sustancias peligrosas, sustancias tóxicas, o no tóxicas o de sustancias de cualquier naturaleza. El Arrendatario tampoco podrá hacer excavaciones con el propósito de almacenar, guardar ni esconder materias primas y/o materiales de desecho de clase alguna. Se prohibe específicamente el almacenamiento subterráneo de sustancias peligrosas y/o tóxicas en tanques o cualquier otro envase.

L. El Arrendatario le proveerá al Arrendador lo que a continuación se requiere, además de cualquier otra información, documentos o instrumentos que puedan serle requeridos en virtud de este Contrato:

1. Notificación escrita a la mayor brevedad, de cualquier evento o hecho ocurrido, que sea de tal naturaleza que se requiera notificación o comunicación del mismo por escrito, oral o mediante el uso del teléfono a la agencia federal "Environmental

Protection Agency (EPA)", a la Junta de Calidad Ambiental, o a cualquier agencia sucesora de éstas; disponiéndose también que cualquier orden, notificación, comunicación o informes hechos, recibidos o entregados con relación al evento o hecho antes mencionado, además de cualquier acción tomada en cuanto al Arrendatario por cualquier agencia reguladora o parte privada o entidad gubernamental relacionada en cualquier forma con cualquier evento o hecho de la naturaleza aquí descrita, debe también serle notificado al Arrendador con copia del mismo.

2. Certificaciones suscritas por un representante u oficial autorizado e identificado con relación a la condición ambiental de la Propiedad arrendada, conteniendo aquella información requerida por el Arrendador; dicha información será especificada con una enmienda al presente Contrato o en cualquier modificación subsiguiente que haga el Arrendador a la información requerida en la certificación.

3. Cualquier otra información o documentos relacionados con el cumplimiento, de parte del Arrendatario, con la reglamentación y legislación ambiental, local y/o federal.

M. Terminación y Responsabilidad Postcontractual del Arrendamiento - A la terminación o expiración de este Contrato: (1) El Arrendatario deberá informar al Arrendador por escrito de las actividades del Arrendatario que afectan o afectaron cada una o todas las áreas ambientales durante el término del Contrato, incluyendo una descripción desde el punto de vista ambiental de las condiciones físicas de la Propiedad (edificio(s) y/o solar). El Arrendatario también, informará por escrito al Arrendador sobre cualquier violación, plan de cumplimiento, permiso, plan de cierre, acción de limpieza ambiental regulatoria o cualquier otro procedimiento reglamentario relativo a la operación. En el caso que la información revele un incumplimiento por parte de el Arrendatario, en relación a lo anterior, o en el caso que una inspección física de la Propiedad y las áreas adyacentes realizada por el Arrendador o cualquier otra fuente de información revele la posibilidad de contaminación, el Arrendatario deberá someter a petición del Arrendador un plan de acción con la asignación financiera necesaria para ejecutarlo. El Arrendador hará responsable al Arrendatario sobre todo daño ambiental, o cualquier acción remediativa (incluyendo auditorías) que se realicen en los predios, o de otro modo, como resultado de las operaciones del Arrendatario después de la terminación del Contrato. Dicha responsabilidad durará hasta que se remedie o se satisfagan totalmente las obligaciones del Arrendatario. En caso de que el Arrendatario no cumpla con las condiciones antes mencionadas, el Arrendador puede, a su opción, efectuarlas a costo y responsabilidad del Arrendatario.

(2) El Arrendatario deberá remover toda sustancia peligrosa que pertenezca al Arrendatario o a una tercera parte. El Arrendatario deberá remover toda otra propiedad suya y/o de otra tercera parte y de no hacerlo así, designar mediante la presente al Arrendador como su agente de manera que el Arrendador remueva dicha propiedad a

costo y riesgo del Arrendatario. El Arrendatario conviene y acuerda observar y cumplir totalmente y a tiempo, con este convenio para remover toda su propiedad y entregar la Propiedad arrendada completamente limpia. El Arrendatario por la presente acuerda pagar los gastos y costos razonables y necesarios incurridos por el Arrendador por concepto de lo anterior.

Si como único resultado de la remoción de las pertenencias de el Arrendatario, resulta dañada cualquier porción adicional de la Propiedad, de la cual aquella forma parte, el Arrendatario deberá pagar al Arrendador el costo razonable de reparación de tales daños a menos que éstos se deban a la crasa negligencia de el Arrendador, sus agentes, sus servidores, sus empleados y/o sus contratistas. La obligación de el Arrendatario de observar y cumplir con este Contrato deberá sobrevivir la expiración u otra terminación del término de Contrato.

N. El Arrendador se reserva el derecho de auditar la Propiedad arrendada, de tiempo en tiempo, durante el transcurso del término de este Contrato, según lo requiera y estime conveniente el Arrendador, con el propósito de evaluar todos aquellos aspectos relacionados con la condición ambiental de la Propiedad y el cumplimiento por el Arrendatario con todo lo dispuesto en la reglamentación y legislación ambiental vigente, sea ésta local y/o federal; disponiéndose que el Arrendatario acuerda y se allana a proveer acceso a toda aquella área y/o estructuras de la Propiedad para estos propósitos, y de serle requerido por el Arrendador, le proveerá acceso a todos aquellos libros, records, documentos e instrumentos que estime necesarios y convenientes para poder evaluar la condición ambiental de la Propiedad.

O. El Arrendatario certifica y garantiza que al momento de suscribir este Contrato ha rendido su planilla contributiva durante los cinco (5) años previo a este Contrato y no adeuda contribuciones al Estado Libre Asociado de Puerto Rico, o se encuentra acogido a un plan de pago, con cuyos términos y condiciones esté cumpliendo. El Arrendatario igualmente certifica y garantiza que al momento de suscribirse este Contrato ha pagado las contribuciones de seguro por desempleo, de incapacidad temporal y de seguro social para choferes (la que aplique); o se encuentra acogido a un plan de pago, con cuyos términos y condiciones está cumpliendo. Expresamente se reconoce que ésta es una condición esencial del presente Contrato, y de no ser correcta en todo o en parte la anterior certificación, esto será causa suficiente para que el Arrendador pueda dejar sin efecto el mismo.

P. El Arrendatario garantiza al Arrendador que ni él ni ninguno de sus accionistas en el caso de una corporación ha quedado a deber dinero al Arrendador bajo este o cualquier otro nombre corporativo y/o personal.

Q. Queda específicamente acordado que cualquier violación o incumplimiento de los términos y condiciones antes indicados por parte de el Arrendatario darán derecho al Arrendador a cancelar y dar por terminado este Contrato, sin necesidad de compensar al Arrendatario por ningún concepto.

R. El Arrendatario acuerda someter al Arrendador dentro de los treinta (30) días siguientes a la fecha de otorgamiento de este Contrato: (a) evidencia del registro de la empresa en el Departamento de Estado, del Estado Libre Asociado de Puerto Rico y el nombre y la dirección de su agente residente; y (b) un certificado de una resolución de su Junta de Directores autorizando o ratificando el otorgamiento de este Contrato.

S. El Arrendatario acepta y reconoce que este Contrato se considera como parte de un Contrato de Arrendamiento por diez (10) años a otorgarse entre las partes y el cual está en proceso de prepararse para el arrendamiento de la Propiedad en su condición actual con una renta de $2.20 p.c. anual por los primeros sesenta (60) meses y $2.75 p.c. anual por los siguientes sesenta (60) meses del término de dicho contrato. El contrato está actualmente condicionado a la aprobación y endoso de la Oficina de Estudios Económicos de la Autoridad de Acueductos y Alcantarillados y del Director Ejecutivo de la Compañía de Fomento Industrial. No obstante, la aceptación por parte del Arrendador de arrendar la Propiedad bajo los términos y condiciones aquí estipulados, está basada en los méritos de la solicitud presentada por el Arrendatario y la misma no constituye ni norma ni precedente.

La aceptación por esta Compañía a su solicitud en exclusiva, basada en los méritos y circunstancias del caso y la misma no constituye una norma ni precedente.

De estar de acuerdo con los términos y condiciones antes expresados, agradeceremos que el oficial autorizado firme la copia que de la misma se acompaña, significando asi su aceptación a este Contrato.

Cordialmente,

Alberto J. Rivera
Subdirector Ejecutivo de
Bienes Raíces Y Servicios Industriales

ACEPTADO POR: _____ FECHA: April 16/98

SEGURO SOCIAL PATRONAL #: 66-0541200

ANEJO "A"

SEGUROS DE RESPONSABILIDAD GENERAL - El Arrendatario deberá indemnizar, mantener indemne y defender la Compañía y a sus agentes, servidores y empleados contra cualesquiera y todos los gastos, responsabilidades, multas, demandas, reclamaciones, incluyendo costas de abogados y acciones de toda clase de naturaleza, y de todas aquellas que surjan por causa de lesión a la persona o a la propiedad, incluyendo la pérdida en el uso que resultare de la misma. De igual forma, el Arrendatario deberá indemnizar, mantener indemne y defender a la Compañía por cualquier violación de ley que ocurra en la Propiedad ocasionada en todo o en parte por cualquier acto negligente u omisión de parte del Arrendatario o un empleado esté su acto o no dentro del ámbito de acción de su empleo, servidor, agente, persona autorizada, visitante, cesionario o subarrendatario del Arrendatario, o por cualquier uso o ocupación en forma negligente de la Propiedad, o cualquier violación o incumplimiento de cualquier convenio que deba ser observado o realizado por parte del Arrendatario en este Arrendamiento.

De acuerdo a lo anterior, el Arrendador deberá mantener durante el término de este Arrendamiento, a su propio costo y gasto, una Póliza de Responsabilidad General. Dicha póliza deberá: (I) ser por un límite sencillo y combinado de no menor de $1,000,000.00 por accidente, (ii) mantener indemne a la Compañía contra cualquier y toda responsabilidad según se establece en este Contrato y (iii) omitir de esta cubierta la exclusión de cuidado, custodia y control. La Compañía podrá requerir límites adicionales razonables para cubiertas y seguros de responsabilidad pública cuando así lo requieran las circunstancias cambiantes.

Seguro sobre la Propiedad - El Arrendatario reconoce que el alquiler impuesto en este Contrato no incluye elemento alguno para indemnizar, reparar, reemplazar o mantener al Arrendatario, sus empleados, servidores, agentes, personas autorizadas, visitantes, cesionarios o subarrendatarios por cualquier perdida o daño a cualquier propiedad o lesión a cualquier persona en la Propiedad.

De la misma forma durante el término de este Arrendamiento, el Arrendatario deberá mantener asegurado, para su beneficio y el beneficio del Arrendador, el edificio incluyendo todo equipo perteneciente a la Propiedad y todos los cambios, alteraciones, añadiduras y mejoras realizadas, según aparezcan de sus respectivos intereses, por una cantidad al menos igual porcentaje establecido adelante (según determine el Arrendador de tiempo en tiempo). Las bases del Seguro de Propiedad serán Costo de Reemplazo y una cubierta "Contra Todo Riesgo". Las cubiertas incluidas en el formado "Contra Todo Riesgo" son:

1. Fuego - "Formato de Edificio y contenido".
    a. Construcción - 100% del valor asegurable sin incluir los cimientos del edificio.
    b. Contenido - Todo equipo perteneciente a la Propiedad (Valor del Estado de la
2. Cubiertas adicionales bajo la póliza de incendio.
    a. Endoso de Cubierta Extendida - 100% del valor asegurable sin incluir los cimientos

b. Terremoto - 100% del valor asegurable, incluyendo los cimientos del edificio.

c. Endoso de Vandalismo y Daño Malicioso.

d. Arreglos y Mejoras - Para todos los cambios, alteraciones, añadiduras y mejoras.

3. Ubicación e inundaciones siempre que se aplique y/o sea necesario.

4. Calderas y maquinaria (si algunas) - 100% del valor asegurable.

5. Póliza de Responsabilidad contra contaminación, si es necesaria.

Disposiciones adicionales sobre seguros - Todas las pólizas de seguro exigidas al Arrendatario bajo este Contrato deberán ser conforme en forma y sustancia a los requerimientos del Arrendador, obteniéndose éstas a través de compañías de seguro debidamente autorizadas a hacer negocios en Puerto Rico, con una clasificación financiera clase "A" y superior según el informe de seguros "Best" y deberán incluir al Arrendador como asegurado adicional. El Arrendatario deberá instruir al asegurado correspondiente que deberá enviar al arrendador tales pólizas o sus copias certificadas o, en su lugar los Certificados de Seguros. El Arrendador se reserva el derecho de no entregar la posesión de la Propiedad al Arrendatario hasta que se hayan depositado con el Arrendador tales pólizas originales o copias certificadas o Certificados con fecha de hasta dos (2) días antes de la entrega de la misma.

Más aún, dichas pólizas deberán: (I) proveer que no serán canceladas por el asegurador por falta de pago de la prima o de otro modo hasta por lo menos treinta (30) días después de haber entregado aviso de la cancelación propuesta al Arrendador mediante correo registrado o certificado y (ii) ser renovada con prontitud por el Arrendatario a la fecha expiración. El Arrendatario deberá enviar al Arrendador evidencia adecuada del pago de las primas dentro de los treinta (30) días siguientes a tal renovación. Si tales primas o cualesquiera de ellas no fuere así pagada, el Arrendador puede gestionar la misma en la forma establecida para ello en las agencias de gobierno y el Arrendatario deberá reembolsar al Arrendador cualquier cantidad así pagada quedando este reembolso vencido y pagadero con el próximo pago del alquiler. El Arrendatario quedará sujeto a las normas y disposiciones establecidas en sus contratos de arrendamiento por el Arrendador en casos de pagos tardíos por el Arrendatario y pago por el Arrendador. Queda expresamente acordado y entendido que el pago de cualesquiera primas hecho por el Arrendador no se entenderá como una renuncia o liberación de la falta de pago de la misma por el Arrendatario ni del derecho del Arrendador a tomar la acción, acciones o remedios que entienda pertinente. En caso de que el Arrendatario mantenga vigente las pólizas de seguro suscritas originalmente por el Arrendador, el Arrendatario deberá pagar a éste al comienzo del término aquí expresado, las primas no ganadas prorrateándolas en todas las pólizas de seguro tenidas entonces por el Arrendador.

El Arrendatario no deberá violar ni permitir que se violen las condiciones o disposiciones de cualquiera de dichas pólizas de seguro debiendo satisfacer los requisitos que imponen dichos seguros.

El Arrendatario deberá cooperar con el Arrendador en relación al cobro de dinero adeudado por las compañías aseguradoras en concepto de compensación por pérdidas ocurridas. Igualmente, el Arrendatario deberá ejecutar y enviar al Arrendador evidencia de pérdidas y otros instrumentos que sean requeridos con el propósito de facilitar el pago de tal compensación. En caso de que el Arrendatario no envíe tales instrumentos, el Arrendador como agente o abogado de hecho del Arrendatario, podrá, además de utilizar cualquier otro remedio del que disponga, enviar cualquier evidencia de pérdidas otro instrumento necesario para el cobro de la compensación. Esto no deberá interpretarse como una renuncia a la obligación del Arrendamiento bajo todos los términos y condiciones de este Contrato.

Incendio u otro accidente - Si la Propiedad sufriera daños por fuego u otro accidente antes o durante el término de este Arrendamiento, el Arrendador deberá reparar el mismo con prontitud razonable luego que el Arrendatario le entregue una notificación escrita al respecto. Se deberán hacer las debidas concesiones para cualquier retraso que resulte de causas fuera de control razonable del Arrendador. Sin embargo, al Arrendador no se le requerirá reparar o reemplazar muebles, mobiliario u otra propiedad personal que el Arrendatario haya tenido el derecho de remover o haya sido instruido a ello. El Arrendador deberá proceder con la debida diligencia para obtener los ajustes de seguro correspondientes en relación a las susodichas pérdidas recibiendo la total cooperación y ayuda del Arrendatario al efectuar el ajuste de las pérdidas. Hasta que se completen tales reparaciones, el alquiler requerido a pagar, según requerido en este contrato, será anulado en proporción a la parte de la Propiedad que está inocupable siempre y cuando tales daños y otros accidentes no sean atribuibles a acto o negligencia del Arrendatario o a sus empleado, servidores, personas autorizadas, visitantes, personas designadas o subarrendatarios. Si el edificio estuviera tan averiado que el Arrendador decidiera demolerlo y/o reconstruirlo, en parte o en todo, el Arrendador podrá terminar este Arrendamiento enviando con tiempo razonable, luego de ocurrir tal daño, una notificación al Arrendatario indicándole su elección de terminar este Arrendamiento. Dicha terminación será efectiva de inmediato si el término del Arrendamiento no ha comenzado o en una fecha que se especificará en esa notificación si es durante el término del contrato. En caso de entregar la notificación si es durante el término de este Arrendamiento, el alquiler será prorrateado y saldado hasta el momento de un incendio u otro accidente si la Propiedad esta dañada no siendo el Arrendador de otro modo, responsable ante el Arrendatario del valor prorrateado de la renta sobre el término sin expirar de este Arrendamiento.

Disposiciones Específicas para Edificios Multifabriles - En caso de que la Propiedad constituya una sección o secciones de un edificio ubicada en una localización industrial bajo la cual distintas operaciones se realizarán por otros Arrendatarios: (I) la cubierta de seguro aquí requerida deberá ser adquirida por el Arrendador sobre la totalidad del edificio industrial y el Arrendatario deberá reembolsar al Arrendador en su parte promocional, el costo total de dicha póliza: (ii) si debido a cualquier acto hecho, permitido u omitido por el Arrendatario se aumentase la prima de cualquier seguro que afecte la Propiedad, el Arrendatario deberá

pagar al Arrendador la cantidad adicional que venga obligado a pagar por tal seguro, y el Arrendatario deberá remediar tal condición dentro de los cinco (5) días siguientes al requerimiento en caso que el Arrendador tuviera que solicitarlo y (iii) las pólizas de seguros, requeridas en los artículos precedentes, deberán ser endosadas de modo que incluyan una renuncia de sustitución contra el Arrendatario. Todas las cantidades a ser reembolsadas por el Arrendatario bajo este Artículo vencerán y serán pagaderas, como alquiler adicional con el siguiente pago de renta. En caso de que no haga este pago al vencer el mismo, el Arrendatario quedará sujeto a las normas, disposiciones establecidas en sus contratos de arrendamiento por el Arrendador en casos de pagos tardíos por el Arrendatario y pago por el Arrendador.

ELMN/lor "NB/L"

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
P.O. BOX 362350
SAN JUAN, PUERTO RICO 00936-2350

CONTRATO DE ARRENDAMIENTO

PROYECTO NUM.: **S-0373-0-56 Y S-0373-1-58**
UBICACION: **SAN GERMAN, PUERTO RICO**

Este contrato otorgado el 15 de julio de 1999 por la COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO, como "ARRENDADOR" y, como "ARRENDATARIO", **BAY-TEX INTERNATIONAL, CORP.**

El ARRENDADOR es el dueño de cierto predio de terreno y cierto edificio, identificados en el epígrafe y referidos de aquí en adelante conjuntamente como la Propiedad.

El ARRENDADOR ha acordado alquilar al ARRENDATARIO y el ARRENDATARIO ha acordado arrendar del ARRENDADOR la susodicha Propiedad.

En consideración a lo antes expresado, las partes comparecientes otorgan este Arrendamiento sujeto a las siguientes:

CLAUSULAS Y CONDICIONES

UNO: El ARRENDADOR por la presente cede y arrienda al ARRENDATARIO, y el ARRENDATARIO por la presente alquila del ARRENDADOR la Propiedad que está descrita en el Anejo "A" adjunto a este Contrato y hecho parte del mismo.

La Propiedad está sujeta a los gravámenes, las cargas y/o las restricciones, si algunas, que puedan aparecer en dicho Anejo "A". Aún más, los derechos de vuelo de la Propiedad están reservados para el uso exclusivo del ARRENDADOR.

DOS: La Propiedad deberá utilizarse y ocuparse exclusivamente para la manufactura de **camisetas y productos relacionados (SIC #02329).**

TRES: El ARRENDATARIO alquilará la Propiedad por un periodo de **DIEZ(10)** años, cuyo término comenzará el **1 de enero de 1999.**

CUATRO: Comenzando el **1 de enero de 1999** el ARRENDATARIO deberá pagar al ARRENDADOR un alquiler anual como sigue:

Renta	Renta por p.c.	Renta Mensual
1er año	$1.50	$4,365.02
2do año	$1.75	$5,092.53
3er año	$2.00	$5,820.03
4to Año	$2.20	$6,402.03
5to al 10mo año.	$2.75	$8,002.54

Los pagos mensuales para el alquiler aquí especificado deberán remitirse por adelantado el primer día de cada mes a las oficinas del ARRENDADOR, o en cualquier otro lugar que el

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ARRENDADOR indique. Si la fecha de comienzo de dicho Arrendamiento no cae el día primero del mes, el ARRENDATARIO se compromete a pagar el primer pago parcial mensual antes de la fecha de comienzo del mismo o en la misma fecha de comienzo.

CINCO: El depósito requerido bajo este contrato se desglosará de la siguiente forma: a) Se acreditará la cantidad de **$6,285.63** pagado por concepto de la reservación del Proyecto Núm. **S-0373-0-56, S-0373-1-58 (CR #141477 DEL 3-31-98).** b) La cantidad de **$4,683.08** será pagada simultáneamente con el otorgamiento de este contrato. 02144762 $4683.08 7/8/99

Este depósito garantizará el cumplimiento de las obligaciones del ARRENDATARIO bajo este Contrato, particularmente, pero sin limitarse a ello, el pago de la renta, el cumplimiento con las cláusulas ambientales y la devolución de la Propiedad en condiciones adecuadas al finalizar este Contrato. Si el ARRENDATARIO no ha incumplido a la fecha de terminación del Arrendamiento con alguna de las cláusulas y condiciones de este Contrato, el ARRENDADOR devolverá al ARRENDATARIO la cantidad de dinero, si alguna, retenida por concepto de esta disposición, luego de que la Oficina de Asuntos Ambientales del ARRENDADOR certifique que no existen deficiencias ambientales como consecuencia de la operación que el ARRENDATARIO llevaba a cabo en la Propiedad.

SEIS: El ARRENDATARIO acuerda tener una Capitalización de **$263,024.00** a la fecha de comienzo del término de este Contrato. De la misma forma y en un periodo no mayor de seis (6) meses a partir de dicha fecha, el ARRENDATARIO acuerda instalar equipo y maquinaria de manufactura con valor no menor de **$263,024.00**. Este valor no incluirá el costo de transportación e instalación del mismo ni su depreciación ordinaria después de la instalación. El ARRENDATARIO empleará un mínimo de **Doscientos (200)** personas dentro de los dieciocho (18) meses a partir de la fecha de comienzo del Arrendamiento.

Los antes mencionados niveles deberán mantenerse durante el término de este Arrendamiento y cualquier extensión al mismo.

SIETE: Toda notificación, demanda, aprobación, consentimiento y/o comunicación requerida o permitida en este Contrato deberá hacerse por escrito. Si es para el ARRENDADOR, deberá certificarse y enviarse a la siguiente dirección: **P.O. Box 362350, San Juan, Puerto Rico 00936-2350.** Si es para el ARRENDATARIO, se enviará a:

SR. CARLOS TROCHE ACOSTA, PRESIDENTE
BAY-TEX INTERNATIONAL, CORP.
NUCLEO GUARIONEX 306, VILLA TAINA
P.O. BOX 1204, BOQUERON, PR 00622-1204

OCHO: Alquiler neto - Este Arrendamiento deberá interpretarse como un alquiler neto; siendo responsabilidad exclusiva del ARRENDATARIO pagar todos los gastos de operación, las utilidades, el mantenimiento, los gastos, los seguros, las contribuciones y cualquier otro costo, gasto o cargo de cualquier naturaleza no asumido expresamente en este Contrato por el ARRENDADOR.

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NUEVE: Garantía sobre el uso - El ARRENDADOR garantiza que, al momento de comenzar el término de este Arrendamiento, la Propiedad podrá ser utilizada por el ARRENDATARIO para el propósito de manufactura objeto de este Contrato lo cual se considera consistente con el diseño y la construcción de dicha propiedad de acuerdo a los planos y especificaciones correspondientes.

DIEZ: Alteraciones - El ARRENDATARIO no hará alteraciones, añadiduras o mejoras a la Propiedad sin el previo consentimiento del ARRENDADOR. Todas las alteraciones, añadiduras y/o mejoras realizadas por el ARRENDATARIO o para él se harán a costo y gasto del ARRENDATARIO y, cuando se hagan, constituirán propiedad del ARRENDADOR sin consideraciones adicionales. Dichas alteraciones, añadiduras y/o mejoras permanecerán en la Propiedad entregándose las mismas como parte de la misma cuando expire el Arrendamiento o termine éste antes del término prefijado. El ARRENDADOR retiene el derecho de remover estas alteraciones, añadiduras y/o mejoras como más adelante se dispone.

En el caso que el ARRENDATARIO solicite el consentimiento del ARRENDADOR para cualquier alteración, el ARRENDADOR puede, a su opción, requerir del ARRENDATARIO que someta planos y especificaciones para dicha alteración, añadidura y/o mejora. Antes de comenzar cualesquiera de esos trabajos, dichos planos y especificaciones, si se requieren, deberán radicarse en las agencias gubernamentales que tengan jurisdicción sobre los mismos, necesitando la aprobación de éstas. El ARRENDATARIO deberá solicitar el consentimiento de cualquier acreedor hipotecario con interés o gravamen sobre este Arrendamiento y deberá enviar el mismo al ARRENDADOR si así lo requieren las cláusulas del contrato de hipoteca.

Antes de comenzar cualesquiera de esos trabajos, el ARRENDATARIO, a su costo y gasto, deberá enviar al ARRENDADOR una póliza de Responsabilidad General por Accidente según descrita en el Artículo TREINTA (30) de este Contrato. Dicha póliza deberá asegurar el trabajo a realizarse. Si el costo estimado de ese trabajo supera los CINCO MIL DOLARES ($5,000), el ARRENDATARIO, a su costo y gasto, deberá enviar al ARRENDADOR una fianza de seguridad, o una fianza de cumplimiento de una compañía reconocida y aprobada por el ARRENDADOR, o una fianza similar u otra garantía satisfactoria al ARRENDADOR en una cantidad igual al costo estimado de tal trabajo que garantice la terminación de tal trabajo dentro de un tiempo razonable. Se tendrán las debidas consideraciones a las condiciones del trabajo a realizarse de modo que esté libre de gravámenes, cargas, hipotecas prendarias y comprobantes de ventas condicionales, y de acuerdo con los planos y especificaciones sometidos al ARRENDADOR y aprobados por él. A opción del ARRENDADOR, en lugar de obtenerse garantías por separado para cada proyecto, el ARRENDATARIO deberá proveer una garantía escrita de cubierta total por una cantidad suficiente para satisfacer al ARRENDADOR por todas las alteraciones, cambios, añadiduras y/o mejoras hechas en la Propiedad.

El ARRENDATARIO deberá pagar el aumento en primas, si alguno, cobrado por la compañía de seguro para cubrir riesgos adicionales durante el transcurso de ese trabajo.

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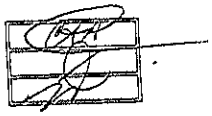

ONCE: Subestaciones de energía - Si lo requieren las operaciones del ARRENDATARIO, a su propio costo y gasto, el ARRENDATARIO deberá construir y/o instalar una subestación de energía eléctrica y conectarla a las líneas de distribución de la AUTORIDAD DE ENERGIA ELECTRICA (AEE), para voltajes de hasta 13.2 kv; y a las líneas de transmisión de la AEE para voltajes de 38 kv, todo en conformidad a los requisitos de la AEE. En ninguna circunstancia tal construcción podrá realizarla el ARRENDATARIO sin que el ARRENDADOR haya aprobado la localización de la misma, así como la ruta de extensión de las líneas de energía.

DOCE: Reparaciones y mantenimiento - EL ARRENDATARIO deberá tener y mantener, a su propio costo y gasto, en excelentes condiciones el edificio y las mejoras construidas en la Propiedad. Igualmente, mantendrá en óptimas condiciones el equipo y demás pertenencias de la Propiedad. Además, deberá mantener en perfecto estado las rampas y las áreas de aceras, rieles, cunetas, y encintado que van en los alrededores de la Propiedad y cada una y todas sus partes, dentro y fuera, ordinarias y extraordinarias, y deberá reparar totalmente cada una de las partes de la misma cuando haya la necesidad o sea lo deseable, aunque ocurra o no tal desperfecto, en todo o en parte, por el uso, rompimiento, obsolescencia o defecto mismo de la cosa. Al darse el debido mantenimiento a la Propiedad se usarán todas las precauciones razonables para evitar desperdicio, daño o lesión alguna, excepto en lo referente a continuación.

El ARRENDADOR y no el ARRENDATARIO, será el responsable de cualquier desperfecto en el edificio de la Propiedad que se deba a defectos en el diseño o vicios ocultos de construcción no aparentes al momento en que el ARRENDATARIO inspeccionó el mismo para ocuparlo. Será responsabilidad del ARRENDADOR corregir prontamente estos desperfectos. Sin embargo, por esto no se debe interpretar que se releva al ARRENDATARIO de cualquier responsabilidad u obligación dispuesta de otro modo en este Contrato, incluyendo, entre otras, fallas estructurales debidas a faltas o negligencia del ARRENDATARIO.

El ARRENDATARIO, a su costo y gasto, también deberá mantener limpio el solar, libre de desperdicios sólidos (que incluyen líquidos y gases según lo define la Ley de Conservación y Recuperación de Recursos) y el Reglamento para el Control de los desperdicios sólidos, peligrosos y no peligrosos, versión enmendada, desechos, basura y otras. Específicamente, el ARRENDATARIO no deberá usar dicho lugar ni permitir el uso del mismo como depósito o vertedero de materia prima, desechos, sustancias peligrosas, sustancias tóxicas o no tóxicas, o sustancias de cualquier naturaleza. El ARRENDATARIO tampoco podrá hacer excavaciones con el propósito de almacenar, guardar, ni esconder materias primas ni/o materiales de desecho de clase alguna. Se prohibe específicamente el almacenamiento subterráneo de sustancias peligrosas y/o tóxicas.

El ARRENDATARIO no deberá hacer, ni permitir que se haga en la Propiedad nada que se considere extra peligroso, ni deberá guardar en la Propiedad productos tóxicos o inflamables de cualquier clase o tipo sin tomar las precauciones adecuadas y cumplir con las leyes y los

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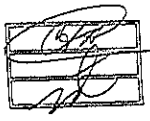

reglamentos Federales y del Estado Libre Asociado de Puerto Rico aplicables.

En el caso que el ARRENDATARIO necesite almacenar en el lugar materia prima de naturaleza peligrosa y/o tóxica y/o desperdicios tóxicos, éste deberá notificar al ARRENDADOR dicha necesidad y asegurar su autorización previa. Se proveerá al ARRENDADOR con una copia de cualquier permiso expedido para tal almacenamiento.

Aunque no se persigue que el ARRENDATARIO sea responsable de cualquier disminución en el valor del edificio debido al mero pasar del tiempo o por el uso y deterioro ordinario de la estructura del edificio, no obstante, el ARRENDATARIO deberá: (i) reemplazar con la misma clase y calidad, puertas, ventanas; accesorios eléctricos, sanitarios y de plomería; equipo y otras facilidades o accesorios del edificio en la Propiedad que por el uso o la negligencia del ARRENDATARIO se deterioren a tal grado como para ser reparados durante la vida de este Arrendamiento, (ii) pintar la Propiedad por dentro y por fuera según se requiera.

Además de lo anteriormente expresado, el ARRENDATARIO deberá indemnizar y liberar al ARRENDADOR de todo costo, gasto, reclamación, pérdida, daño o penalidad, incluyendo tarifas de abogados, a causa del incumplimiento del ARRENDATARIO con lo antes expresado. EL ARRENDATARIO no deberá pedir al ARRENDADOR que lo compense por el desembolso o gasto de dinero de clase alguna y expresamente releva y descarga al ARRENDADOR de cualquier responsabilidad u obligación en relación a lo aquí expuesto.

TRECE: Cuidado del techo - El ARRENDATARIO, sin el consentimiento previo del ARRENDADOR, no deberá: (i) erigir u ordenar que se erija en el techo ningún cartel, letrero aéreo o estructura de clase alguna, (ii) colocar cualquier accesorio, equipo o cualquier otra carga sobre el mismo, (iii) taladrar en el techo para cualesquiera propósitos, (iv) utilizar el techo para almacenamiento, (v) ni corregir cualesquiera filtraciones sean las que sean, siendo éstas única responsabilidad del ARRENDADOR. Sin embargo, el ARRENDATARIO deberá tomar todas las precauciones razonables que aseguren que las áreas de drenaje del techo no estén obstruídas y que se encuentren en condiciones buenas y operables en todo momento.

CATORCE: Cargas de pisos - El ARRENDATARIO, por la presente, reconoce que ha sido informado por el ARRENDADOR que la carga máxima que puede sostener el piso del edificio aquí cedido es de 150 libras por pie cuadrado. Por lo tanto, el ARRENDATARIO acuerda que en el caso que el peso de la maquinaria y del equipo que se va a instalar en el mismo exceda tal cantidad máxima, se deberá realizar a sus costas cualquier mejora que sea necesaria para habilitar tal carga adicional. Queda acordado y entendido, además, que la construcción y/o instalación de tales mejoras no comenzará hasta que el ARRENDADOR apruebe los planos que el ARRENDATARIO preparará para ello y, a partir de entonces, después de la terminación de la construcción y/o instalación de dichas estructuras quedarán dichas mejoras sujetas a las disposiciones aplicables a este Contrato. Queda acordado y entendido que a la terminación de este Arrendamiento dichas estructuras serán removidas por el ARRENDATARIO, a su costo y

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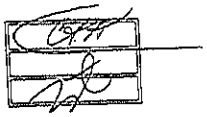

gasto, o, como alternativa y bajo petición del ARRENDADOR, deberán permanecer como parte de la Propiedad quedando el ARRENDATARIO sin derecho alguno a reembolso o compensación por las mismas.

QUINCE: Accesorios - El ARRENDATARIO no deberá fijar al plafón, ni a sus vigas o columnas, ni a ninguna de sus paredes unidad alguna de aire acondicionado, ni otro accesorio sin el consentimiento previo del ARRENDADOR.

DIECISEIS: Protección ambiental y su cumplimiento - El ARRENDATARIO acuerda, como condición de este Contrato, que no descargará sus efluentes o desperdicios sólidos, líquidos o gaseosos, industriales y/o sanitarios ni en el sistema sanitario, ni en otro lugar hasta que obtenga las autorizaciones requeridas de la Autoridad de Acueductos y Alcantarillados y/o el Departamento de Salud de Puerto Rico y/o la Junta de Calidad Ambiental, y/o cualquier otra agencia de gobierno con jurisdicción sobre ello. EL ARRENDATARIO también acuerda y se compromete a pre-tratar dichos efluentes, antes de descargar los mismos, según lo requiere tal Autoridad, Departamento y/o agencia de gobierno con jurisdicción, y/o a instalar cualquier equipo o sistema requerido, y cumplir con cualesquiera y todos los requisitos impuestos por ellos sometiendo a petición del ARRENDADOR evidencia de tales cumplimientos. El incumplimiento por parte del ARRENDATARIO de lo aquí expresado por un periodo de noventa (90) días, después de notificado, será considerado como una violación a las disposiciones aquí expresadas. Se dispone que ninguna construcción ni/o instalación se iniciará hasta que el ARRENDADOR lo haya aprobado.

El ARRENDATARIO, a su costo y gasto, también deberá construir y mantener la Propiedad, los procesos y/o los procedimientos de operación en cumplimiento con los términos, condiciones y compromisos especificados en cualquier Declaración de Impacto Ambiental, Evaluación Ambiental o cualquier otro documento análogo producido por la Compañía de Fomento Industrial de Puerto Rico del Estado Libre Asociado de Puerto Rico/ARRENDADOR como agencia primaria o por cualquier otra agencia del gobierno en relación con la aprobación u operación del proyecto.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier demanda legal, aviso de violación regulatoria, orden para mostrar causa, o cualquier otra acción reguladora o legal contra el ARRENDATARIO en cualquier caso o asunto relativo a lo ambiental.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier permiso otorgado al ARRENDATARIO para la emisión por aire, el descargo al agua, la generación, el almacenamiento, el tratamiento y/o la disposición de desperdicios sólidos para cualesquiera desechos peligrosos y/o tóxicos de materias primas o productos secundarios utilizados o generados, almacenados, tratados y/o dispuestos o cualquier otro endoso, autorización o permiso que se requiera obtener al ARRENDATARIO.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier radicación o notificación que será presentada por el ARRENDATARIO en cualquier agencia reguladora o que

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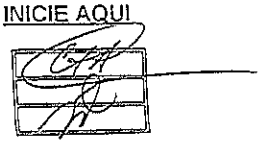

esté relacionado con cualquier caso o asunto ambiental, especialmente en cualquier situación que implique contaminación de agua subterránea o de superficie, derramamiento de desperdicio peligroso y/o tóxico y contaminación de suelos. La notificación al ARRENDADOR tendrá lugar no más tarde de la radicación real de los documentos pertinentes con la agencia reguladora.

DIECISIETE: Uso inadecuado - El ARRENDATARIO, durante el término de este Arrendamiento y de cualquier renovación o extensión al mismo, acuerda no utilizar, retener o permitir que se utilice o se ocupe la Propiedad arrendada o cualquier porción de la misma para propósitos ilegales o en violación a este Contrato o de cualquier certificado de ocupación o certificado de cumplimiento que cubra o afecte el uso de la Propiedad o cualquier porción de la misma. El ARRENDADOR no sufrirá por acto alguno que se realice o cualquier condición que exista en la Propiedad o porción de la misma, o cualquier artículo que se traiga que pueda ser peligroso a menos que esté resguardado como lo requiere la ley, o que pueda en ley constituir una molestia pública o privada, o que pueda invalidar o hacer invalido cualquier póliza de seguro en vigor.

DIECIOCHO: Reglamentaciones gubernamentales - El ARRENDATARIO acuerda y se compromete a cumplir con cualquier y todas las reglas, reglamentos y requisitos de la Junta de Planificación de Puerto Rico, el Departamento de Salud, la Junta de Calidad Ambiental, la Agencia de Protección Ambiental (EPA por sus siglas en inglés), donde sea aplicable y/o de cualquier otra agencia gubernamental que tenga jurisdicción sobre ello en relación a las operaciones del ARRENDATARIO en la Propiedad y/o los productos que se manufacturarán en ésta. El ARRENDATARIO deberá someter evidencia de tales cumplimientos. Si es requerido a ello por el ARRENDADOR se acuerda y entiende que el incumplimiento con cualesquiéra y todas esas reglas, reglamentos y requisitos se considerará como una violación a las disposiciones de este Contrato a menos que se corrija dicha situación dentro de los treinta (30) días siguientes al recibo del aviso.

Cualesquiera y todas las mejoras a la Propiedad, requeridas por cualquier agencia gubernamental con jurisdicción sobre ello para que el ARRENDATARIO desarrolle sus operaciones conforme a los reglamentos y requisitos exigidos por dichas Agencias, se harán a costas del ARRENDATARIO, excepto por cualquier mejora que pueda ser requerida como resultado de cualquier violación del ARRENDADOR existente a la fecha de efectividad de este Contrato siempre y cuando esta violación no haya sido causada por el ARRENDATARIO o los agentes de éste.

El ARRENDATARIO también acuerda y se compromete a instalar en la Propiedad, a su propio costo y gasto, tales mecanismos como sean necesarios para evitar que cualquier peligro a ser causado o creado por sus operaciones pueda afectar la integridad ambiental del lugar o pueda afectar o causar cualquier molestia a ARRENDATARIOS adyacentes y/o a la comunidad en general; siendo acordado y entendido que el crear o causar cualesquiera tales molestias se considerará como una violación a las disposiciones de este Contrato.

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El ARRENDATARIO también acuerda y se compromete a regirse y cumplir con cualesquiera y todos los reglamentos, reglas y requisitos del Departamento de Bomberos relativos al uso y almacenamiento de materias primas, productos suministrados y/o materiales inflamables, y/o de cualquier otra agencia gubernamental que tenga jurisdicción en ello. EL ARRENDADOR deberá someter evidencia de tal cumplimiento si así le es requerido. Queda acordado y entendido que el incumplimiento por parte del ARRENDATARIO de cualesquiera de los mencionados reglamentos, reglas y requisitos se entenderá en cada uno de los casos como un acto de incumplimiento bajo las disposiciones de este Contrato, a menos que se ponga remedio dentro de los treinta (30) días a partir del recibo de la notificación.

Si como consecuencia de las disposiciones precedentes el ARRENDATARIO necesita hacer alteraciones a la Propiedad, éstas deberán hacerse sujeto a las disposiciones del Artículo 10.

DIECINUEVE: Permiso de uso - El ARRENDATARIO acuerda regirse y cumplir con cualesquiera y todas las condiciones y requisitos incluidos en el Permiso de Uso que podrá ser expedido por la Administración de Reglamentos y Permisos de Puerto Rico (ARPE), y, si lo solicita el ARRENDADOR, deberá someter evidencia de tal cumplimiento. Se acuerda y entiende que el incumplimiento por parte del ARRENDATARIO con cualquiera de dichas condiciones y requisitos y/o la cancelación de dicho Permiso de Uso deberá ser considerado, en cada uno de esos casos, como un incumplimiento del Contrato bajo las disposiciones de éste.

VEINTE: Inspección - El ARRENDATARIO deberá permitir al ARRENDADOR o a los agentes del ARRENDADOR entrar a la Propiedad en todo momento razonable con el propósito de inspeccionarlo o hacer las reparaciones que el ARRENDATARIO ha dejado de hacer o se rehusa hacer según se requiere en las cláusulas, convenios y condiciones de este Arrendamiento, y también con el propósito de mostrar la Propiedad a personas que desean comprarla. Deberá permitirse la inspección de la Propiedad por ARRENDATARIOS prospectivos o a nombre de ellos durante el año que precede la expiración de este Arrendamiento. Si no se puede obtener acceso a la Propiedad, en un tiempo razonable, con los propósitos aquí establecidos, o si en cualquier momento se considerara necesario entrar para la inspección o la protección de la Propiedad, o para hacer cualesquiera reparaciones sean para el beneficio del ARRENDATARIO o del ARRENDADOR, los agentes o representantes del ARRENDADOR podrán entrar a la Propiedad mediante la fuerza, o de otro modo, sin hacer responsables al ARRENDADOR o sus agentes o representantes por cualquier reclamación o causa de acción o daño que surja al cumplir tal propósito.

Las disposiciones contenidas en este Artículo no deberán interpretarse como un incremento en las obligaciones del ARRENDADOR bajo este Arrendamiento; siendo expresamente acordado que el derecho y la autoridad aquí reservados no impone, ni el ARRENDADOR asume, por razón de ello, cualquier responsabilidad o compromiso, sea cual sea, para la reparación, el cuidado o la supervisión de la Propiedad, o cualquier edificio, equipo o pertenencia en la misma.

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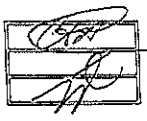

VEINTIUNO: Entrada del ARRENDADOR para reparaciones o alteraciones - El ARRENDADOR se reserva el derecho de hacer tales reparaciones, cambios, alteraciones, añadiduras o mejoras en cualquier porción o a cualquier porción del edificio y a los accesorios y equipos que aparentan ser parte de ellos según se considere necesario o deseable. De igual forma el ARRENDADOR se reserva el derecho a hacer tales reparaciones, de usar las entradas de la calle, pasillos, escaleras y elevadores del edificio, disponiéndose que no haya obstrucciones innecesarias al derecho del ARRENDATARIO de entrar a la Propiedad y de gozar del disfrute pacífico de la misma. EL ARRENDATARIO no hará reclamación alguna de compensación contra el ARRENDADOR vía reducción en renta o daños por razones de cualesquiera inconveniencias o molestias que surjan del mismo.

VEINTIDOS: El ARRENDADOR está excusado en ciertos casos - Si por razón de incapacidad en obtener y utilizar mano de obra, materiales o suministros, o por razón de circunstancias resultantes directa o indirectamente de un estado de guerra, o de una emergencia debidamente proclamada por la autoridad gubernamental correspondiente, o por razón de cualesquiera leyes, órdenes de regla, reglamentos o requisitos de cualquier acción gubernamental puesta en vigor ahora o en el futuro, o por razón de huelgas o motines, o por razón de accidentes, o al hacer reparaciones, reemplazos o mejoras al edificio o cualquier equipo en el mismo, o por razón de cualquier otra causa razonable fuera del control del ARRENDADOR, éste fuera incapaz de realizar o estuviera retrasado en la realización de cualquier convenio para suplir cualquier servicio, tal falta o retraso en la misma no será motivo para demandar al ARRENDADOR por daños ni constituirá un desahucio total o parcial, constructivo o de cualquier otra forma. Se acuerda y se entiende que el tiempo para la terminación de cualesquiera tales construcciones deberá extenderse por un periodo de tiempo igual al número de días de tal demora, cualquiera que sea.

VEINTITRES: Disfrute tranquilo - El ARRENDATARIO, cuando cumpla con el pago completo de la renta y el mantenimiento y cumplimiento de las condiciones y los convenios aquí contenidos, deberá y podrá disfrutar tranquila y apaciblemente de la Propiedad por el término aquí estipulado sujeto a los términos de este Contrato y a las hipotecas de aquí en adelante mencionadas.

VEINTICUATRO: Mejoras a la Propiedad en arriendo - Si las mejoras a la Propiedad en arriendo, hechas por el ARRENDATARIO o para su beneficio a su petición, u otra propiedad personal del ARRENDATARIO son tasables o tributables y se impone un impuesto al ARRENDADOR o al ARRENDATARIO, se entiende que será única responsabilidad del ARRENDATARIO pagar esos impuestos y bajo ninguna circunstancia serán responsabilidad del ARRENDADOR o transferibles a él. En el caso que por operación de la ley, tales impuestos se conviertan en responsabilidad del ARRENDADOR, el ARRENDATARIO deberá pagar tales

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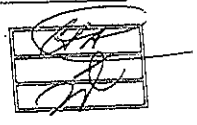

impuestos en cuanto se venzan y sean pagaderos y deberá reembolsar prontamente al ARRENDADOR cualquier pago o gasto incurrido o desembolsado por el ARRENDADOR por razón de tal tasación. Tal cantidad vencerá y será pagadera como alquiler adicional con el próximo plazo del alquiler. El ARRENDATARIO estará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en el caso que no cumpla con este pago cuando venza el mismo.

VEINTICINCO: Interrupción de las operaciones - Las partes entienden que este Arrendamiento lo realiza el ARRENDADOR en fomento de los planes de industrialización del Estado Libre Asociado de Puerto Rico e igualmente se entiende que el ARRENDATARIO realizará todos los esfuerzos razonables para mantener la operación de manufactura en la Propiedad mientras esté en efecto este Contrato. Nada de lo contenido en este párrafo se entenderá como que requiera del ARRENDATARIO el mantener sus operaciones de otro modo que no sea el acordado en sanos principios de administración de negocios, o (sin limitar la generalidad del párrafo anterior) evitar que el ARRENDATARIO abrevie tal operación o la cierre cuando y tan a menudo como el ARRENDATARIO crea aconsejable tal acción en el ejercicio de un sano juicio empresarial. Sin embargo, el ARRENDATARIO deberá dar aviso al ARRENDADOR de cualquier abreviación y/o cierre con por lo menos siete (7) días de anticipación a la fecha fijada para ello, excepto en casos de cierre de emergencia en cuyo caso el aviso se dará a la mayor brevedad posible. Ni la abreviación, ni el cierre de operaciones según las disposiciones de este párrafo constituirán una violación a las disposiciones de este Contrato que permitan al ARRENDADOR darlo por terminado, a menos que esas plantas hayan estado cerradas por un periodo de seis (6) meses consecutivos. Un cierre como consecuencia de sucesos imprevistos o sucesos que aunque previstos no se hayan podido evitar no constituirán violación a este Contrato. Nada de lo contenido en este párrafo relevará al ARRENDATARIO del pago del alquiler durante el periodo de cualquier cierre o abreviación de operaciones.

VEINTISEIS: Transferencia y subarriendo - El ARRENDATARIO no deberá transferir este Arrendamiento, ni arrendar o subarrendar la Propiedad, ni parte de la misma, excepto a su compañía matriz, a una subsidiaria de su total propiedad, a un afiliado del ARRENDATARIO, a un ente de la total propiedad de la compañía matriz del ARRENDATARIO o a una corporación que será organizada por el ARRENDATARIO. En cualesquiera de estos casos, el ARRENDATARIO deberá notificar con prontitud al ARRENDADOR dicha cesión o subarriendo quedando acordado y entendido que tal cesión o subarriendo no deberá: (i) reducir ni afectar, en forma alguna, las obligaciones del ARRENDATARIO, ni (ii) liberar al ARRENDATARIO de responsabilidades bajo este Arrendamiento.

VEINTISIETE: Sucesores en interés - Este Contrato de Arrendamiento y cada disposición contenida en el mismo obligará y tendrá efecto en relación a los representantes legales, sucesores y cesionarios de las partes. Sin embargo, el término "ARRENDADOR", como se usa en este

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Contrato, así como cualesquiera convenios u obligaciones de parte del ARRENDADOR en lo que respecta al Arrendamiento, estará limitado a significar e incluir solo al dueño o arrendador de la Propiedad al momento en cuestión. De esta manera si en un futuro dado hay una transferencia del título de propiedad sea esta voluntaria, por operación de la Ley o de otra manera, dicha persona jurídica o natural quedará a partir de la fecha de tal transferencia totalmente liberada y relevada de toda responsabilidad personal en lo que respecta a la ejecución de los convenios y obligaciones del ARRENDADOR bajo este Arrendamiento.

VEINTIOCHO: Ninguna representación del ARRENDADOR - El ARRENDADOR, los agentes o empleados del ARRENDADOR y los ejecutivos o empleados de la Compañía de Fomento Industrial de Puerto Rico no han hecho representaciones o promesas respecto a la Propiedad, excepto por lo aquí expresamente establecido y no se han adquirido derechos, servidumbres o licencias del ARRENDADOR en forma implícita o de otro modo, excepto como se establece expresamente en las disposiciones de este Contrato. El que el ARRENDATARIO tome posesión de la Propiedad será evidencia concluyente contra éste de que la acepta "COMO ESTA" ("AS IS") y que dicha Propiedad, en particular el edificio que forma parte de la misma, estaba en satisfactorias condiciones al momento de tomar posesión.

VEINTINUEVE: Daños - El ARRENDADOR no será responsable de cualquier defecto latente o cambio de condiciones en la Propiedad que resulten en daño al mismo y/o a las personas en el mismo, excepto en la medida en que el arrendador cometa crasa negligencia y dichas reclamaciones o pérdidas no estén cubiertas por los seguros aquí requeridos al ARRENDATARIO. El ARRENDATARIO deberá notificar al ARRENDADOR con prontitud de cualquier daño o defecto en la Propiedad, en particular cualquier defecto en los sistemas sanitarios, eléctricos, de aire acondicionado u otros que estén localizados en la Propiedad o que pasen a través de ésta. El daño o la condición defectuosa, sujeta a la disposición del Artículo VEINTIUNO aquí contenido, deberá repararlo el ARRENDADOR con razonable diligencia.

TREINTA: Seguros de Responsabilidad General - El ARRENDATARIO deberá indemnizar, mantener indemne y defender al ARRENDADOR y a sus agentes, servidores y empleados contra cualesquiera y todos los gastos, responsabilidades, multas, demandas, reclamaciones - incluyendo costas de abogado - y acciones de toda clase y naturaleza, y de todas ellas que surjan por causa de lesión a la persona o a la propiedad, incluyendo la pérdida en el uso que resultare de la misma. De igual forma, el ARRENDATARIO deberá indemnizar, mantener indemne y defender al ARRENDADOR por cualquier violación de ley que ocurra en la Propiedad ocasionada en todo o en parte por cualquier acto negligente u omisión de parte del ARRENDATARIO o un empleado (esté su acto o no dentro del ámbito de acción de su empleo), servidor, agente, persona autorizada, visitante, cesionario o subarrendatario del ARRENDATARIO, o por cualquier uso u ocupación en forma negligente de la Propiedad, o cualquier violación o incumplimiento de cualquier convenio que

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deba ser observado o realizado por parte del ARRENDATARIO en este Arrendamiento.

De acuerdo a lo anterior, el ARRENDATARIO deberá mantener durante el término de este Arrendamiento, a su propio costo y gasto, una Póliza de Responsabilidad General. Dicha póliza deberá: (i) ser por un límite sencillo y combinado de no menos de $1,000,000 por accidente, (ii) mantener indemne al ARRENDADOR contra cualquier y toda responsabilidad según se establece en este Contrato y (Iii) omitir de esta cubierta la exclusión de cuidado, custodia y control. El ARRENDADOR podrá requerir límites adicionales razonables para cubiertas y seguros de responsabilidad pública cuando así lo requieran las circunstancias cambiantes.

TREINTA Y UNO: Seguro sobre la propiedad - El ARRENDATARIO reconoce que el alquiler impuesto en este Contrato no incluye elemento alguno para indemnizar, reparar, reemplazar o mantener al ARRENDATARIO, sus empleados, servidores, agentes, personas autorizadas, visitantes, cesionarios o subarrendatarios por cualquier pérdida o daño a cualquier propiedad o lesión a cualquier persona en la Propiedad.

De la misma forma, durante el término de este Arrendamiento, el ARRENDATARIO deberá mantener asegurado, para su beneficio y el beneficio del ARRENDADOR, el edificio erigido incluyendo todo equipo perteneciente a la Propiedad y todos los cambios, alteraciones, añadiduras y mejoras realizadas, según aparezcan de sus respectivos intereses, por una cantidad al menos igual al porcentaje establecido adelante (según determine el ARRENDADOR de tiempo en tiempo). Las bases del Seguro de Propiedad serán Costo de Reemplazo y una cubierta "Contra Todo Riesgo". Las cubiertas incluidas en el formato "Contra Todo Riesgo" son:

1. Fuego - "Formato de Edificio y Contenido"
   a. Construcción - 100% del valor asegurable sin incluir los cimientos del edificio.
   b. Contenido - Todo equipo perteneciente a la Propiedad (Valor del Estado de la Póliza).
2. Cubiertas adicionales bajo la póliza de incendio
   a. Endoso de Cubierta Extendida - 100% del valor asegurable sin incluir los cimientos del edificio.
   b. Terremoto - 100% del valor asegurable, incluyendo los cimientos del edificio.
   c. Endoso de Vandalismo y Daño Malicioso.
   d. Arreglos y Mejoras - Para todos los cambios, alteraciones, añadiduras y mejoras.
3. Ubicación e inundaciones siempre que se aplique y/o sea necesario.
4. Calderas y maquinaria (si algunas) - 100% del valor asegurable.
5. Póliza de Responsabilidad contra contaminación, si es necesaria.

TREINTA Y DOS: Disposiciones específicas para edificios multifabriles - En el caso que la

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Propiedad constituya una sección o secciones de un edificio ubicada en un localización industrial bajo la cual distintas operaciones se realizan por otros ARRENDATARIOS: (i) la cubierta de seguro aquí requerida deberá ser adquirida por el ARRENDADOR sobre la totalidad del edificio industrial y el ARRENDATARIO deberá reembolsar al ARRENDADOR en su parte proporcional, el costo total de dicha póliza; (ii) si debido a cualquier acto hecho, causado, permitido u omitido por el ARRENDATARIO se aumentare la prima de cualquier seguro que afecte la Propiedad, el ARRENDATARIO deberá pagar al ARRENDADOR la cantidad adicional que venga obligado a pagar por tal seguro, y el ARRENDATARIO deberá remediar tal condición dentro de los cinco (5) días siguientes al requerimiento en caso que el ARRENDADOR tuviera que solicitarlo; y (iii) las pólizas de seguro, requeridas en los artículos 30 y 31, precedentes, deberán ser endosadas de modo que incluyan una renuncia de sustitución contra el ARRENDATARIO. Todas las cantidades a ser reembolsadas por el ARRENDATARIO bajo este Artículo vencerán y serán pagaderas como alquiler adicional con el siguiente pago de renta. El ARRENDATARIO quedará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en caso que no haga este pago al vencer el mismo.

TREINTA Y TRES: Disposiciones adicionales sobre seguros - Todas las pólizas de seguro exigidas al ARRENDATARIO bajo este Contrato deberán ser conforme en forma y sustancia a los requerimientos del ARRENDADOR, obteniéndose éstas a través de compañías de seguro debidamente autorizadas a hacer negocios en Puerto Rico, con una clasificación financiera clase "A" y superior, según el informe de seguros "Best", y deberán incluir al ARRENDADOR como asegurado adicional. El ARRENDATARIO deberá instruir al asegurador correspondiente que deberá enviar al ARRENDADOR tales pólizas o sus copias certificadas o, en su lugar, los Certificados de Seguros. El ARRENDADOR se reserva el derecho de no entregar la posesión de la Propiedad al ARRENDATARIO hasta que se hayan depositado con el ARRENDADOR tales pólizas originales o copias certificadas o Certificados con fecha de hasta dos (2) días antes de la entrega de la misma.

Más aún, dichas pólizas deberán: (i) proveer que no serán canceladas por el asegurador por falta de pago de la prima o de otro modo hasta por lo menos treinta (30) días después de haber entregado aviso de la cancelación propuesta al ARRENDADOR mediante correo registrado o certificado y (ii) ser renovada con prontitud por el ARRENDATARIO a la fecha de expiración. El ARRENDATARIO deberá enviar al ARRENDADOR evidencia adecuada del pago de las primas dentro de los treinta (30) días siguientes a tal renovación. Si tales primas o cualesquiera de ellas no fuere así pagada, el ARRENDADOR puede gestionar la misma en la forma establecida para ello en las agencias de gobierno y el ARRENDATARIO deberá reembolsar al ARRENDADOR cualquier cantidad así pagada quedando este reembolso vencido y pagadero con el próximo pago del alquiler. El ARRENDATARIO quedará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en el caso que no haga este pago a su vencimiento. Queda expresamente acordado y entendido que el pago de cualesquiera primas hecho por el ARRENDADOR no se entenderá

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como una renuncia o liberación de la falta de pago de la misma por el ARRENDATARIO ni del derecho del ARRENDADOR a tomar la acción que esté disponible por el presente Contrato como en el caso de incumplimiento en el pago de alquiler.

En caso que el ARRENDATARIO mantenga vigente las pólizas de seguro suscritas originalmente por el ARRENDADOR, el ARRENDATARIO deberá pagar a éste al comienzo del término aquí expresado, las primas no ganadas prorrateándolas en todas las pólizas de seguro tenidas entonces por el ARRENDADOR.

El ARRENDATARIO no deberá violar ni permitir que se violen las condiciones o disposiciones de cualesquiera de dichas pólizas de seguro debiendo satisfacer los requisitos que imponen dichos seguros.

El ARRENDATARIO deberá cooperar con el ARRENDADOR en relación al cobro de dinero adeudado por las compañías aseguradoras en concepto de compensación por pérdidas ocurridas. Igualmente, el ARRENDATARIO deberá ejecutar y enviar al ARRENDADOR evidencia de pérdidas y otros instrumentos que sean requeridos con el propósito de facilitar el pago de tal compensación. En el caso que el ARRENDATARIO no envíe tales instrumentos, el ARRENDADOR como agente o abogado de hecho del ARRENDATARIO, podrá, además de utilizar cualquier otro remedio del que disponga, enviar cualquier evidencia de pérdidas o cualquier otro instrumento necesario para el cobro de la compensación. Esto no deberá interpretarse como una renuncia a la obligación del ARRENDATARIO bajo los Artículos TREINTA, TREINTA Y UNO, TREINTA Y DOS, y TREINTA Y TRES de este Contrato o exclusivamente a favor del ARRENDADOR bajo el Artículo TREINTA Y NUEVE de este Contrato.

TREINTA Y CUATRO: Renuncias - El recibo por el ARRENDADOR del alquiler, alquiler adicional, o cualquier otra suma o cargo pagadero por el ARRENDATARIO, con conocimiento o sin él del rompimiento de cualquier convenio de este Contrato, no será entendido como una renuncia del ARRENDADOR a los derechos aquí conferidos como resultado de dicha violación de contrato. Ningún acto u omisión del ARRENDADOR o sus agentes durante el término de este Arrendamiento deberá entenderse como una aceptación a la sumisión de la Propiedad y ningún acuerdo para aceptar dicha sumisión de la Propiedad será válido a menos que sea por escrito y suscrito por el ARRENDADOR. Este Contrato contiene todos los acuerdos y las condiciones efectuadas entre las partes, a este fin, con respecto a la Propiedad no pudiendo ser alterado oralmente. Cualquier adición o alteración a las condiciones de este Arrendamiento deberá ser por escrito y firmado por el ARRENDADOR.

El incumplimiento por parte del ARRENDADOR para actuar o quejarse de cualquier acción o inacción de parte del ARRENDATARIO no constituirá una renuncia de cualesquiera de sus respectivos derechos bajo este Contrato, ni constituirá una renuncia a dicha disposición contractual en cualquier momento subsiguiente. El consentimiento o la aprobación del ARRENDADOR sobre cualquier acción o acto realizado por la otra parte que requiera su consentimiento o aprobación no deberá entenderse como una renuncia al consentimiento o

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aprobación del ARRENDADOR en relación a cualquier acto similar posterior.

TREINTA Y CINCO: Reposición - Ningún recibo de dinero a favor del ARRENDATARIO por parte del ARRENDADOR, después de la terminación o la cancelación en cualquier forma legal de este Contrato, deberá reponer, continuar o extender el término del Arrendamiento o afectar cualquier aviso hasta entonces dado al ARRENDATARIO. Dicho recibo tampoco operará como una renuncia del ARRENDADOR a su derecho a poner en vigor el pago de alquiler, alquiler adicional u otros cargos vencidos entonces o que posteriormente se venzan, u operar como una renuncia al derecho del ARRENDADOR a recobrar la posesión de la Propiedad mediante demanda, acción, procedimiento o remedio adecuado. Se acuerda que, luego de entregar el aviso de terminación o cancelación de este Arrendamiento, si el incumplimiento no ha sido sanado durante ese tiempo o después del comienzo de los procedimientos de demanda, acción o sentencia o de cualquier otro remedio o después de una orden final - el decreto de la sentencia de la posesión de la Propiedad - el ARRENDADOR podrá demandar, recibir y cobrar los dineros entonces vencidos o que de ahí en adelante se venzan sin que se afecte en forma alguna tales avisos, procedimientos, demandas, acciones, órdenes, decretos o sentencias. El dinero así cobrado deberá entenderse como un pago por el uso y la ocupación de la Propiedad o, a elección del ARRENDADOR, se acreditará a la cuenta de pasivos del ARRENDATARIO bajo este Contrato. El envío o la aceptación de las llaves de la Propiedad o cualquier acto similar realizado por el ARRENDADOR o sus agentes o empleados durante el término del mismo no se considerará como un envío o una aceptación de la entrega de la Propiedad a menos que el ARRENDADOR haya dado consentimiento a ello en la forma anteriormente establecida.

TREINTA Y SEIS: Subordinación y reconocimiento de nuevo titular Este Arrendamiento estará sujeto y subordinado a todos los gravámenes o hipotecas que puedan afectar a la Propiedad, ahora o en el futuro, y a todas las renovaciones, modificaciones, consolidaciones, reemplazos y extensiones a los mismos. El ARRENDATARIO deberá ejecutar cualquier otro instrumento requerido por el ARRENDADOR para confirmar tal subordinación aunque estas disposiciones de subordinación puedan entenderse para todos los propósitos como automáticas y efectivas sin necesidad de presentar otro instrumento por parte del ARRENDATARIO.

El ARRENDATARIO acuerda, además, que de terminar la hipoteca o de ejecutarse ésta, mediante procedimiento sumario o cualquier otra forma, debido al incumplimiento por parte del ARRENDADOR del pago de cualquier hipoteca que afecte a la Propiedad, el ARRENDATARIO reconocerá al titular de la hipoteca o al nuevo comprador en el procedimiento de ejecución, según sea el caso, como ARRENDADOR del ARRENDATARIO bajo este Arrendamiento. El ARRENDATARIO acuerda ejecutar y enviar a petición del ARRENDADOR o del acreedor hipotecario o el comprador en procedimiento de ejecución, según sea el caso, en cualquier momento y de tiempo en tiempo, cualquier instrumento razonable que sea necesario y adecuado para evidenciar el traspaso de los derechos sobre la Propiedad. El ARRENDATARIO además

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renuncia a cualquier estatuto o regla de ley en efecto, ahora o en el futuro, que pueda dar o proveer al ARRENDATARIO de cualquier derecho de elección a terminar este Arrendamiento o de entregar la posesión de la Propiedad arrendada en caso que tal procedimiento sea traído por el tenedor de la hipoteca, y no se afectarán de forma alguna las obligaciones del ARRENDATARIO bajo este Contrato sea cual fuere tal procedimiento.

El ARRENDATARIO conviene y acuerda so demanda del tenedor de cualquier hipoteca, debidamente registrada o registrable en el Registro de la Propiedad correspondiente, o de cualquier receptor debidamente designado en la ejecución de tal hipoteca a pagar al tenedor de tal hipoteca o a dicho receptor, según sea el caso, todo alquiler que venza bajo este Arrendamiento después de tal demanda siempre que tal tenedor de dicha hipoteca o el susodicho receptor cumplan con las obligaciones del ARRENDADOR bajo este Arrendamiento.

El ARRENDATARIO, a petición del ARRENDADOR o cualquier tenedor de tal hipoteca o gravamen que afecte a la Propiedad, deberá enviar al ARRENDADOR o a tal tenedor del gravamen o acreedor hipotecario, de tiempo en tiempo, un certificado debidamente ejecutado y reconocido en forma de registro dentro de los diez (10) días laborables siguientes a la fecha de la solicitud. Dicho certificado será sin cargos y certificará si es cierto o hasta dónde es cierto que este Arrendamiento es válido, subsistente y si está operando en todo su vigor y efecto. Además, se certificará si el ARRENDADOR está cumpliendo con los términos de este Arrendamiento.

TREINTA Y SIETE: Pagos tardíos y pago por el ARRENDADOR - En el caso que: (i) el ARRENDATARIO haga pagos tardíos o incumpla con hacer los pagos, en todo o en parte, del alquiler, de los alquileres adicionales, o de cualesquiera otros pagos de dinero requeridos cuando se venzan y según se venzan, según se ha estipulado en este Contrato; o si (ii) el ARRENDADOR, sin asumir obligación alguna para así hacerlo después de cualquier aviso o período de gracia provisto en lo adelante, realiza u ordena que se realice a costo y gasto del ARRENDATARIO cualesquiera de los actos u obligaciones acordados por el ARRENDATARIO en este Arrendamiento y el ARRENDATARIO no reembolsa al ARRENDADOR, luego de éste realizar u ordenar que se realicen tales actos u obligaciones, entonces el ARRENDATARIO se comprometerá a pagar al ARRENDADOR intereses, como alquiler adicional, sobre dichos pagos tardíos o alquileres sin pagar, alquiler adicional, y/o sobre tales otros pagos de dinero requeridos para el pago, y/o sobre todas esas cantidades de dinero requeridas para reembolsar desde y a partir de la fecha de vencimiento del pago hasta que se satisfaga el pago en su totalidad. Dicho interés se computará a una tasa anual de doce porciento (12%). Si fuera ilegal tal porciento (%) de interés, entonces se computará el mismo a base de la tasa más alta de interés prevaleciente en préstamos comerciales sin garantizar, según lo establezca la Junta Reguladora de Tasas de Interés y Cargos Financieros, creada bajo la Ley #1, aprobada el 15 de octubre de 1973 (10 LPRA 998), según enmendada, o por cualquier estatuto o regulación subsiguiente.

TREINTA Y OCHO: Anulación - Si cualquier servicio o estructura de carácter sustancial, a

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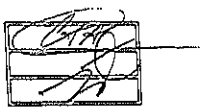

ser provisto por el ARRENDADOR, no está disponible por un periodo que exceda treinta (30) días provocando que toda o parte de la Propiedad sea inocupable, y el ARRENDADOR ha sido notificado al respecto, el ARRENDATARIO tendrá derecho, luego de dichos treinta (30) días, a que se le rebaje la porción del alquiler que reflejará la porción de la Propiedad que está inocupable disponiéndose que el daño al servicio o a la estructura no sea atribuible a acto o negligencia alguna del ARRENDATARIO o sus empleados, servidores, personas autorizadas, visitantes, personas designadas o subarrendatarios del ARRENDATARIO.

TREINTA Y NUEVE: Incendio u otro accidente - Si la Propiedad sufriera daños por fuego u otro accidente antes o durante el término de este Arrendamiento, el ARRENDADOR deberá reparar el mismo con prontitud razonable luego que el ARRENDATARIO le entregue una notificación escrita al respecto. Se deberán hacer las debidas concesiones para cualquier retraso que resulte de causas fuera del control razonable del ARRENDADOR. Sin embargo, al ARRENDADOR no se le requerirá reparar o reemplazar muebles, mobiliario u otra propiedad personal que el ARRENDATARIO haya podido colocar o instalar, o los cuales el ARRENDATARIO haya tenido el derecho de remover o haya sido instruido a ello. El ARRENDADOR deberá proceder con la debida diligencia para obtener los ajustes de seguro correspondientes con relación a las susodichas pérdidas recibiendo la total cooperación y ayuda del ARRENDATARIO al efectuar el ajuste de las pérdidas. Hasta que se completen tales reparaciones, el alquiler requerido a pagar, según el Artículo CUATRO (4) de este Contrato, será anulado en proporción a la parte de la Propiedad que está inocupable siempre y cuando tales daños y otros accidentes no sean atribuibles a acto o negligencia del ARRENDATARIO o a sus empleados, servidores, personas autorizadas, visitantes, personas designadas o subarrendatarios. Si el edificio estuviera tan averiado que el ARRENDADOR decidiera demolerlo y/o reconstruirlo, en parte o en todo, el ARRENDADOR podrá terminar este Arrendamiento enviando con tiempo razonable, luego de ocurrir tal daño, una notificación al ARRENDATARIO indicándole su elección de terminar este Arrendamiento. Dicha terminación será efectiva de inmediato si el término de arrendamiento no ha comenzado o en una fecha que se especificará en esa notificación si es durante el término del Contrato. En caso de entregar la notificación durante el término de este Arrendamiento, el alquiler será prorrateado y saldado hasta el momento de ese incendio u otro accidente si la Propiedad está dañada o hasta la fecha de terminación del Contrato si la Propiedad no está dañada no siendo el ARRENDADOR, de otro modo, responsable ante el ARRENDATARIO del valor prorrateado de la renta sobre el término sin expirar de este Arrendamiento.

CUARENTA: Disposiciones de incumplimiento - Si durante el término de este Contrato, el ARRENDATARIO: (i) solicita o consiente por escrito al nombramiento de un receptor, fideicomisario o liquidador del ARRENDATARIO o de todos o sustancialmente todos sus activos; o (ii) busca alivio bajo la Ley de Quiebras o admite por escrito su incapacidad para pagar las deudas cuando éstas venzan; o (iii) hace una cesión general a beneficio de sus acreedores; o (iv) radica

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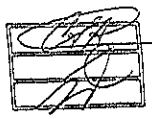

una petición, un caso o una respuesta en busca de alivios (otra que no sea una reorganización donde no estén envueltos los pasivos del ARRENDATARIO) o de un arreglo con los acreedores, o saca ventaja de cualquier ley de insolvencia; o (v) radica una contestación de demanda en un procedimiento de quiebra, reorganización o insolvencia donde admite las alegaciones sustanciales en un caso radicado contra él o si debe registrarse una orden, una sentencia o un decreto por cualquier tribunal con jurisdicción a solicitud del ARRENDATARIO o acreedor en la que se adjudique al ARRENDATARIO la quiebra o insolvencia, o en la que se apruebe una solicitud de reorganización del ARRENDATARIO (otra que no sea una reorganización donde no estén envueltos los pasivos del ARRENDATARIO), o se apruebe el nombramiento de un receptor, fideicomisario o liquidador del ARRENDATARIO, o de todo o sustancialmente todos sus activos, y tal orden, sentencia, decreto, deba continuar inalterable y en efecto por cualquier periodo de sesenta (60) días consecutivos, entonces, el término de este Arrendamiento y de todo derecho, título e interés del ARRENDATARIO bajo este Contrato deberá expirar total y completamente como si ese día fuera la fecha especificada en el mismo para la expiración del término de arrendamiento, y el ARRENDATARIO, como resultado, renunciará y entregará la Propiedad al ARRENDADOR. No obstante, de lo anterior no se deberá desprender que el ARRENDATARIO no continuará siendo responsable según lo aquí dispuesto.

Si durante el término de este Arrendamiento: (i) el ARRENDATARIO no cumple con cualesquiera de los convenios de este Arrendamiento (que no sean los convenios de pago de alquiler o alquiler adicional), o de cualquier otro Contrato vigente con el ARRENDADOR; o (ii) si durante el término de este Arrendamiento, el ARRENDADOR debe abandonar, sacar o mudar de la Propiedad la porción más grande de los bienes, utensilios, equipo o mobiliario usualmente dejados en esa propiedad; o (iii) si este Arrendamiento, sin el previo consentimiento del ARRENDADOR, debe gravarse, cederse, transferirse de cualquier manera, en todo o en parte, o deba por operación de ley pasar o devolverse a cualquier tercera parte, excepto en lo dispuesto en este Contrato, o (iv) si el ARRENDATARIO está en violación a las leyes, las reglas y los reglamentos relacionados con las disposiciones sobre salario mínimo o de cualquier otra ley, regla o reglamento aplicable a su operación pero que no haya sido específicamente mencionada en este Arrendamiento, entonces, el ARRENDADOR podrá dar aviso al ARRENDATARIO de tal incumplimiento o de la ocurrencia de cualquier suceso al que se ha hecho referencia anteriormente. Si a la expiración de treinta (30) días, después de haberse dado tal aviso, el incumplimiento o suceso en el cual se basó dicho aviso existe todavía; o en el caso de un incumplimiento que no puede subsanarse con la debida diligencia dentro del periodo de treinta (30) días si el ARRENDATARIO falla en proceder con prontitud, después de entregado tal aviso y con toda la debida diligencia para sanar el mismo y de ahí en adelante para proseguir la corrección de tal incumplimiento con toda la debida diligencia (con la intención, en relación con un incumplimiento no susceptible a ser corregido con la debida diligencia dentro de los treinta (30) días, de extender el tiempo del ARRENDATARIO por el periodo que sea necesario para corregir dicho incumplimiento con la debida diligencia), el ARRENDADOR puede dar al ARRENDATARIO un aviso de expiración del término de Arrendamiento a la fecha de

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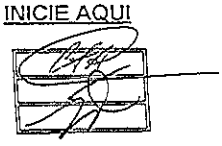

la entrega de ese segundo aviso. A la entrega de ese aviso de expiración el término de este Arrendamiento y todo derecho, título e interés del ARRENDATARIO bajo este Contrato expirarán total y completamente como si ese día fuera la fecha específicamente fijada en el Contrato para la expiración del término, y el ARRENDATARIO o cualquier parte en posesión de la Propiedad renunciará y entregará la Propiedad al ARRENDADOR, sin embargo, el ARRENDATARIO continuará siendo responsable ante el ARRENDADOR, según se dispone en este Contrato.

Si, (i) el ARRENDATARIO incumple con el pago del alquiler, el alquiler adicional o de cualquier otro pago, según se requiere bajo este Arrendamiento y tal incumplimiento continúa por diez (10) días laborables después que el ARRENDADOR le envía notificación al respecto, o (ii) si el incumplimiento del pago del alquiler continúa por treinta (30) días después de la fecha en que tal pago se vence y es pagadero (TERMINACION AUTOMATICA POR INCUMPLIMIENTO), o (iii) si este Arrendamiento debe terminar según las disposiciones de los párrafos Uno y Dos de este Artículo, este Arrendamiento terminará y el ARRENDATARIO entonces renunciará y entregará la Propiedad al ARRENDADOR quedando el ARRENDATARIO responsabilizado según se dispone más adelante. El ARRENDADOR o sus agentes y servidores podrán de inmediato o en cualquier momento de ahí en adelante reentrar en la Propiedad y remover todas las personas y toda o cualquier propiedad allí ubicada sea mediante un procedimiento sumario del desahucio, mediante cualquier acción o procedimiento de ley conveniente, o con la autorización y el permiso del ARRENDATARIO que se considerará dado bajo este Contrato a la expiración de la notificación del periodo estricto de treinta (30) días, que aparece en la subdivisión del párrafo Dos de este Artículo. De lo anterior no se deberá entender que el ARRENDADOR adviene responsable ante una acusación, enjuiciamiento o una demanda en daños y perjuicios pudiendo éste disfrutar de la Propiedad con todas las añadiduras, alteraciones y mejoras que se hayan hecho.

Si el ARRENDATARIO no tomara posesión de la Propiedad dentro de los diez (10) días siguientes al comienzo del término de este Arrendamiento o si el ARRENDATARIO debiera desocupar y abandonar la Propiedad, el ARRENDADOR tendrá a su opción el derecho de terminar este Arrendamiento así como todos los derechos, títulos e intereses del ARRENDATARIO bajo este Contrato al dar al ARRENDATARIO un aviso por escrito con cinco (5) días de anticipación notificando a éste de su intención de terminar el Arrendamiento. Si ese incumplimiento no se subsana previo a la expiración del tiempo establecido en ese último aviso, este Arrendamiento y el término estipulado en él así como todos los derechos, títulos e intereses del ARRENDATARIO en virtud de éste cesarán y expirarán totalmente en la misma forma y con el mismo vigor y efecto (excepto en lo referente a la responsabilidad del ARRENDATARIO) como si la fecha fijada por tal último aviso fuera la misma que la expiración del término convenido originalmente en el mismo; y el ARRENDATARIO deberá renunciar y entregar de inmediato al ARRENDADOR la Propiedad y el ARRENDADOR podrá entrar a reposeer la Propiedad mediante la fuerza, el procedimiento sumario u otro modo. El derecho concedido al ARRENDADOR en este artículo o cualquier otro artículo de este Arrendamiento para terminar este Arrendamiento aplicará a cualquier extensión o renovación del término aquí concedido y el ejercicio de cualquier derecho del ARRENDADOR durante el

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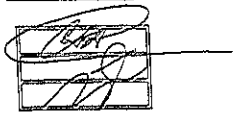

término aquí concedido deberá terminar cualquier extensión o renovación del término aquí concedido y cualquier derecho de parte del ARRENDATARIO al mismo.

A la terminación de este Arrendamiento por razón de cualesquiera de los sucesos precedentes o en el caso de terminación mediante el procedimiento sumario de deshaucio o bajo cualquier disposición de ley, ahora o en cualquier momento futuro, en vigor por causa de un incumplimiento en las condiciones de este Arrendamiento de parte del ARRENDATARIO, o al ARRENDADOR recobrar posesión de la Propiedad en la forma o en cualquier circunstancia previamente mencionada, o de cualquier otra forma o circunstancia sea la que sea, ya sea con o sin procedimientos legales, teniendo como razón, base o fundamento un incumplimiento o rompimiento de este Arrendamiento de parte del ARRENDATARIO, el ARRENDADOR a su opción, pero sin asumir obligación alguna de así hacerlo en cualquier caso, podrá volver a arrendar, en cualquier momento y de tiempo en tiempo, la Propiedad o cualquier parte o cualesquiera partes de la misma por la cuenta del ARRENDATARIO o de otro modo en los términos que el ARRENDADOR elija incluyendo el otorgamiento de concesiones. Del mismo modo, el ARRENDADOR podrá recibir y cobrar los alquileres aplicando los mismos, a una renta no mayor a la estipulada en este Contrato, primero, al pago de tales gastos razonables en los que haya incurrido el ARRENDADOR para recuperar la posesión de la Propiedad, incluyendo aquellos gastos legales razonables, y aquellos gastos incurridos por el ARRENDADOR al poner en orden y en buenas condiciones la Propiedad, y los gastos, comisiones y cargos pagados, asumidos o incurridos por el ARRENDADOR para volver a alquilar la Propiedad o cualquier porción de la misma. Luego, en segundo lugar, se aplicará el cobro de los alquileres al cumplimiento de los convenios del ARRENDATARIO bajo este Contrato. Cualquier realquiler de ese tipo aquí dispuesto podrá ser por el restante del término de este Arrendamiento o por un periodo más largo o más corto o por un precio de alquiler mayor o menor. En tal caso, sea o no realquilada la Propiedad o cualquier parte de la misma, el ARRENDATARIO deberá pagar al ARRENDADOR el alquiler requerido hasta el momento de terminación de este Arrendamiento y/o el alquiler completo dispuesto en el acuerdo por cualquier responsabilidad postcontractual incurrida después de la terminación del arrendamiento y hasta la entrega o la recuperación de la posesión de la Propiedad por el ARRENDADOR, según sea el caso. De ahí en adelante el ARRENDATARIO conviene y acuerda pagar al ARRENDADOR hasta el final del término de este Arrendamiento, según se arrendó originalmente, el equivalente de cualquier cantidad en deficiencia, de todo el alquiler reservado en el mismo, menos los productos netos de realquilar, si algunos, según se especifica precedentemente en este Artículo y el mismo vencerá y será pagadero por el ARRENDATARIO al ARRENDADOR según se estipula aquí, es decir, el ARRENDATARIO pagará al ARRENDADOR la cantidad de cualquier deficiencia que exista entonces.

CUARENTA Y UNO: Remedios del ARRENDADOR - En el caso que el ARRENDATARIO incumpla en la ejecución de cualesquiera términos, convenios o disposiciones contenidos en este Contrato, el ARRENDADOR podrá ejecutar el mismo a su opción por la cuenta del

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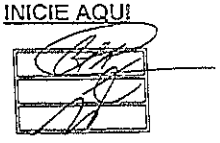

ARRENDATARIO y cualquier cantidad pagada o gasto incurrido por el ARRENDADOR en la ejecución del mismo será repagada por el ARRENDATARIO a su solicitud. En el caso de un rompimiento o amenaza de rompimiento por parte del ARRENDATARIO o cualquier subarrendatario u otra persona que ostente o reclame bajo el ARRENDATARIO cualesquiera de los convenios, condiciones o disposiciones acerca de esto, el ARRENDADOR tendrá el derecho a incoar un interdicto para evitar el mismo y el derecho a invocar cualquier remedio permitido por ley o en equidad como si los remedios específicos, indemnizaciones o reembolsos no estuvieran estipulados en este Contrato. Los derechos y remedios dados al ARRENDADOR en este Arrendamiento son distintos, separados y acumulativos, y ninguno de ellos, sean o no ejercidos por el ARRENDADOR, se interpretarán como una renuncia o exclusión de cualesquiera de los otros.

CUARENTA Y DOS: Aviso de incumplimiento - No obstante lo que en contrario se disponga en este Arrendamiento, se acuerda específicamente que no habrá incumplimiento ejecutable contra el ARRENDADOR bajo ninguna disposición de este Arrendamiento a menos que el ARRENDATARIO dé aviso al ARRENDADOR de tal incumplimiento. El ARRENDATARIO deberá, mediante el aviso, especificar el incumplimiento o la omisión de la cual se queja teniendo el ARRENDADOR treinta (30) días a partir del recibo de dicha notificación para remediar tal incumplimiento. Si dicho incumplimiento u omisión es de tal naturaleza que no puede subsanarse dentro del periodo de treinta (30) días entonces no se entenderá el mismo como un incumplimiento ejecutable, siempre y cuando el ARRENDADOR comienza a tomar los pasos necesarios para remediar dicho incumplimiento dentro de los mencionados treinta (30) días y diligentemente procede en la corrección de los mismos.

CUARENTA Y TRES: Capitalización - Para propósitos de este Contrato, en específico del Artículo SEIS, Capitalización comprende las fuentes del valor total (equity) del dueño (acciones preferidas, acciones comunes y el sobrante) más las deudas a largo plazo, quedando acordado y entendido que la amortización de tales deudas no deberán disminuir en forma alguna la cantidad determinada originalmente como Capitalización.

CUARENTA Y CUATRO: Revelación de información - El ARRENDATARIO acuerda suministrar al ARRENDADOR, dentro de los noventa (90) días después de expirar su año fiscal, un estado financiero anual certificado por un Contador Público Autorizado independiente donde se muestre al finalizar cada año fiscal: (i) el capital pagado del ARRENDATARIO; (ii) las deudas a largo plazo y la capitalización, según lo requieren los Artículos SEIS y CUARENTA Y TRES de este Contrato; (iii) la inversión en maquinaria y su capacidad de proveer empleos; (iv) los impuestos pagados (incluyendo impuestos del Seguro Social), y (v) cualquier otra información que este Arrendamiento requiera.

En el caso que tal estado financiero no sea entregado al ARRENDADOR, según se dispone aquí, el ARRENDADOR podrá obtener esa información del ARRENDATARIO, a costas de éste, y

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para tales propósitos el ARRENDATARIO deberá hacer accesible a los representantes del ARRENDADOR sus libros de cuentas y otros datos y facilidades necesarias, todo lo cual el ARRENDATARIO deberá proveer y hacer disponible en sus oficinas principales en Puerto Rico.

CUARENTA Y CINCO: Renovación automática - En el caso que el ARRENDATARIO no desaloje la Propiedad de la forma y bajo las condiciones aquí dispuestas dentro de los noventa (90) días siguientes a la expiración normal del término de este Contrato, el ARRENDADOR tendrá la opción, a ejercerse en cualquier momento, de notificar al ARRENDATARIO que el arrendamiento ha sido renovado por un término adicional de diez (10) años a partir de la fecha de expiración del mismo. En tal caso, las partes acuerdan que este Contrato deberá tenerse como renovado y que continúa en vigencia y en efecto durante el término adicional de diez (10) años con el mero envío por correo del aviso del ARRENDADOR. Esta disposición no perjudicará, afectará o negará de forma alguna cualquier derecho que el ARRENDADOR pueda tener al momento, o de otro modo, a causa de la terminación del término del Arrendamiento, particularmente siempre que el ARRENDADOR no ejerza tal opción. Queda acordado y entendido que tal renovación se hará en iguales términos y condiciones a los contenidos en este Contrato excepto que la tarifa de alquiler que se cargará será la tarifa actualizada que el ARRENDADOR cobra por edificios similares en el área, sin embargo, en ningún caso dicho alquiler será menor a la tarifa estipulada en este Contrato.

CUARENTA Y SEIS: Invalidez parcial y derecho aplicable - Si cualquier término o condición en este Arrendamiento o su aplicación sobre alguna persona o circunstancia es inválida, el resto de este Arrendamiento y la aplicación de dicho término o condición en relación a otras personas o circunstancias, que no sean las mismas que sobre las que ya se determinó dicha invalidez, no afectarán a éstas siéndoles aplicable en toda su extensión los términos de este Contrato. Este Contrato es otorgado y debe ser interpretado de acuerdo a las leyes del Estado Libre Asociado de Puerto Rico.

CUARENTA Y SIETE: Terminación y responsabilidad postcontractual del Arrendamiento - A la terminación o expiración de este Arrendamiento:

(i) el ARRENDATARIO deberá informar al ARRENDADOR por escrito de las actividades del ARRENDATARIO que afectan o afectaron cada una o todas las áreas ambientales durante el periodo de operación del Arrendamiento incluyendo una descripción desde el punto de vista ambiental de las condiciones físicas del edificio y el predio de terrero. El ARRENDATARIO también informará por escrito al ARRENDADOR sobre cualquier violación, plan de cumplimiento, permiso, plan de cierre, acción de limpieza ambiental regulatoria o cualquier otro procedimiento reglamentario relativo a la operación. En el caso que la información revele un incumplimiento por parte del ARRENDATARIO en relación a lo anterior, o en el caso que una inspección física de la Propiedad y las áreas adyacentes por el ARRENDADOR o cualquier otra fuente de información

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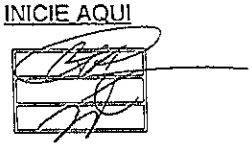
revele la posibilidad de contaminación, el ARRENDATARIO deberá someter a petición del ARRENDADOR un plan de acción con la asignación financiera necesaria para ejecutarlo. El ARRENDADOR hará responsable al ARRENDATARIO sobre cualquier y todo daño ambiental, o cualquier acción remediativa (incluyendo auditorías) que se realicen en los predios, o de otro modo, como resultado de las operaciones del ARRENDATARIO después de la terminación del Arrendamiento. Dicha responsabilidad durará hasta el momento en que se remedie o se satisfagan totalmente las obligaciones del ARRENDATARIO. En el caso que el ARRENDATARIO no cumpla con las presentes condiciones, el ARRENDADOR puede, a su opción, efectuarlas a costa y responsabilidad del ARRENDATARIO.

(ii) El ARRENDATARIO deberá remover toda sustancia peligrosa y tóxica que pertenezca al ARRENDATARIO o a una tercera parte. El ARRENDATARIO deberá remover toda otra propiedad suya y/o de otra tercera parte y, de no hacerlo así, designa mediante la presente al ARRENDADOR como su agente de manera que el ARRENDADOR remueva dicha propiedad a costo y riesgo del ARRENDATARIO. El ARRENDATARIO conviene y acuerda observar y cumplir totalmente, y a tiempo, con este convenio para remover toda su propiedad y entregar la Propiedad arrendada completamente limpia. El ARRENDATARIO por la presente acuerda pagar los gastos y costos razonables y necesarios incurridos por el ARRENDADOR en concepto de lo anterior. Si, como único resultado de la remoción de las pertenencias del ARRENDATARIO, resulta dañada cualquier porción adicional de la Propiedad del cual aquella forma parte, el ARRENDATARIO deberá pagar al ARRENDADOR el costo razonable de reparación de tales daños a menos que éstos se deban a la crasa negligencia del ARRENDADOR, sus agentes, sus servidores, sus empleados y/o sus contratistas. La obligación del ARRENDATARIO de observar y cumplir este convenio deberá sobrevivir la expiración u otra terminación del término de este Arrendamiento.

CUARENTA Y OCHO: Cambio de dirección - El ARRENDATARIO deberá notificar al ARRENDADOR con prontitud cualquier cambio de dirección distinta a la indicada en el Artículo SIETE de este Contrato.

CUARENTA Y NUEVE: El ARRENDATARIO indemnizará al ARRENDADOR de toda responsabilidad, pérdida, daños, gastos, penalidades y/o multas, y cualesquiera gastos adicionales, incluyendo honorarios de abogados, que el ARRENDADOR pudiera sufrir como consecuencia de reclamaciones, demandas, órdenes administrativas, costas, resoluciones o sentencias contra el ARRENDADOR que provenga de la negligencia y/o el incumplimiento por el ARRENDATARIO o aquellos actuando en su nombre, con los estatutos, ordenanzas u otras reglamentaciones o requerimientos de cualquier autoridad gubernamental, sea Federal, del Estado Libre Asociado de Puerto Rico, sus instrumentalidades o corporaciones públicas, con respecto a la ejecución de este Contrato.

INICIE AQUI



CINCUENTA: No obstante lo que en contrario se disponga en este Contrato, en el caso que el ARRENDATARIO requiera un volumen adicional de agua y/o presión a la existente en el área donde se ubica la Propiedad arrendada, la construcción y/o instalación de tales mejoras y/o estructuras según sean necesarias, convenientes y/o requeridas por la Autoridad de Acueductos y Alcantarillados de Puerto Rico para aumentar tal volumen y/o presión será por cuenta y costo del ARRENDATARIO. Queda acordado y entendido, no obstante, que tal construcción y/o instalación no será comenzada hasta tanto se solicite y se obtenga la aprobación escrita del ARRENDADOR.

CINCUENTA Y UNO: El ARRENDATARIO por la presente reconoce que en la urbanización industrial se localizan otras empresas; por lo tanto, el ARRENDATARIO específicamente acuerda y se compromete a tomar las medidas necesarias e instalar el equipo que sea necesario para evitar que cualquier peligro y/o ruido, creados por sus operaciones, puedan de alguna forma o manera afectar indebidamente las operaciones de las demás industrias. Por lo tanto, el ARRENDATARIO por la presente libera y hace indemne al ARRENDADOR de cualesquiera y todas las reclamaciones o demandas que surjan de esto o en conección con ello.

CINCUENTA Y DOS: El ARRENDATARIO deberá, por su cuenta y costo, instalar un sistema de protección contra incendios y deberá obtener el endoso y la aprobación del Departamento de Bomberos para dicha instalación. El ARRENDATARIO también deberá proveer medidas de seguridad para evitar o reducir el peligro de incendio debido al almacenamiento de materiales y productos inflamables.

CINCUENTA Y TRES: El ARRENDATARIO deberá solicitar y obtener un permiso para la operación de fuentes de emisión de desperdicios sólidos de la Junta de Calidad Ambiental, y una autorización de la Autoridad para el Manejo de Desperdicios Sólidos y/o del Municipio de **SAN GERMAN** para la disposición final de desperdicios.

CINCUENTA Y CUATRO: El ARRENDATARIO deberá, por su cuenta y costo, implantar las medidas necesarias y proveer el equipo de control requerido para mantener los niveles de calidad de aire atmosférico según requerido por las leyes y reglamentos de la Junta de Calidad Ambiental y de la Agencia de Protección Ambiental, según sean enmendadas y cualquier estatuto o reglamento en lo sucesivo aprobada.

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CINCUENTA Y CINCO: Queda acordado y entendido que el ARRENDATARIO deberá tomar las medidas necesarias para cumplir con los reglamentos y los requisitos de ley de la Oficina de Salud y Seguridad Ocupacional de Puerto Rico (PROSHO).

CINCUENTA Y SEIS: El ARRENDADOR deberá proveer un sistema de distribución eléctrica que consista de una base de metro de 200 AMP, conductos, conductores, receptáculos y cajas de conexiones como se indica en los dibujos de los sistemas de distribución eléctrica de la Compañía de Fomento Industrial de Puerto Rico para los edificios indicados.

CINCUENTA Y SIETE: El ARRENDATARIO deberá, por su cuenta y costo, construir y/o instalar todo el equipo necesario requerido para conectar el sistema eléctrico del edificio a la línea de distribución eléctrica de la Autoridad de Energía Eléctrica, tal conexión deberá hacerse en cumplimiento a los requisitos de la AEE.

CINCUENTA Y OCHO: El ARRENDATARIO deberá cumplir con las reglas y los reglamentos de pre-tratamiento establecidos por la Autoridad de Acueductos y Alcantarillados de Puerto Rico, la Junta de Calidad Ambiental y la Agencia de Protección Ambiental con relación a las descargas de efluentes sanitarios e industriales en el sistema de alcantarillado sanitario y su disposición final. Además, cualquier mejora necesaria para proveer facilidades de tratamiento previo para los mencionados efluentes se realizarán por cuenta y costo del ARRENDATARIO en coordinación y con la aprobación de los Departamentos de Ingeniería y Conservación del ARRENDADOR.

CINCUENTA Y NUEVE: Queda por la presente acordado y entendido que el ARRENDATARIO podrá instalar, por su cuenta y costo, un sistema de aire acondicionado en la Propiedad arrendada, si este le es necesario para sus operaciones de manufactura. El sistema de aire acondicionado se considerará como una estructura especial y se instalará en coordinación con las Oficinas de Ingeniería y de Conservación del ARRENDADOR.

SESENTA: Este contrato está sujeto y condicionado a que la Autoridad de Energía Eléctrica pueda suplir la demanda de energía eléctrica requerida por el proyecto.

SESENTA Y UNO: Este Contrato está sujeto y condicionado al endoso y a la aprobación de la Junta de Calidad Ambiental de Puerto Rico, Administración de Reglamentos y Permisos y a la Autoridad de Acueductos y Alcantarillados; disponiéndose que dichas aprobaciones constituirán condiciones de este Contrato, sin las cuales el ARRENDADOR tendrá derecho a rescindir el mismo.

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SESENTA Y DOS: El ARRENDATARIO certifica y garantiza que al momento de suscribir este contrato ha rendido su planilla contributiva durante los cinco (5) años previos a este contrato y no adeuda contribuciones al Estado Libre Asociado de Puerto Rico, o se encuentra acogido a un plan de pago, con cuyos términos y condiciones está cumpliendo.

El ARRENDATARIO igualmente certifica y garantiza que al momento de suscribirse este Contrato ha pagado las contribuciones de seguro por desempleo, de incapacidad temporal y de seguro social para choferes (la que aplique); o se encuentra acogido a un plan de pago, con cuyos términos y condiciones está cumpliendo.

Expresamente se reconoce que ésta es una condición esencial del presente contrato, y de no ser correcta en todo o en parte la anterior certificación, esto será causa suficiente para que el ARRENDADOR pueda dejar sin efecto el mismo.

SESENTA Y TRES: El ARRENDADOR se reserva el derecho a auditar la propiedad arrendada, de tiempo en tiempo, durante el transcurso del término de este Arrendamiento según lo requiera y estime conveniente el ARRENDADOR, con el propósito de evaluar todos aquellos aspectos relacionados con la condición ambiental de la propiedad y el cumplimiento por el ARRENDATARIO con todo lo dispuesto en la reglamentación y legislación ambiental vigente, sea ésta local y/o federal; disponiéndose que el ARRENDATARIO acuerda y se allana a proveer acceso a todas aquellas áreas y/o estructuras de la propiedad y le proveerá acceso a todos aquellos libros, records, documentos e instrumentos que el ARRENDADOR estime necesarios y convenientes para poder evaluar la condición ambiental de la Propiedad.

SESENTA Y CUATRO: El ARRENDATARIO le proveerá al ARRENDADOR lo que a continuación se requiere, además de cualquier otra información, documentos o instrumentos que puedan serle requeridos en virtud de este Arrendamiento:

a) Notificación escrita, a la mayor brevedad, de cualquier evento o hecho ocurrido, que sea de tal naturaleza que se requiera notificación o comunicación del mismo por escrito, oralmente o telefónicamente a la agencia federal "Environmental Protection Agency (EPA)", a la Junta de Calidad Ambiental, o a cualquier agencia sucesora de éstas; disponiéndose también que cualquier orden, notificación, comunicación u informes hechos, recibidos o entregados con relación al evento o hecho antes mencionado, además de cualquier acción tomada en cuanto al ARRENDATARIO por cualesquier agencia reguladora o parte privada o entidad gubernamental, relacionada con cualquier evento de la naturaleza aquí descrita, debe también serle notificado al ARRENDADOR, con copia del mismo;

b) Certificaciones anuales (Anejo incluido), suscritas por un representante u oficial autorizado

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e identificado con relación a la condición ambiental de la propiedad arrendada, conteniendo aquella información requerida por el ARRENDADOR; dicha información será especificada en una enmienda al presente Arrendamiento o en cualquier modificación subsiguiente que haga el ARRENDADOR a la información requerida en la certificación.

c) Cualquier otra información o documentos relacionados con el cumplimiento por parte del ARRENDATARIO con relación a la reglamentación y legislación ambiental vigente, ya sea ésta local y/o federal.

SESENTA Y CINCO: El ARRENDATARIO garantiza al ARRENDADOR que ni él ni ninguno de sus accionistas en el caso de una corporación ha quedado a deber dinero al ARRENDADOR bajo este o cualquier otro nombre corporativo y/o personal.

SESENTA Y SEIS: El ARRENDATARIO no podrá ceder, alquilar, gravar o disponer de forma alguna de los equipos que utiliza en sus operaciones sin la previa notificación por escrito al ARRENDADOR.

SESENTA Y SIETE: EL ARRENDATARIO no podrá ceder, vender o en forma alguna, traspasar sus operaciones a otra entidad que interese continuar ocupando el edificio sin el previo consentimiento por escrito del ARRENDADOR.

SESENTA Y OCHO: Este Contrato se otorga sujeto y condicionado al endoso y a la aprobación de la Oficina de Planificación, la Oficina de Estudios Económicos de la Compañía de Fomento Industrial de Puerto Rico, y la Junta de Calidad Ambiental de Puerto Rico; disponiéndose que dichas aprobaciones constituirán condiciones de este Contrato, sin las cuales el ARRENDADOR tendrá derecho a rescindir el mismo.

SESENTA Y NUEVE: El ARRENDATARIO proveerá seguros de responsabilidad pública y daños a la propiedad, de manera y cantidad que la CFI quede relevada y protegida de cualesquiera reclamación o demanda en su contra como resultado de las actividades realizadas en la propiedad.

SETENTA: No obstante lo que en contrario de disponga en este Contrato, las partes acuerdan y entienden que las siguientes estructuras especiales deberán ser utilizadas por el ARRENDATARIO "COMO ESTAN" y "DONDE ESTAN", libre de cargos, pero el ARRENDATARIO deberá reparar y mantener dichas estructuras especiales según se dispone bajo las disposiciones aplicables a este Contrato:

- RAMPA PARA IMPEDIDOS
- VERJA DE ALAMBRE ESLABONADO
- SISTEMA DE ROCIADORES AUTOMATICOS
- SUBESTACION ELECTRICA TIPO "TRANSCLOSURE" DE 225 KVA, 4160/480 VOLTIOS
- PANEL PRINCIPAL DE DISTRIBUCION
- TRANSFORMADOR SECO
- POWER PANEL G E 225 A-3Ø.

Las antes mencionadas estructuras especiales se considerarán una parte integral de la Propiedad arrendada y como tal estarán sujetas y cubiertas por los términos y las condiciones de este Contrato según le sean aplicables.

SETENTA Y UNO: El ARRENDATARIO acuerda someter al ARRENDADOR dentro de los treinta (30) días siguientes a la fecha de otorgamiento de este Contrato: (a) evidencia de su registro en el Departamento de Estado del Estado Libre Asociado de Puerto Rico y el nombre y la dirección de su agente residente; y (b) un certificado de una resolución de su Junta de Directores bien sea autorizando o ratificando el otorgamiento de este Contrato.

EN TESTIMONIO DE LO CUAL las partes otorgan este Contrato de Arrendamiento, el 15 de julio de 1999.

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
SSP #66-0292871

POR: _____

POR: _____

BAY-TEX INTERNATIONAL, CORP.
SSP #66-0541200

ANEJO "A"

DESCRIPCION DE EDIFICIO NUM. S-0373-0-56
SAN GERMAN, PUERTO RICO

Edificio de techo inclinado consistente de cimientos de hormigón reforzado, vigas y columnas que soportan viguetas de hormigón de 30' –0" de largo que sostienen losas prefabricadas (Poretes) cubiertas con una capa de aislación de ½" de cellotex, tres capas de felta y una de permacap. Este edificio no tiene monitor; se proveen ventiladores de techo.

La estructura consiste en un piso principal de 121' –0" x 90' –6" más dos (2) closets de 8' –0" x 1' –8", dimensiones exteriores, con un área de 10,977.22 pies cuadrados de área de manufactura; una entrada de 18' –0" x 8' –6" con un área de 153.00 pies cuadrados, facilidades sanitarias 31' – 2" x 10' –6" con un área de 327.28 pies cuadrados. Esto produce un área total de 11,457.50 pies cuadrados.

El piso consiste de una losa de hormigón reforzado de 4" de espesor con terminación monolítica de cemento en el área de manufactura, área de escaleras, cuarto de conserje y almacén; losa en el área de entrada y cerámica en los baños de hombres y mujeres.

Las paredes exteriores son de bloque de cemento empañetado y pintado, excepto en la pared frontal que es hormigón reforzado, empañetado y pintado.

Paredes interiores en las facilidades sanitarias están empañetadas y pintadas conjuntamente con epoxy hasta 5' –11" desde el piso en los cuartos de inodoros.

El techo está resanado y pintado en todo el edificio.

Las puertas son lisas de madera excepto por dos puertas de metal sobre el lado izquierdo y cinco puertas de metal con cristal, dobles corredizas en las plataformas de carga.

La altura en el ára de manufactura desde el piso hasta la parte baja de la viga es de 12' –0" en el lado y 14' –0 3/8" en el centro del edificio.

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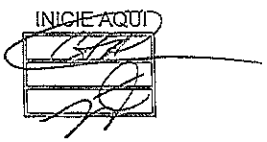

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DESCRIPCION DE EDIFICIO NUM. S-0373-1-58
SAN GERMAN, PUERTO RICO

Edificio de techo inclinado consistente de cimientos de hormigón reforzado, vigas y columnas que soportan viguertas de acero de 30' –0" de largo que sostienen vigas dobe T preformadas, cubiertas con una capa de aislación de ½" de cellotex, tres capas de felta y una de permacap. Este edificio no tiene monitor; se proveen ventiladores de techo.

La estructura consiste en un piso principal de 240' –2" x 91' –7, dimensiones exteriores, con un área de 21,994.76 pies cuadrados de área de manufactura; dos (2) espacios de facilidades sanitarias 31' –4" x 10'-6" con un área de 657.92 pies cuadrados; espacio de recepción 18' –0" x 15' –0" con un área 270.00 pies cuadrados y un espacio de carga y descarga de 10' –0" x 15' –0" y 20' –0" x12' –0" con área de 540.00 pies cuadrados. Esto produce un área total de 23,462.68 pies cuadrados de espacio cubierto.

El piso consiste de una losa de hormigón reforzado de 4" de espesor con terminación monolítica de cemento en el área de manufactura, área de escaleras, cuarto de conserje y almacén. Hay cerámica en el piso de los baños.

Las paredes exteriores son de bloque de barro, huecos de baja resistencia, sin empañetar. Las interiores en el área de baño están empañetadas y pintadas con epoxy en el interior, hasta una altura de 5' –11" desde el piso.

El techo está resanado y pintado en todo el edificio.

Las ventanas son de aluminio tipo miami.

Las puertas son de madera excepto en la entrada que es de metal, lisa; y en la salida posterior que es de metal con herraje antipánico. En la plataforma de carga hay puertas de metal con cristal, dobles, corredizas.

La altura en el área de manufactura, desde el piso hasta la parte baja de las vigas es de 12' –0" en los lados y de 14' –9" en el centro.

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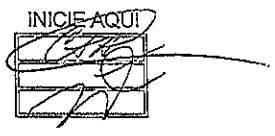

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DESCRIPCION DE PARCELA DE TERRENO, SOLAR #1
LOCALIZADO EN LA URB. INDUSTRIAL EL RETIRO
SAN GERMAN, PR
PROYECTO CFI: S-0373-0-56 Y S-0373-1-58

General:

Parcela de terreno, Solar #1, localizado en la Urb. Industrial El Retiro, San Germán, P.R.

Está en lindes: por el Norte, con la Carretera Estatal PR-102, Km. 33.2 y terrenos propiedad del Sr. Ernesto Quiñones Sambolín; por el Sur, con la Calle "B" de la misma urbanización industrial; por el Este, con los Solares #4 y #6 (agrupados) de la misma urbanización industrial; y por el Oeste, con la Calle "A" de la misma urbanización industrial.

Tiene una cabida superficial aproximada de 7,318.78 metros cuadrados, equivalentes a 1.8621 cuerdas.

Está afectado por servidumbre de paso de 5 pies de ancho a favor de la Autoridad de Energía Eléctrica que discurre a lo largo de su colindancia Norte.

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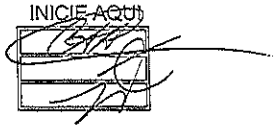

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ANEJO B

INFORME DE CUMPLIMIENTO CON REQUISITOS AMBIENTALES

Para el período de _____ a _____

I. Permisos

NUM DE PERMISO	FECHA DE EXPIRACION	FECHA DE RENOVACION (SI APLICA)

II. Acciones de Cumplimiento

REFERENCIA/NUM. DE CASO	FECHA	FECHA DE RESPUESTA DE

III. Certificación

Por la presente certifico, bajo pena de ley, que este documento fue preparado bajo mi dirección o supervisión; y que basado en mi investigación de las personas directamente responsables por recolectar la información, que la información aquí sometida es, según mi mejor conocimiento, cierta, completa y precisa.

_____

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----------**ESCRITURA NUMERO QUINCE (15)**----------

----------**ACTA NOTARIAL**----------

——En San Germán, Puerto Rico, a los quince (15) días de junio de dos mil (2000).———————————————

——Yo, **YAMIL E. MARRERO VIERA**, Abogado y Notario Público del Estado Libre Asociado de Puerto Rico, con residencia en San Juan, Puerto Rico y estudio abierto en San Juan, Puerto Rico fui requerido por Alving Rivera Renta, mayor de edad, casado, abogado, vecino de Santa Isabel, Puerto Rico, en su carácter de Subdirector Ejecutivo Senior de Industrias Puertorriqueñas de la Compañía de Fomento Industrial de Puerto Rico para hacer constar en forma auténtica los siguientes hechos:———————————————

——Siendo las nueve y cincuenta antes meridiano (9:50am) en el edificio identificado como S guión cero trescientos setenta y tres guión cero guión cincuenta y seis guión cero uno guión cincuenta y ocho (S-0373-0-56-01-58) localizado en el Parque Industrial El Retiro, Carretera ciento dos (102) kilómetro treinta y tres punto dos (33.2) en el Municipio de San Germán, se abrieron las puertas del mismo entrando las siguientes personas: Rolando Martínez, Alcides Alvarez, Harry Muñoz, Rafael Serrano (empleados de la Compañía de Fomento Industrial de Puerto Rico), Manuel Gualberto Freire Rosario, Nehemías Campos, Jorge Raúl Montes (empleados del Banco de Desarrollo de Puerto Rico), Ted Figueroa (guardia de seguridad), Abdel Torres (depositario del Banco de Desarrollo de Puerto Rico) y Manuel Caraballo Girau (Alguacil del Centro Judicial de Mayaguez).———————————————

———————————————

YAMIL E. MARRERO VIERA
ABOGADO NOTARIO

——El Alguacil Caraballo procedió a levantar un Acta y permitió a los oficiales del Banco de Desarrollo a realizar un inventario de los bienes localizados dentro del edificio con el propósito de trabar un embargo de aquellos bienes pertenecientes a la corporación arrendataria del inmueble, cuyo nombre es Bay Tex International Corp. Ante este fedatario se realizó el referido inventario. Copia del Acta de diligenciamiento de embargo levantado por el Alguacil y copia del referido inventario se une a esta Acta y se hace formar parte integral de la misma.————————————

——Al edificio entró luego una persona de nombre Peter Sorrentini quien afirmó haber sido socio de la corporación indicada y quien indicó haber entregado las llaves del edificio. Se une a esta Acta y se hace formar parte de esta copia del documento de entrega de llaves que firmó el señor Sorrenti y el cual éste entregó. Además, éste suministró información de los bienes al Alguacil y luego abandonó el edificio. ————

——Posteriormente, entró al edificio Oscar Vázquez representante del Oriental Savings Bank y procedió a tomar posesión en nombre de la referida institución de un vehículo Jeep Triangle tabilla DBP guión seiscientos setenta y nueve (679). El Alguacil ya había solicitado a la Policía la remoción del vehículo al llegar el señor Vázquez. Este junto a Miguel Angel Nazario y Carlos Toro Nazario, procedieron a remover el vehículo en y en nombre de la referida institucion bancaria..——

——Siendo las doce y cincuenta y cinco pasado meridiano (12:55) se procedieron a cerrar las puertas del edificio quedando con las llaves del mismo Alcides Alvarez, empleado

de la Compañía de Fomento Industrial, con la anuencia del depositario Abdel Torres.----------

----Con lo que termina esta Acta y de todo lo que en ella contiene YO EL NOTARIO, DOY FE.----------

----Firmado, sellado, signado y rubricado: Yamil E. Marrero Viera.----------

----Cancelado en el original el sello del Impuesto Notarial. Consta de TRES (3) folios del original de esta Escritura y está sellada y rubricada en todas sus hojas.----------

----ES COPIA FIEL Y EXACTA de su original obrante en mi protocolo de instrumentos públicos del año en curso con el Número QUINCE(15).----------

----En fe de ello y a requerimiento de la Compañía de Fomento Industrial, expido la presente primera copia certificada en San Juan, Puerto Rico, en el mismo día, mes y año de su otorgamiento. DOY FE.----------

Yamil E. Marrero Viera

YAMIL E. MARRERO VIERA
ABOGADO NOTARIO

INVENTARIO DE EQUIPO MUEBLE
BAY TEX INTERNATIONAL CORP.
NUM. DE PRESTAMO 1010006021

DESCRIPCION **MODELO O NUMERO DE SERIE**

RECEPCIÓN Y OFICINAS

1. 4 LAMPARAS DE TECHO
2. 1 CUADRO TELEFONICO NOSTAR BOGEN MOD. TPU-1005
3. 14 SILLAS SECRETARIALES COLOR VINO
4. 3 SILLA VISITANTE COLOR VINO
5. 8 SILLA PARA CONFERENCIA COLOR NEGRA EN PIEL
6. 1 MESA DE CONFERENCIA EN MADERA
7. 5 SILLA VISITANTE COLOR VINO
8. 3 SILLAS EJECUTIVAS COLOR VINO
9. 3 ESCRITORIOS JR EN MADERA
10. 3 CREDENZAS EN MADERA
11. 1 ARCHIVO DIAGONAL DE 4 GAVETAS COLOR NEGRO
12. 1 CALCULADORA TEXAS INSTRUMENT TI-5630 S/N 0023554
13. 3 TRITURADORAS MARCA ROYAL
14. 12 ESCRITORIOS SECRETARIALES EN MADERA
15. 1 ESCRITORIO MODULAR EN MADERA.
16. 5 ARCHIVOS LATERALES DE 5 GAVETAS COLOR CREMA
17. 1 ABANICO DE PEDESTAL COLOR BLANCO 011768
18. 1 FOTOCOPIADORA LANIER
19. 1 SILLA EJECUTIVA COLOR NEGRA EN PIEL
20. 2 SILLAS DE VISITANTE COLOR NEGRAS EN PIEL
21. 1 CALCULADORA TEXAS INSTRUMENT TI-5630 S/N 23555
22. 1 MAQUINILLA SMITH MOD. XL-1850
23. 1 COOLER DE AGUA DE 5 GALONES
24. 1 PESA ELECTRÓNICA PELOUSE MOD. 4040
25. 1 MICROHONDAS SANSUM
26. 1 NEVERA PEQUEÑA COLOR BLANCO
27. 1 MONITOR NEC MOD. C-5500
28. 1 CPU NEC PENTIUM READY S/N 79024701US
29. 1 CALCULADORA TEXAS INSTRUMENT TI-23492
30. 1 PRINTER HEWLET PACKARD LASER JET 6L S/N USHB813196

PAGINA 2
INVENTARIO EQUIPO
BAY TEX

DESCRIPCION **MODELO O NUMERO DE SERIE**

31. 1 PRINTER KX-P1150
32. 1 MONITOR NEC MOD. 5500
33. 1 CPU NEC PENTIM READY S/N 79024708US
34. 1 CALCULADORA TEXAS INSTRUMENT TI-5630 S/N 23143

AREA DE PRODUCCIÓN (MAQUINAS DE COSER)

	MARCA	MODELO	NUM. DE SERIE
35. 1	SINGER	412U141G	0972034003
36. 1	SINGER	1591D300G	U9905299014
37. 1	SINGER	754U	203-048M
38. 1	SINGER	1669U102	U9836K004
39. 1	SINGER	1591D300G	U99042915
40. 1	SINGER	261U21A	864812
41. 1	SINGER	1591300G	U990529007
42. 1	SINGER	569U3108-42H	56400376
43. 1	SINGER	754U	203048M
44. 1	SINGER	183U001-5	771945
45. 1	SINGER	183U001-5	771941
46. 1	SINGER	261UA	864843
47. 1	SINGER	375B11	6102270
48. 1	SINGER	471U	P-4713US
49. 1	SINGER	1591	U9904291116
50. 1	SINGER	261U23A	864771
51. 1	SINGER	1831U001-5	815188
52. 1	SINGER	261U23A	863646
53. 1	SINGER	716U300-056M	M99024557
54. 1	SINGER	1831U001-5	815162
55. 1	SINGER	1831U001-5	771961
56. 1	SINGER	261U23A	8612815
57. 1	SINGER	1831U001-15	815183
58. 1	SINGER	261U23A	864798
59. 1	SINGER	756U	300-056M

PAGINA 3
INVENTARIO EQUIPO
BAY TEX

	MARCA	MODELO	NUM. DE SERIE
60.	1 SINGER	1831U001-5	815184
61.	1 SINGER	183IU001-5	659664
62.	1 SINGER	183IU001-5	771969
63.	1 SINGER	1831U001-5	771927
64.	1 SINGER	756U	M-99024567
65.	1 SINGER	261423A	464844
66.	1 SINGER	1831U	815185
67.	1 SINGER	1831U	771914
68.	1 SINGER	756U	M-99024555
69.	1 SINGER	1831U	771783
70.	1 SINGER	1831U	748077
71.	1 SINGER	756U	M-99024565
72.	1 SINGER	1831U	815196
73.	1 SINGER	1831U	771963
74.	1 SINGER	261U23A	864839
75.	1 SINGER	1831U	732391
76.	1 SINGER	1831U001-5	748185
77.	1 SINGER	1831U	771832
78.	1 SINGER	756U	M-99024563
79.	1 SINGER	261423A	8612814
80.	1 SINGER	1831U001-5	815192
81.	1 SINGER	1831U	771962
82.	1 SINGER	1831U	M-99024566
83.	1 SINGER	1831U	771910
84.	1 SINGER	1831U001-5	771968
85.	1 SINGER	756U	F-7400532
86.	1 SINGER	1831U	771923
87.	1 SINGER	1831U	771964
88.	1 SINGER	261	860436
89.	1 SINGER	1831U	6120
90.	1 SINGER	1831U	771757

91. 40 SILLAS EN METAL PARA LAS MESAS DE COSER
92. 4 MESAS DE CORTE DE 100' APROXIMADAMENTE
93. 3 MAQUINAS DE CORTE SOBRE LAS MESAS DE CORTE

PAGINA 4
INVENTARIO EQUIPO
BAY TEX

DESCRIPCION **MODELO O NUMERO DE SERIE**

94. 168 CARRITOS DE METAL CON RUEDAS
95. 2 HAND TRUCK LIFT MOD. 5500 COLOR ANARANJADO
96. 4 MAQUINAS DE COSER SINGER EN CAJAS MOD.756U300
97. 95 LAMPARAS DE 8' DESMONTADA DE 2 TUBOS
98. 165 LAMPARAS DE 8' MONTADAS DE 2 TUBOS
99. 1 MAQUINA PARA PONER ROLLOS DE TELA BTO-01
100. 1 EQUIPO BINDING BTO-02
101. 1 NEVERA COLOR BLANCA
102. 1 MICROHONDAS
103. 2 MESAS DE COSER SIN SUS MAQUINAS SOLO MOTOR
104. 1 TRANFER SWICH CUTHER- HAMMER (GENSWITH)
105. 2 RACKS EN METAL DE 15' DE ALTO X 35' DE LARGO
106. 42 ABANICOS DE TECHO EN METAL DE TRES ASPA
107. 1 PLANTA ELECTRICA DURA LIFE S/N NH 13665N1029518*
108. 2 EQUIPOS DE COMPRESOR INGERSON S/N JE4966U98113
(SUB ESTACION ELECTRICA)
109. RACKS DE 3 NIVELES EN HIERRO COLCR AZUL Y ROJO

INVENTARIO PREPARADO POR:

NEHEMIAS CAMPOS — 15-JUNIO-2000 FECHA
OFICAL DE CUSTODIA

MANUEL FREIRE — 15 junio 2000 FECHA
DIRECTOR INTERINO DE RECOBROS
Y DISPOSICIÓN DE BIENES

lor "NB/L"

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
P.O. Box 362350, San Juan, Puerto Rico 00936-2350

CONTRATO DE ARRENDAMIENTO

PROYECTO NUM.: **S-0373-0-56 Y S-0373-1-58**
UBICACION: **SAN GERMAN, PUERTO RICO**

Este contrato otorgado el 13 de diciembre de 2002 por: la COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO, como "ARRENDADOR" y, como "ARRENDATARIO", **BAY-TEX INTERNATIONAL, CORP.**

El ARRENDADOR es el dueño de cierto predio de terreno y cierto edificio, identificados en el epígrafe y referidos de aquí en adelante conjuntamente como la Propiedad.

El ARRENDADOR ha acordado alquilar al ARRENDATARIO y el ARRENDATARIO ha acordado arrendar del ARRENDADOR la susodicha Propiedad.

En consideración a lo antes expresado, las partes comparecientes otorgan este Arrendamiento sujeto a las siguientes:

CLAUSULAS Y CONDICIONES

UNO: El ARRENDADOR por la presente cede y arrienda al ARRENDATARIO, y el ARRENDATARIO por la presente alquila del ARRENDADOR la Propiedad que está descrita en el Anejo "A" adjunto a este Contrato y hecho parte del mismo.

La Propiedad está sujeta a los gravámenes, las cargas y/o las restricciones, si algunas, que puedan aparecer en dicho Anejo "A". Aún más, los derechos de vuelo de la Propiedad están reservados para el uso exclusivo del ARRENDADOR.

DOS: La Propiedad deberá utilizarse y ocuparse exclusivamente para la manufactura de **camisetas y productos relacionados. (SIC #02329)**

TRES: El ARRENDATARIO alquilará la Propiedad por un periodo de **cinco** (5) años, cuyo término comenzará el 13 de diciembre de 2002

CUATRO: Comenzando el **primer día del séptimo mes de la firma del contrato** el ARRENDATARIO deberá pagar al ARRENDADOR un alquiler anual como sigue:

Renta	Renta por p.c.	Renta Mensual
1er año	$1.50	$4,365.02
2do año	$1.75	$5,092.53
3er año	$2.00	$5,820.03
4to año	$2.20	$6,402.03
5to año	$2.75	$8,002.54

INICIALES AQUI

Durante los primeros seis (6) meses, a partir de la firma del Contrato, el ARRENDATARIO no pagará renta mensual.

Al finalizar el término de los cinco (5) años, puede prorrogarse el Contrato de Arrendamiento por cinco (5) años adicionales, los cuales tendrán una renta mensual de $8,003.54 mensual durante dicho término.

Los pagos mensuales para el alquiler aquí especificado deberán remitirse por adelantado el primer día de cada mes a las oficinas del ARRENDADOR, o en cualquier otro lugar que el ARRENDADOR indique. Si la fecha de comienzo de dicho Arrendamiento no cae el día primero del mes, el ARRENDATARIO se compromete a pagar el primer pago parcial mensual antes de la fecha de comienzo del mismo o en la misma fecha de comienzo.

CINCO: No se requiere depósito bajo este Contrato.

SEIS: El ARRENDATARIO afirma tener una Capitalización de **$263,024.00** a la fecha de comienzo del término de este Contrato.

SIETE: Toda notificación, demanda, aprobación, consentimiento y/o comunicación requerida o permitida en este Contrato deberá hacerse por escrito. Si es para el ARRENDADOR, deberá certificarse y enviarse a la siguiente dirección: **P.O. Box 362350, San Juan, Puerto Rico 00936-2350.** Si es para el ARRENDATARIO, se enviará a:

SR. CARLOS TROCHE ACOSTA, PRESIDENTE
BAY-TEX INTERNATIONAL, CORP.
Comunidad Betances
Calle LM Marín #199
Cabo Rojo, Puerto Rico 00623

OCHO: Alquiler neto - Este Arrendamiento deberá interpretarse como un alquiler neto; siendo responsabilidad exclusiva del ARRENDATARIO pagar todos los gastos de operación, las utilidades, el mantenimiento, los gastos, los seguros, las contribuciones y cualquier otro costo, gasto o cargo de cualquier naturaleza no asumido expresamente en este Contrato por el ARRENDADOR.

NUEVE: Garantía sobre el uso - El ARRENDADOR garantiza que, al momento de comenzar el término de este Arrendamiento, la Propiedad podrá ser utilizada por el ARRENDATARIO para el propósito de manufactura objeto de este Contrato lo cual se

INICIALES AQUI

considera consistente con el diseño y la construcción de dicha propiedad de acuerdo a los planos y especificaciones correspondientes.

DIEZ: Alteraciones - El ARRENDATARIO no hará alteraciones, añadiduras o mejoras adicionales a la Propiedad sin el previo consentimiento escrito del ARRENDADOR. Todas las alteraciones, añadiduras y/o mejoras realizadas por el ARRENDATARIO o para él se harán a costo y gasto del ARRENDATARIO y, cuando se hagan, constituirán propiedad del ARRENDADOR sin consideraciones adicionales. Dichas alteraciones, añadiduras y/o mejoras permanecerán en la Propiedad entregándose las mismas como parte de la misma cuando expire el Arrendamiento o termine éste antes del término prefijado. El ARRENDADOR retiene el derecho de remover estas alteraciones, añadiduras y/o mejoras como más adelante se dispone.

En el caso que el ARRENDATARIO solicite el consentimiento del ARRENDADOR para cualquier alteración, el ARRENDADOR puede, a su opción, requerir del ARRENDATARIO que someta planos y especificaciones para dicha alteración, añadidura y/o mejora. Antes de comenzar cualesquiera de esos trabajos, dichos planos y especificaciones, si se requieren, deberán radicarse en las agencias gubernamentales que tengan jurisdicción sobre los mismos, necesitando la aprobación de éstas. El ARRENDATARIO deberá solicitar el consentimiento de cualquier acreedor hipotecario con interés o gravamen sobre este Arrendamiento y deberá enviar el mismo al ARRENDADOR si así lo requieren las cláusulas del contrato de hipoteca.

Antes de comenzar cualesquiera de esos trabajos, el ARRENDATARIO, a su costo y gasto, deberá enviar al ARRENDADOR una póliza de Responsabilidad General por Accidente según descrita en el Artículo TREINTA (30) de este Contrato. Dicha póliza deberá asegurar el trabajo a realizarse. Sí el costo estimado de ese trabajo supera los CINCO MIL DOLARES ($5,000), el ARRENDATARIO, a su costo y gasto, deberá enviar al ARRENDADOR una fianza de seguridad, o una fianza de cumplimiento de una compañía reconocida y aprobada por el ARRENDADOR, o una fianza similar u otra garantía satisfactoria al ARRENDADOR en una cantidad igual al costo estimado de tal trabajo que garantice la terminación de tal trabajo dentro de un tiempo razonable. Se tendrán las debidas consideraciones a las condiciones del trabajo a realizarse de modo que esté libre de gravámenes, cargas, hipotecas prendarias y comprobantes de ventas condicionales, y de acuerdo con los planos y especificaciones sometidos al ARRENDADOR y aprobados por él. A opción del ARRENDADOR, en lugar de obtenerse garantías por separado para cada proyecto, el ARRENDATARIO deberá

INICIALES AQUI

proveer una garantía escrita de cubierta total por una cantidad suficiente para satisfacer al ARRENDADOR por todas las alteraciones, cambios, añadiduras y/o mejoras hechas en la Propiedad.

El ARRENDATARIO deberá pagar el aumento en primas, si alguno, cobrado por la compañía de seguro para cubrir riesgos adicionales durante el transcurso de ese trabajo.

ONCE: Subestaciones de energía - De ser aplicable, si lo requieren las operaciones del ARRENDATARIO, a su propio costo y gasto, el ARRENDATARIO deberá construir y/o instalar una subestación de energía eléctrica y conectaría a las líneas de distribución de la AUTORIDAD DE ENERGIA ELECTRICA (AEE), para voltajes de hasta 13.2 kv; y a las líneas de transmisión de la AEE para voltajes de 38 kv, todo en conformidad a los requisitos de la AEE. En ninguna circunstancia tal construcción podrá realizarla el ARRENDATARIO sin que el ARRENDADOR haya aprobado la localización de la misma, así como la ruta de extensión de las líneas de energía.

DOCE: Reparaciones y mantenimiento - EL ARRENDATARIO deberá tener y mantener, a su propio costo y gasto, en excelentes condiciones el edificio y las mejoras construidas en la Propiedad. Igualmente, mantendrá en óptimas condiciones el equipo y demás pertenencias de la Propiedad. Además, deberá mantener en perfecto estado las rampas y las áreas de aceras, rieles, cunetas, y encintado que van en los alrededores de la Propiedad y cada una y todas sus partes, dentro y fuera, ordinarias y extraordinarias, y deberá reparar totalmente cada una de las partes de la misma cuando haya la necesidad o sea lo deseable, aunque ocurra o no tal desperfecto, en todo o en parte, por el uso, rompimiento, obsolescencia o defecto mismo de la cosa. Al darse el debido mantenimiento a la Propiedad se usarán todas las precauciones razonables para evitar desperdicio, daño o lesión alguna, excepto en lo referente a continuación.

El ARRENDADOR y no el ARRENDATARIO, será el responsable de cualquier desperfecto en el edificio de la Propiedad que se deba a defectos en el diseño o vicios ocultos de construcción no aparentes al momento en que el ARRENDATARIO inspeccionó el mismo para ocuparlo. Será responsabilidad del ARRENDADOR corregir prontamente estos desperfectos. Sin embargo, por esto no se debe interpretar que se releva al ARRENDATARIO de cualquier responsabilidad u obligación dispuesta de otro modo en este Contrato, incluyendo, entre otras, fallas estructurales debidas a faltas o negligencia del ARRENDATARIO.

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El ARRENDATARIO, a su costo y gasto, también deberá mantener limpio el solar; libre de desperdicios sólidos (que incluyen líquidos y gases según lo define la Ley de Conservación y Recuperación de Recursos) y el Reglamento para el Control de los desperdicios sólidos, peligrosos y no peligrosos, versión enmendada, desechos, basura y otras. Específicamente, el ARRENDATARIO no deberá usar dicho lugar ni permitir el uso del mismo como depósito o vertedero de materia prima, desechos, sustancias peligrosas, sustancias tóxicas o no tóxicas, o sustancias de cualquier naturaleza. El ARRENDATARIO tampoco podrá hacer excavaciones con el propósito de almacenar, guardar, ni esconder materias primas ni/o materiales de desecho de clase alguna. Se prohíbe específicamente el almacenamiento subterráneo de sustancias peligrosas y/o tóxicas.

El ARRENDATARIO no deberá hacer, ni permitir que se haga en la Propiedad nada que se considere extra peligroso, ni deberá guardar en la Propiedad productos tóxicos o inflamables de cualquier clase o tipo sin tomar las precauciones adecuadas y cumplir con las leyes y los reglamentos Federales y del Estado Libre Asociado de Puerto Rico aplicables.

En el caso que el ARRENDATARIO necesite almacenar en el lugar materia prima de naturaleza peligrosa y/o tóxica y/o desperdicios tóxicos, éste deberá notificar al ARRENDADOR dicha necesidad y asegurar su autorización previa. Se proveerá al ARRENDADOR con una copia de cualquier permiso expedido para tal almacenamiento.

Aunque no se persigue que el ARRENDATARIO sea responsable de cualquier disminución en el valor del edificio debido al mero pasar del tiempo o por el uso y deterioro ordinario de la estructura del edificio, no obstante, el ARRENDATARIO deberá: (i) reemplazar con la misma clase y calidad, puertas, ventanas; accesorios eléctricos, sanitarios y de plomería; equipo y otras facilidades o accesorios del edificio en la Propiedad que por el uso o la negligencia del ARRENDATARIO se deterioren a tal grado como para ser reparados durante la vida de este Arrendamiento, (ii) pintar la Propiedad por dentro y por fuera según se requiera.

Además de lo anteriormente expresado, el ARRENDATARIO deberá indemnizar y liberar al ARRENDADOR de todo costo, gasto, reclamación, pérdida, daño o penalidad, incluyendo tarifas de abogados, a causa del incumplimiento del ARRENDATARIO con lo antes expresado. EL ARRENDATARIO no deberá pedir al ARRENDADOR que lo compense por el desembolso o gasto de dinero de clase alguna y expresamente releva y descarga al ARRENDADOR de cualquier responsabilidad u obligación en relación a lo aquí expuesto.

INICIALES AQUI

TRECE: Cuidado del techo - El ARRENDATARIO, sin el consentimiento previo del ARRENDADOR, no deberá: (i) erigir u ordenar que se erija en el techo ningún cartel, letrero aéreo o estructura de clase alguna, (ii) colocar cualquier accesorio, equipo o cualquier otra carga sobre el mismo, (iii) taladrar en el techo para cualesquiera propósitos, (iv) utilizar el techo para almacenamiento, (v) ni corregir cualesquiera filtraciones sean las que sean, siendo éstas única responsabilidad del ARRENDADOR. Sin embargo, el ARRENDATARIO deberá tomar todas las precauciones razonables que aseguren que las áreas de drenaje del techo no estén obstruidas y que se encuentren en condiciones buenas y operables en todo momento.

CATORCE: Cargas de pisos - El ARRENDATARIO, por la presente, reconoce que ha sido informado por el ARRENDADOR que la carga máxima que puede sostener el piso del edificio aquí cedido es de 150 libras por pie cuadrado. Por lo tanto, el ARRENDATARIO acuerda que en el caso que el peso de la maquinaria y del equipo que se va a instalar en el mismo exceda tal cantidad máxima, se deberá realizar a sus costas cualquier mejora que sea necesaria para habilitar tal carga adicional. Queda acordado y entendido, además, que la construcción y/o instalación de tales mejoras no comenzará hasta que el ARRENDADOR apruebe los planos que el ARRENDATARIO preparará para ello y, a partir de entonces, después de la terminación de la construcción y/o instalación de dichas estructuras quedarán dichas mejoras sujetas a las disposiciones aplicables a este Contrato. Queda acordado y entendido que a la terminación de este Arrendamiento dichas estructuras serán removidas por el ARRENDATARIO, a su costo y gasto, o, como alternativa y bajo petición del ARRENDADOR, deberán permanecer como parte de la Propiedad quedando el ARRENDATARIO sin derecho alguno a reembolso o compensación por las mismas.

QUINCE: Accesorios - El ARRENDATARIO no deberá fijar al plafón, ni a sus vigas o columnas, ni a ninguna de sus paredes unidad alguna de aire acondicionado, ni otro accesorio sin el consentimiento previo del ARRENDADOR.

DIECISEIS: Protección ambiental y su cumplimiento - El ARRENDATARIO acuerda, como condición de este Contrato, que no descargará sus efluentes o desperdicios sólidos, líquidos o gaseosos, industriales y/o sanitarios ni en el sistema sanitario, ni en otro lugar hasta que obtenga las autorizaciones requeridas de la

INICIALES AQUI

Autoridad de Acueductos y Alcantarillados y/o el Departamento de Salud de Puerto Rico y/o la Junta de Calidad Ambiental, y/o cualquier otra agencia de gobierno con jurisdicción sobre ello. EL ARRENDATARIO también acuerda y se compromete a pre-tratar dichos efluentes, antes de descargar los mismos, según lo requiere tal Autoridad, Departamento y/o agencia de gobierno con jurisdicción, y/o a instalar cualquier equipo o sistema requerido, y cumplir con cualesquiera y todos los requisitos impuestos por ellos sometiendo a petición del ARRENDADOR evidencia de tales cumplimientos. El incumplimiento por parte del ARRENDATARIO de lo aquí expresado por un periodo de noventa (90) días, después de notificado, será considerado como una violación a las disposiciones aquí expresadas. Se dispone que ninguna construcción ni/o instalación se iniciará hasta que el ARRENDADOR lo haya aprobado.

El ARRENDATARIO, a su costo y gasto, también deberá construir y mantener la Propiedad, los procesos y/o los procedimientos de operación en cumplimiento con los términos, condiciones y compromisos especificados en cualquier Declaración de Impacto Ambiental, Evaluación Ambiental o cualquier otro documento análogo producido por la Compañía de Fomento Industrial de Puerto Rico del Estado Libre Asociado de Puerto Rico/ARRENDADOR como agencia primaria o por cualquier otra agencia del gobierno en relación con la aprobación u operación del proyecto.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier demanda legal, aviso de violación reglamentaria o regulatoria, orden para mostrar causa, o cualquier otra acción reguladora o legal contra el ARRENDATARIO en cualquier caso o asunto relativo a lo ambiental.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier permiso otorgado al ARRENDATARIO para la emisión por aire, el descargo al agua, la generación, el almacenamiento, el tratamiento y/o la disposición de desperdicios sólidos para cualesquiera desechos peligrosos y/o tóxicos de materias primas o productos secundarios utilizados o generados, almacenados, tratados y/o dispuestos o cualquier otro endoso, autorización o permiso que se requiera obtener al ARRENDATARIO.

El ARRENDATARIO también proveerá al ARRENDADOR una copia de cualquier radicación o notificación que será presentada por el ARRENDATARIO en cualquier agencia reguladora o que esté relacionado con cualquier caso o asunto ambiental, especialmente en cualquier situación que implique contaminación de agua subterránea o de superficie, derramamiento de desperdicio peligroso y/o tóxico y contaminación de suelos. La notificación al ARRENDADOR tendrá lugar no más tarde de la radicación real de los documentos pertinentes con la agencia reguladora.

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DIECISIETE: Uso inadecuado - El ARRENDATARIO, durante el término de este Arrendamiento y de cualquier renovación o extensión al mismo, acuerda no utilizar, retener o permitir que se utilice o se ocupe la Propiedad arrendada o cualquier porción de la misma para propósitos ilegales o en violación a este Contrato o de cualquier certificado de ocupación o certificado de cumplimiento que cubra o afecte el uso de la Propiedad o cualquier porción de la misma. El ARRENDADOR no sufrirá por acto alguno que se realice o cualquier condición que exista en la Propiedad o porción de la misma, o cualquier artículo que se traiga que pueda ser peligroso a menos que esté resguardado como lo requiere la ley, o que pueda en ley constituir una molestia pública o privada, o que pueda invalidar o hacer invalido cualquier póliza de seguro en vigor.

DIECIOCHO: Reglamentaciones gubernamentales - El ARRENDATARIO acuerda y se compromete a cumplir con cualquier y todas las reglas, reglamentos y requisitos de la Junta de Planificación de Puerto Rico, el Departamento de Salud, la Junta de Calidad Ambiental, la Agencia de Protección Ambiental (EPA por sus siglas en inglés), donde sea aplicable y/o de cualquier otra agencia gubernamental que tenga jurisdicción sobre ello en relación a las operaciones del ARRENDATARIO en la Propiedad y/o los productos que se manufacturarán en ésta. El ARRENDATARIO deberá someter evidencia de tales cumplimientos. Si es requerido a ello por el ARRENDADOR se acuerda y entiende que el incumplimiento con cualesquiera y todas esas reglas, reglamentos y requisitos se considerará como una violación a las disposiciones de este Contrato a menos que se corrija dicha situación dentro de los treinta (30) días siguientes al recibo del aviso.

Cualesquiera y todas las mejoras a la Propiedad, requeridas por cualquier agencia gubernamental con jurisdicción sobre ello para que el ARRENDATARIO desarrolle sus operaciones conforme a los reglamentos y requisitos exigidos por dichas Agencias, se harán a costa del ARRENDATARIO, excepto por cualquier mejora que pueda ser requerida como resultado de cualquier violación del ARRENDADOR existente a la fecha de efectividad de este Contrato siempre y cuando esta violación no haya sido causada por el ARRENDATARIO o los agentes de éste.

El ARRENDATARIO también acuerda y se compromete a instalar en la Propiedad, a su propio costo y gasto, tales mecanismos como sean necesarios para evitar que cualquier peligro a ser causado o creado por sus operaciones pueda afectar la integridad ambiental del lugar o pueda afectar o causar cualquier molestia a

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ARRENDATARIOS adyacentes y/o a la comunidad en general; siendo acordado y entendido que el crear o causar cualesquiera tales molestias se considerará como una violación a las disposiciones de este Contrato.

El ARRENDATARIO también acuerda y se compromete a regirse y cumplir con cualesquiera y todos los reglamentos, reglas y requisitos del Departamento de Bomberos relativos al uso y almacenamiento de materias primas, productos suministrados y/o materiales inflamables, y/o de cualquier otra agencia gubernamental que tenga jurisdicción en ello. EL ARRENDADOR deberá someter evidencia de tal cumplimiento si así le es requerido. Queda acordado y entendido que el incumplimiento por parte del ARRENDATARIO de cualesquiera de los mencionados reglamentos, reglas y requisitos se entenderá en cada uno de los casos como un acto de incumplimiento bajo las disposiciones de este Contrato, a menos que se ponga remedio dentro de los treinta (30) días a partir del recibo de la notificación.

Si como consecuencia de las disposiciones precedentes el ARRENDATARIO necesita hacer alteraciones a la Propiedad, éstas deberán hacerse sujeto a las disposiciones del Artículo 10.

DIECINUEVE: Permiso de uso - El ARRENDATARIO acuerda regirse y cumplir con cualesquiera y todas las condiciones y requisitos incluidos en el Permiso de Uso que podrá ser expedido por la Administración de Reglamentos y Permisos de Puerto Rico (ARPE), y, si lo solicita el ARRENDADOR, deberá someter evidencia de tal cumplimiento. Se acuerda y entiende que el incumplimiento por parte del ARRENDATARIO con cualquiera de dichas condiciones y requisitos y/o la cancelación de dicho Permiso de Uso deberá ser considerado, en cada uno de esos casos, como un incumplimiento del Contrato bajo las disposiciones de éste.

VEINTE: Inspección - El ARRENDATARIO deberá permitir al ARRENDADOR o a los agentes del ARRENDADOR entrar a la Propiedad en todo momento razonable con el propósito de inspeccionarlo o hacer las reparaciones que el ARRENDATARIO ha dejado de hacer o se rehúsa hacer según se requiere en las cláusulas, convenios y condiciones de este Arrendamiento, y también con el propósito de mostrar la Propiedad a personas que desean comprarla. Deberá permitirse la inspección de la Propiedad por ARRENDATARIOS prospectivos o a nombre de ellos durante el año que precede la expiración de este Arrendamiento. Si no se puede obtener acceso a la Propiedad, en un tiempo razonable, con los propósitos aquí establecidos, o si en cualquier momento se

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considerara necesario entrar para la inspección o la protección de la Propiedad, o para hacer cualesquiera reparaciones sean para el beneficio del ARRENDATARIO o del ARRENDADOR, los agentes o representantes del ARRENDADOR podrán entrar a la Propiedad mediante la fuerza, o de otro modo, sin hacer responsables al ARRENDADOR o sus agentes o representantes por cualquier reclamación o causa de acción o daño que surja al cumplir tal propósito.

Las disposiciones contenidas en este Artículo no deberán interpretarse como un incremento en las obligaciones del ARRENDADOR bajo este Arrendamiento; siendo expresamente acordado que el derecho y la autoridad aquí reservados no impone, ni el ARRENDADOR asume, por razón de ello, cualquier responsabilidad o compromiso, sea cual sea, para la reparación, el cuidado o la supervisión de la Propiedad, o cualquier edificio, equipo o pertenencia en la misma.

VEINTIUNO: Entrada del ARRENDADOR para reparaciones o alteraciones - El ARRENDADOR se reserva el derecho de hacer tales reparaciones, cambios, alteraciones, añadiduras o mejoras en cualquier porción o a cualquier porción del edificio y a los accesorios y equipos que aparentan ser parte de ellos según se considere necesario o deseable. De igual forma el ARRENDADOR se reserva el derecho a hacer tales reparaciones, de usar las entradas de la calle, pasillos, escaleras y elevadores del edificio, disponiéndose que no haya obstrucciones innecesarias al derecho del ARRENDATARIO de entrar a la Propiedad y de gozar del disfrute pacífico de la misma. EL ARRENDATARIO no hará reclamación alguna de compensación contra el ARRENDADOR vía reducción en renta o daños por razones de cualesquiera inconveniencias o molestias que surjan del mismo.

VEINTIDOS: El ARRENDADOR está excusado en ciertos casos - Si por razón de incapacidad en obtener y utilizar mano de obra, materiales o suministros, o por razón de circunstancias resultantes directa o indirectamente de un estado de guerra, o de una emergencia debidamente proclamada por la autoridad gubernamental correspondiente, o por razón de cualesquiera leyes, órdenes de regla, reglamentos o requisitos de cualquier acción gubernamental puesta en vigor ahora o en el futuro, o por razón de huelgas o motines, o por razón de accidentes, o al hacer reparaciones, reemplazos o mejoras al edificio o cualquier equipo en el mismo, o por razón de cualquier otra causa razonable fuera del control del ARRENDADOR, éste fuera incapaz de realizar o estuviera retrasado en la realización de cualquier convenio para suplir cualquier servicio, tal falta o retraso en

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la misma no será motivo para demandar al ARRENDADOR por daños ni constituirá un desahucio total o parcial, constructivo o de cualquier otra forma. Se acuerda y se entiende que el tiempo para la terminación de cualesquiera tales construcciones deberá extenderse por un periodo de tiempo igual al número de días de tal demora, cualquiera que sea.

VEINTITRES: Disfrute tranquilo - El ARRENDATARIO, cuando cumpla con el pago completo de la renta y el mantenimiento y cumplimiento de las condiciones y los convenios aquí contenidos, deberá y podrá disfrutar tranquila y apaciblemente de la Propiedad por el término aquí estipulado sujeto a los términos de este Contrato y a las hipotecas de aquí en adelante mencionadas.

VEINTICUATRO: Mejoras a la Propiedad en arriendo - Si las mejoras a la Propiedad en arriendo, hechas por el ARRENDATARIO o para su beneficio a su petición, u otra propiedad personal del ARRENDATARIO son tasables o tributables y se impone un impuesto al ARRENDADOR o al ARRENDATARIO, se entiende que será única responsabilidad del ARRENDATARIO pagar esos impuestos y bajo ninguna circunstancia serán responsabilidad del ARRENDADOR o transferibles a él. En el caso que por operación de la ley, tales impuestos se conviertan en responsabilidad del ARRENDADOR, el ARRENDATARIO deberá pagar tales impuestos en cuanto se venzan y sean pagaderos y deberá reembolsar prontamente al ARRENDADOR cualquier pago o gasto incurrido o desembolsado por el ARRENDADOR por razón de tal tasación. Tal cantidad vencerá y será pagadera como alquiler adicional con el próximo plazo del alquiler. El ARRENDATARIO estará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en el caso que no cumpla con este pago cuando venza el mismo.

VEINTICINCO: Interrupción de las operaciones - Las partes entienden que este Arrendamiento lo realiza el ARRENDADOR en fomento de los planes de industrialización del Estado Libre Asociado de Puerto Rico e igualmente se entiende que el ARRENDATARIO realizará todos los esfuerzos razonables para mantener la operación de manufactura en la Propiedad mientras esté en efecto este Contrato. Nada de lo contenido en este párrafo se entenderá como que requiera del ARRENDATARIO el mantener sus operaciones de otro modo que no sea el acordado en sanos principios de administración de negocios, o (sin limitar la generalidad del párrafo anterior) evitar que el

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ARRENDATARIO abrevie tal operación o la cierre cuando y tan a menudo como el ARRENDATARIO crea aconsejable tal acción en el ejercicio de un sano juicio empresarial. Sin embargo, el ARRENDATARIO deberá dar aviso al ARRENDADOR de cualquier abreviación y/o cierre con por lo menos siete (7) días de anticipación a la fecha fijada para ello, excepto en casos de cierre de emergencia en cuyo caso el aviso se dará a la mayor brevedad posible. Ni la abreviación, ni el cierre de operaciones según las disposiciones de este párrafo constituirán una violación a las disposiciones de este Contrato que permitan al Arrendador darlo por terminado, a menos que la planta de manufactura haya estado cerrada por un período de seis (6) meses consecutivos. Un cierre como consecuencia de sucesos imprevistos o sucesos que aunque previstos no se hayan podido evitar constituirán violación a este Contrato. Nada de lo contenido en este párrafo relevará al ARRENDATARIO del pago del alquiler durante el periodo de cualquier cierre o abreviación de operaciones.

VEINTISEIS: Transferencia y subarriendo - El ARRENDATARIO no deberá transferir este Arrendamiento, ni arrendar o subarrendar la Propiedad, ni parte de la misma, excepto a su compañía matriz, a una subsidiaria de su total propiedad, a un afiliado del ARRENDATARIO, a un ente de la total propiedad de la compañía matriz del ARRENDATARIO o a una corporación que será organizada por el ARRENDATARIO. En cualesquiera de estos casos, el ARRENDATARIO deberá notificar con prontitud al ARRENDADOR dicha cesión o subarriendo quedando acordado y entendido que tal cesión o subarriendo no deberá: (i) reducir ni afectar, en forma alguna, las obligaciones del ARRENDATARIO, ni (ii) liberar al ARRENDATARIO de responsabilidades bajo este Arrendamiento.

VEINTISIETE: Sucesores en interés - Este Contrato de Arrendamiento y cada disposición contenida en el mismo obligará y tendrá efecto en relación a los representantes legales, sucesores y cesionarios de las partes. Sin embargo, el término "ARRENDADOR", como se usa en este Contrato, así como cualesquiera convenios u obligaciones de parte del ARRENDADOR en lo que respecta al Arrendamiento, estará limitado a significar e incluir solo al dueño o arrendador de la Propiedad al momento en cuestión. De esta manera si en un futuro dado hay una transferencia del título de propiedad sea esta voluntaria, por operación de la Ley o de otra manera, dicha persona

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jurídica o natural quedará a partir de la fecha de tal transferencia totalmente liberada y relevada de toda responsabilidad personal en lo que respecta a la ejecución de los convenios y obligaciones del ARRENDADOR bajo este Arrendamiento.

VEINTIOCHO: Ninguna representación del ARRENDADOR - El ARRENDADOR, los agentes o empleados del ARRENDADOR y los ejecutivos o empleados de la Compañía de Fomento Industrial de Puerto Rico no han hecho representaciones o promesas respecto a la Propiedad, excepto por lo aquí expresamente establecido y no se han adquirido derechos, servidumbres o licencias del ARRENDADOR en forma implícita o de otro modo, excepto como se establece expresamente en las disposiciones de este Contrato. El que el ARRENDATARIO tome posesión de la Propiedad será evidencia concluyente contra éste de que la acepta "COMO ESTA" ("AS IS") y que dicha Propiedad, en particular el edificio que forma parte de la misma, estaba en satisfactorias condiciones al momento de tomar posesión.

VEINTINUEVE: Daños - El ARRENDADOR no será responsable de cualquier defecto latente o cambio de condiciones en la Propiedad que resulten en daño al mismo y/o a las personas en el mismo, excepto en la medida en que el arrendador cometa crasa negligencia y dichas reclamaciones o pérdidas no estén cubiertas por los seguros aquí requeridos al ARRENDATARIO. El ARRENDATARIO deberá notificar al ARRENDADOR con prontitud de cualquier daño o defecto en la Propiedad, en particular cualquier defecto en los sistemas sanitarios, eléctricos, de aire acondicionado u otros que estén localizados en la Propiedad o que pasen a través de ésta. El daño o la condición defectuosa, sujeta a la disposición del Artículo VEINTIUNO aquí contenido, deberá repararlo el ARRENDADOR con razonable diligencia.

TREINTA: Seguros de Responsabilidad General - El ARRENDATARIO deberá indemnizar, mantener indemne y defender al ARRENDADOR y a sus agentes, servidores y empleados contra cualesquiera y todos los gastos, responsabilidades, multas, demandas, reclamaciones - incluyendo costas de abogado - y acciones de toda clase y naturaleza, y de todas ellas que surjan por causa de lesión a la persona o a la propiedad, incluyendo la pérdida en el uso que resultare de la misma. De igual forma, el ARRENDATARIO deberá indemnizar, mantener indemne y defender al ARRENDADOR por cualquier violación de ley que ocurra en la Propiedad ocasionada en todo o en parte por cualquier acto negligente u omisión de parte del ARRENDATARIO o un empleado

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(esté su acto o no dentro del ámbito de acción de su empleo), servidor, agente, persona autorizada, visitante, cesionario o subarrendatario del ARRENDATARIO, o por cualquier uso u ocupación en forma negligente de la Propiedad, o cualquier violación o incumplimiento de cualquier convenio que deba ser observado o realizado por parte del ARRENDATARIO en este Arrendamiento.

De acuerdo a lo anterior, el ARRENDATARIO deberá mantener durante el término de este Arrendamiento, a su propio costo y gasto, una Póliza de Responsabilidad General. Dicha póliza deberá: (i) ser por un límite sencillo y combinado de no menos de $1,000,000 por accidente, (ii) mantener indemne al ARRENDADOR contra cualquier y toda responsabilidad según se establece en este Contrato y (iii) omitir de esta cubierta la exclusión de cuidado, custodia y control. El ARRENDADOR podrá requerir límites adicionales razonables para cubiertas y seguros de responsabilidad pública cuando así lo requieran las circunstancias cambiantes.

TREINTA Y UNO: Seguro sobre la propiedad - El ARRENDATARIO reconoce que el alquiler impuesto en este Contrato no incluye elemento alguno para indemnizar, reparar, reemplazar o mantener al ARRENDATARIO, sus empleados, servidores, agentes, personas autorizadas, visitantes, cesionarios o subarrendatarios por cualquier pérdida o daño a cualquier propiedad o lesión a cualquier persona en la Propiedad.

De la misma forma, durante el término de este Arrendamiento, el ARRENDATARIO deberá mantener asegurado, para su beneficio y el beneficio del ARRENDADOR, el edificio erigido incluyendo todo equipo perteneciente a la Propiedad y todos los cambios, alteraciones, añadiduras y mejoras realizadas, según aparezcan de sus respectivos intereses, por una cantidad al menos igual al porcentaje establecido adelante (según determine el ARRENDADOR de tiempo en tiempo). Las bases del Seguro de Propiedad serán Costo de Reemplazo y una cubierta "Contra Todo Riesgo". Las cubiertas incluidas en el formato "Contra Todo Riesgo" son:

1. Fuego - "Formato de Edificio y Contenido"
   a. Construcción - 100% del valor asegurable sin incluir los cimientos del edificio.
   b. Contenido - Todo equipo perteneciente a la Propiedad (Valor del Estado de la Póliza).
2. Cubiertas adicionales bajo la póliza de incendio
   a. Endoso de Cubierta Extendida - 100% del valor asegurable sin incluir los cimientos del edificio.

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b. Terremoto - 100% del valor asegurable, incluyendo los cimientos del edificio.
c. Endoso de Vandalismo y Daño Malicioso.
d. Arreglos y Mejoras - Para todos los cambios, alteraciones, añadiduras y mejoras.

3. Ubicación e inundaciones siempre que se aplique y/o sea necesario.
4. Calderas y maquinaria (si algunas) - 100% del valor asegurable.
5. Póliza de Responsabilidad contra contaminación, si es necesaria.

TREINTA Y DOS: Disposiciones específicas para edificios multifabriles - En el caso que la Propiedad constituya una sección o secciones de un edificio ubicada en un localización industrial bajo la cual distintas operaciones se realizan por otros ARRENDATARIOS: (i) la cubierta de seguro aquí requerida deberá ser adquirida por el ARRENDADOR sobre la totalidad del edificio industrial y el ARRENDATARIO deberá reembolsar al ARRENDADOR en su parte proporcional, el costo total de dicha póliza; (ii) si debido a cualquier acto hecho, causado, permitido u omitido por el ARRENDATARIO se aumentare la prima de cualquier seguro que afecte la Propiedad, el ARRENDATARIO deberá pagar al ARRENDADOR la cantidad adicional que venga obligado a pagar por tal seguro, y el ARRENDATARIO deberá remediar tal condición dentro de los cinco (5) días siguientes al requerimiento en caso que el ARRENDADOR tuviera que solicitarlo; y (iii) las pólizas de seguro, requeridas en los artículos 30 y 31, precedentes, deberán ser endosadas de modo que incluyan una renuncia de sustitución contra el ARRENDATARIO. Todas las cantidades a ser reembolsadas por el ARRENDATARIO bajo este Artículo vencerán y serán pagaderas como alquiler adicional con el siguiente pago de renta. El ARRENDATARIO quedará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en caso que no haga este pago al vencer el mismo.

TREINTA Y TRES: Disposiciones adicionales sobre seguros - Todas las pólizas de seguro exigidas al ARRENDATARIO bajo este Contrato deberán ser conforme en forma y sustancia a los requerimientos del ARRENDADOR, obteniéndose éstas a través de compañías de seguro debidamente autorizadas a hacer negocios en Puerto Rico, con una clasificación financiera clase "A" y superior, según el informe de seguros "Best", y deberán incluir al ARRENDADOR como asegurado adicional. El ARRENDATARIO deberá instruir al asegurador correspondiente que deberá enviar al ARRENDADOR tales

pólizas o sus copias certificadas o, en su lugar, los Certificados de Seguros. El ARRENDADOR se reserva el derecho de no entregar la posesión de la Propiedad al ARRENDATARIO hasta que se hayan depositado con el ARRENDADOR tales pólizas originales o copias certificadas o Certificados con fecha de hasta dos (2) días antes de la entrega de la misma.

Más aún, dichas pólizas deberán: (i) proveer que no serán canceladas por el asegurador por falta de pago de la prima o de otro modo hasta por lo menos treinta (30) días después de haber entregado aviso de la cancelación propuesta al ARRENDADOR mediante correo registrado o certificado y (ii) ser renovada con prontitud por el ARRENDATARIO a la fecha de expiración. El ARRENDATARIO deberá enviar al ARRENDADOR evidencia adecuada del pago de las primas dentro de los treinta (30) días siguientes a tal renovación. Si tales primas o cualesquiera de ellas no fuere así pagada, el ARRENDADOR puede gestionar la misma en la forma establecida para ello en las agencias de gobierno y el ARRENDATARIO deberá reembolsar al ARRENDADOR cualquier cantidad así pagada quedando este reembolso vencido y pagadero con el próximo pago del alquiler. El ARRENDATARIO quedará sujeto a las disposiciones del Artículo TREINTA Y SIETE de este Contrato en el caso que no haga este pago a su vencimiento. Queda expresamente acordado y entendido que el pago de cualesquiera primas hecho por el ARRENDADOR no se entenderá como una renuncia o liberación de la falta de pago de la misma por el ARRENDATARIO ni del derecho del ARRENDADOR a tomar la acción que esté disponible por el presente Contrato como en el caso de incumplimiento en el pago de alquiler.

En caso que el ARRENDATARIO mantenga vigente las pólizas de seguro suscritas originalmente por el ARRENDADOR, el ARRENDATARIO deberá pagar a éste al comienzo del término aquí expresado, las primas no ganadas prorrateándolas en todas las pólizas de seguro tenidas entonces por el ARRENDADOR.

El ARRENDATARIO no deberá violar ni permitir que se violen las condiciones o disposiciones de cualesquiera de dichas pólizas de seguro debiendo satisfacer los requisitos que imponen dichos seguros.

El ARRENDATARIO deberá cooperar con el ARRENDADOR en relación al cobro de dinero adeudado por las compañías aseguradoras en concepto de compensación por pérdidas ocurridas. Igualmente, el ARRENDATARIO deberá ejecutar y enviar al ARRENDADOR evidencia de pérdidas y otros instrumentos que sean requeridos con el propósito de facilitar el pago de tal compensación. En el caso que el ARRENDATARIO no envíe tales instrumentos, el ARRENDADOR como agente o abogado de hecho del

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ARRENDATARIO, podrá, además de utilizar cualquier otro remedio del que disponga, enviar cualquier evidencia de pérdidas o cualquier otro instrumento necesario para el cobro de la compensación. Esto no deberá interpretarse como una renuncia a la obligación del ARRENDATARIO bajo los Artículos TREINTA, TREINTA Y UNO, TREINTA Y DOS, y TREINTA Y TRES de este Contrato o exclusivamente a favor del ARRENDADOR bajo el Artículo TREINTA Y NUEVE de este Contrato.

TREINTA Y CUATRO: Renuncias - El recibo por el ARRENDADOR del alquiler, alquiler adicional, o cualquier otra suma o cargo pagadero por el ARRENDATARIO, con conocimiento o sin él del rompimiento de cualquier convenio de este Contrato, no será entendido como una renuncia del ARRENDADOR a los derechos aquí conferidos como resultado de dicha violación de contrato. Ningún acto u omisión del ARRENDADOR o sus agentes durante el término de este Arrendamiento deberá entenderse como una aceptación a la sumisión de la Propiedad y ningún acuerdo para aceptar dicha sumisión de la Propiedad será válido a menos que sea por escrito y suscrito por el ARRENDADOR. Este Contrato contiene todos los acuerdos y las condiciones efectuadas entre las partes, a este fin, con respecto a la Propiedad no pudiendo ser alterado oralmente. Cualquier adición o alteración a las condiciones de este Arrendamiento deberá ser por escrito y firmado por el ARRENDADOR.

El incumplimiento por parte del ARRENDADOR para actuar o quejarse de cualquier acción o inacción de parte del ARRENDATARIO no constituirá una renuncia de cualesquiera de sus respectivos derechos bajo este Contrato, ni constituirá una renuncia a dicha disposición contractual en cualquier momento subsiguiente. El consentimiento o la aprobación del ARRENDADOR sobre cualquier acción o acto realizado por la otra parte que requiera su consentimiento o aprobación no deberá entenderse como una renuncia al consentimiento o aprobación del ARRENDADOR en relación a cualquier acto similar posterior.

TREINTA Y CINCO: Reposición - Ningún recibo de dinero a favor del ARRENDATARIO por parte del ARRENDADOR, después de la terminación o la cancelación en cualquier forma legal de este Contrato, deberá reponer, continuar o extender el término del Arrendamiento o afectar cualquier aviso hasta entonces dado al ARRENDATARIO. Dicho recibo tampoco operará como una renuncia del ARRENDADOR a su derecho a poner en vigor el pago de alquiler, alquiler adicional u otros cargos vencidos entonces o que posteriormente se venzan, u operar como una

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renuncia al derecho del ARRENDADOR a recobrar la posesión de la Propiedad mediante demanda, acción, procedimiento o remedio adecuado. Se acuerda que, luego de entregar el aviso de terminación o cancelación de este Arrendamiento, si el incumplimiento no ha sido sanado durante ese tiempo o después del comienzo de los procedimientos de demanda, acción o sentencia o de cualquier otro remedio o después de una orden final - el decreto de la sentencia de la posesión de la Propiedad - el ARRENDADOR podrá demandar, recibir y cobrar los dineros entonces vencidos o que de ahí en adelante se venzan sin que se afecte en forma alguna tales avisos, procedimientos, demandas, acciones, órdenes, decretos o sentencias. El dinero así cobrado deberá entenderse como un pago por el uso y la ocupación de la Propiedad o, a elección del ARRENDADOR, se acreditará a la cuenta de pasivos del ARRENDATARIO bajo este Contrato. El envío o la aceptación de las llaves de la Propiedad o cualquier acto similar realizado por el ARRENDADOR o sus agentes o empleados durante el término del mismo no se considerará como un envío o una aceptación de la entrega de la Propiedad a menos que el ARRENDADOR haya dado consentimiento a ello en la forma anteriormente establecida.

TREINTA Y SEIS: Subordinación y reconocimiento de nuevo titular Este Arrendamiento estará sujeto y subordinado a todos los gravámenes o hipotecas que puedan afectar a la Propiedad, ahora o en el futuro, y a todas las renovaciones, modificaciones, consolidaciones, reemplazos y extensiones a los mismos. El ARRENDATARIO deberá ejecutar cualquier otro instrumento requerido por el ARRENDADOR para confirmar tal subordinación aunque estas disposiciones de subordinación puedan entenderse para todos los propósitos como automáticas y efectivas sin necesidad de presentar otro instrumento por parte del ARRENDATARIO.

El ARRENDATARIO acuerda, además, que de terminar la hipoteca o de ejecutarse ésta, mediante procedimiento sumario o cualquier otra forma, debido al incumplimiento por parte del ARRENDADOR del pago de cualquier hipoteca que afecte a la Propiedad, el ARRENDATARIO reconocerá al titular de la hipoteca o al nuevo comprador en el procedimiento de ejecución, según sea el caso, como ARRENDADOR del ARRENDATARIO bajo este Arrendamiento. El ARRENDATARIO acuerda ejecutar y enviar a petición del ARRENDADOR o del acreedor hipotecario o el comprador en procedimiento de ejecución, según sea el caso, en cualquier momento y de tiempo en tiempo, cualquier instrumento razonable que sea necesario y adecuado para evidenciar el traspaso de los derechos sobre la Propiedad. El ARRENDATARIO además renuncia a

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cualquier estatuto o regla de ley en efecto, ahora o en el futuro, que pueda dar o proveer al ARRENDATARIO de cualquier derecho de elección a terminar este Arrendamiento o de entregar la posesión de la Propiedad arrendada en caso que tal procedimiento sea traído por el tenedor de la hipoteca, y no se afectarán de forma alguna las obligaciones del ARRENDATARIO bajo este Contrato sea cual fuere tal procedimiento.

El ARRENDATARIO, a petición del ARRENDADOR o cualquier tenedor de tal hipoteca o gravamen que afecte a la Propiedad, deberá enviar al ARRENDADOR o a tal tenedor del gravamen o acreedor hipotecario, de tiempo en tiempo, un certificado debidamente ejecutado y reconocido en forma de registro dentro de los diez (10) días laborables siguientes a la fecha de la solicitud. Dicho certificado será sin cargos y certificará si es cierto o hasta dónde es cierto que este Arrendamiento es válido, subsistente y si está operando en todo su vigor y efecto. Además, se certificará si el ARRENDADOR está cumpliendo con los términos de este Arrendamiento.

TREINTA Y SIETE: Pagos tardíos y pago por el ARRENDADOR - En el caso que: (i) el ARRENDATARIO haga pagos tardíos o incumpla con hacer los pagos, en todo o en parte, del alquiler, de los alquileres adicionales, o de cualesquiera otros pagos de dinero requeridos cuando se venzan y según se venzan, según se ha estipulado en este Contrato; o si (ii) el ARRENDADOR, sin asumir obligación alguna para así hacerlo después de cualquier aviso o período de gracia provisto en lo adelante, realiza u ordena que se realice a costo y gasto del ARRENDATARIO cualesquiera de los actos u obligaciones acordados por el ARRENDATARIO en este Arrendamiento y el ARRENDATARIO no reembolsa al ARRENDADOR, luego de éste realizar u ordenar que se realicen tales actos u obligaciones, entonces el ARRENDATARIO se comprometerá a pagar al ARRENDADOR intereses, como alquiler adicional, sobre dichos pagos tardíos o alquileres sin pagar, alquiler adicional, y/o sobre tales otros pagos de dinero requeridos para el pago, y/o sobre todas esas cantidades de dinero requeridas para reembolsar desde y a partir de la fecha de vencimiento del pago hasta que se satisfaga el pago en su totalidad. Dicho interés se computará a una tasa anual de doce porciento (12%). Si fuera ilegal tal porciento (%) de interés, entonces se computará el mismo a base de la tasa más alta de interés prevaleciente en préstamos comerciales sin garantizar, según lo establezca la Junta Reguladora de Tasas de Interés y Cargos Financieros, creada bajo la Ley #1, aprobada el 15 de octubre de 1973 (10 LPRA 998), según enmendada, o por cualquier estatuto o regulación subsiguiente.

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TREINTA Y OCHO: Anulación - Si cualquier servicio o estructura de carácter sustancial, a ser provisto por el ARRENDADOR, no está disponible por un periodo que exceda treinta (30) días provocando que toda o parte de la Propiedad sea inocupable, y el ARRENDADOR ha sido notificado al respecto, el ARRENDATARIO tendrá derecho, luego de dichos treinta (30) días, a que se le rebaje la porción del alquiler que reflejará la porción de la Propiedad que está inocupable disponiéndose que el daño al servicio o a la estructura no sea atribuible a acto o negligencia alguna del ARRENDATARIO o sus empleados, servidores, personas autorizadas, visitantes, personas designadas o subarrendatarios del ARRENDATARIO.

TREINTA Y NUEVE: Incendio u otro accidente - Si la Propiedad sufriera daños por fuego u otro accidente antes o durante el término de este Arrendamiento, el ARRENDADOR deberá reparar el mismo con prontitud razonable luego que el ARRENDATARIO le entregue una notificación escrita al respecto. Se deberán hacer las debidas concesiones para cualquier retraso que resulte de causas fuera del control razonable del ARRENDADOR. Sin embargo, al ARRENDADOR no se le requerirá reparar o reemplazar muebles, mobiliario u otra propiedad personal que el ARRENDATARIO haya podido colocar o instalar, o los cuales el ARRENDATARIO haya tenido el derecho de remover o haya sido instruido a ello. El ARRENDADOR deberá proceder con la debida diligencia para obtener los ajustes de seguro correspondientes con relación a las susodichas pérdidas recibiendo la total cooperación y ayuda del ARRENDATARIO al efectuar el ajuste de las pérdidas. Hasta que se completen tales reparaciones, el alquiler requerido a pagar, según el Artículo CUATRO (4) de este Contrato, será anulado en proporción a la parte de la Propiedad que está inocupable siempre y cuando tales daños y otros accidentes no sean atribuibles a acto o negligencia del ARRENDATARIO o a sus empleados, servidores, personas autorizadas, visitantes, personas designadas o subarrendatarios. Si el edificio estuviera tan averiado que el ARRENDADOR decidiera demolerlo y/o reconstruirlo, en parte o en todo, el ARRENDADOR podrá terminar este Arrendamiento enviando con tiempo razonable, luego de ocurrir tal daño, una notificación al ARRENDATARIO indicándole su elección de terminar este Arrendamiento. Dicha terminación será efectiva de inmediato si el término de arrendamiento no ha comenzado o en una fecha que se especificará en esa notificación si es durante el término del Contrato. En caso de entregar la notificación durante el término de este Arrendamiento, el alquiler será prorrateado y saldado hasta el momento de ese incendio u otro accidente si la Propiedad está dañada o hasta la fecha

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de terminación del Contrato si la Propiedad no está dañada no siendo el ARRENDADOR, de otro modo, responsable ante el ARRENDATARIO del valor prorrateado de la renta sobre el término sin expirar de este Arrendamiento.

CUARENTA: Disposiciones de incumplimiento - Si durante el término de este Contrato, el ARRENDATARIO: (i) solicita o consiente por escrito al nombramiento de un receptor, fideicomisario o liquidador del ARRENDATARIO o de todos o sustancialmente todos sus activos; o (ii) busca alivio bajo la Ley de Quiebras o admite por escrito su incapacidad para pagar las deudas cuando éstas venzan; o (iii) hace una cesión general a beneficio de sus acreedores; o (iv) radica una petición, un caso o una respuesta en busca de alivios (otra que no sea una reorganización donde no estén envueltos los pasivos del ARRENDATARIO) o de un arreglo con los acreedores, o saca ventaja de cualquier ley de insolvencia; o (v) radica una contestación de demanda en un procedimiento de quiebra, reorganización o insolvencia donde admite las alegaciones sustanciales en un caso radicado contra él o si debe registrarse una orden, una sentencia o un decreto por cualquier tribunal con jurisdicción a solicitud del ARRENDATARIO o acreedor en la que se adjudique al ARRENDATARIO la quiebra o insolvencia, o en la que se apruebe una solicitud de reorganización del ARRENDATARIO (otra que no sea una reorganización donde no estén envueltos los pasivos del ARRENDATARIO), o se apruebe el nombramiento de un receptor, fideicomisario o liquidador del ARRENDATARIO, o de todo o sustancialmente todos sus activos, y tal orden, sentencia, decreto, deba continuar inalterable y en efecto por cualquier periodo de sesenta (60) días consecutivos, entonces, el término de este Arrendamiento y de todo derecho, título e interés del ARRENDATARIO bajo este Contrato deberá expirar total y completamente como si ese día fuera la fecha especificada en el mismo para la expiración del término de arrendamiento, y el ARRENDATARIO, como resultado, renunciará y entregará la Propiedad al ARRENDADOR. No obstante, de lo anterior no se deberá desprender que el ARRENDATARIO no continuará siendo responsable según lo aquí dispuesto.

Si durante el término de este Arrendamiento: (i) el ARRENDATARIO no cumple con cualesquiera de los convenios de este Arrendamiento (que no sean los convenios de pago de alquiler o alquiler adicional), o de cualquier otro Contrato vigente con el ARRENDADOR; o (ii) si durante el término de este Arrendamiento, el ARRENDADOR debe abandonar, sacar o mudar de la Propiedad la porción más grande de los bienes, utensilios, equipo o mobiliario usualmente dejados en esa propiedad; o (iii) si este

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Arrendamiento, sin el previo consentimiento del ARRENDADOR, debe gravarse, cederse, transferirse de cualquier manera, en todo o en parte, o deba por operación de ley pasar o devolverse a cualquier tercera parte, excepto en lo dispuesto en este Contrato, o (iv) si el ARRENDATARIO está en violación a las leyes, las reglas y los reglamentos relacionados con las disposiciones sobre salario mínimo o de cualquier otra ley, regla o reglamento aplicable a su operación pero que no haya sido específicamente mencionada en este Arrendamiento, entonces, el ARRENDADOR podrá dar aviso al ARRENDATARIO de tal incumplimiento o de la ocurrencia de cualquier suceso al que se ha hecho referencia anteriormente. Si a la expiración de treinta (30) días, después de haberse dado tal aviso, el incumplimiento o suceso en el cual se basó dicho aviso existe todavía; o en el caso de un incumplimiento que no puede subsanarse con la debida diligencia dentro del periodo de treinta (30) días si el ARRENDATARIO falla en proceder con prontitud, después de entregado tal aviso y con toda la debida diligencia para sanar el mismo y de ahí en adelante para proseguir la corrección de tal incumplimiento con toda la debida diligencia (con la intención, en relación con un incumplimiento no susceptible a ser corregido con la debida diligencia dentro de los treinta (30) días, de extender el tiempo del ARRENDATARIO por el periodo que sea necesario para corregir dicho incumplimiento con la debida diligencia), el ARRENDADOR puede dar al ARRENDATARIO un aviso de expiración del término de Arrendamiento a la fecha de la entrega de ese segundo aviso. A la entrega de ese aviso de expiración el término de este Arrendamiento y todo derecho, título e interés del ARRENDATARIO bajo este Contrato expirarán total y completamente como si ese día fuera la fecha específicamente fijada en el Contrato para la expiración del término, y el ARRENDATARIO o cualquier parte en posesión de la Propiedad renunciará y entregará la Propiedad al ARRENDADOR, sin embargo, el ARRENDATARIO continuará siendo responsable ante el ARRENDADOR, según se dispone en este Contrato.

Si, (i) el ARRENDATARIO incumple con el pago del alquiler, el alquiler adicional o de cualquier otro pago, según se requiere bajo este Arrendamiento y tal incumplimiento continúa por diez (10) días laborables después que el ARRENDADOR le envía notificación al respecto, o (ii) si el incumplimiento del pago del alquiler continúa por treinta (30) días después de la fecha en que tal pago se vence y es pagadero (TERMINACION AUTOMATICA POR INCUMPLIMIENTO), o (iii) si este Arrendamiento debe terminar según las disposiciones de los párrafos Uno y Dos de este Artículo, este Arrendamiento terminará y el ARRENDATARIO entonces renunciará y entregará la Propiedad al ARRENDADOR quedando el ARRENDATARIO responsabilizado según se dispone más

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adelante. El ARRENDADOR o sus agentes y servidores podrán de inmediato o en cualquier momento de ahí en adelante reentrar en la Propiedad y remover todas las personas y toda o cualquier propiedad allí ubicada sea mediante un procedimiento sumario del desahucio, mediante cualquier acción o procedimiento de ley conveniente, o con la autorización y el permiso del ARRENDATARIO que se considerará dado bajo este Contrato a la expiración de la notificación del periodo estricto de treinta (30) días, que aparece en la subdivisión del párrafo Dos de este Artículo. De lo anterior no se deberá entender que el ARRENDADOR adviene responsable ante una acusación, enjuiciamiento o una demanda en daños y perjuicios pudiendo éste disfrutar de la Propiedad con todas las añadiduras, alteraciones y mejoras que se hayan hecho.

Si el ARRENDATARIO no tomara posesión de la Propiedad dentro de los diez (10) días siguientes al comienzo del término de este Arrendamiento o si el ARRENDATARIO debiera desocupar y abandonar la Propiedad, el ARRENDADOR tendrá a su opción el derecho de terminar este Arrendamiento así como todos los derechos, títulos e intereses del ARRENDATARIO bajo este Contrato al dar al ARRENDATARIO un aviso por escrito con cinco (5) días de anticipación notificando a éste de su intención de terminar el Arrendamiento. Si ese incumplimiento no se subsana previo a la expiración del tiempo establecido en ese último aviso, este Arrendamiento y el término estipulado en él así como todos los derechos, títulos e intereses del ARRENDATARIO en virtud de éste cesarán y expirarán totalmente en la misma forma y con el mismo vigor y efecto (excepto en lo referente a la responsabilidad del ARRENDATARIO) como si la fecha fijada por tal último aviso fuera la misma que la expiración del término convenido originalmente en el mismo; y el ARRENDATARIO deberá renunciar y entregar de inmediato al ARRENDADOR la Propiedad y el ARRENDADOR podrá entrar a reposeer la Propiedad mediante la fuerza, el procedimiento sumario u otro modo. El derecho concedido al ARRENDADOR en este artículo o cualquier otro artículo de este Arrendamiento para terminar este Arrendamiento aplicará a cualquier extensión o renovación del término aquí concedido y el ejercicio de cualquier derecho del ARRENDADOR durante el término aquí concedido deberá terminar cualquier extensión o renovación del término aquí concedido y cualquier derecho de parte del ARRENDATARIO al mismo.

A la terminación de este Arrendamiento por razón de cualesquiera de los sucesos precedentes o en el caso de terminación mediante el procedimiento sumario de desahucio o bajo cualquier disposición de ley, ahora o en cualquier momento futuro, en vigor por causa de un incumplimiento en las condiciones de este Arrendamiento de parte

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del ARRENDATARIO, o al ARRENDADOR recobrar posesión de la Propiedad en la forma o en cualquier circunstancia previamente mencionada, o de cualquier otra forma o circunstancia sea la que sea, ya sea con o sin procedimientos legales, teniendo como razón, base o fundamento un incumplimiento o rompimiento de este Arrendamiento de parte del ARRENDATARIO, el ARRENDADOR a su opción, pero sin asumir obligación alguna de así hacerlo en cualquier caso, podrá volver a arrendar, en cualquier momento y de tiempo en tiempo, la Propiedad o cualquier parte o cualesquiera partes de la misma por la cuenta del ARRENDATARIO o de otro modo en los términos que el ARRENDADOR elija incluyendo el otorgamiento de concesiones. Del mismo modo, el ARRENDADOR podrá recibir y cobrar los alquileres aplicando los mismos, a una renta no mayor a la estipulada en este Contrato, primero, al pago de tales gastos razonables en los que haya incurrido el ARRENDADOR para recuperar la posesión de la Propiedad, incluyendo aquellos gastos legales razonables, y aquellos gastos incurridos por el ARRENDADOR al poner en orden y en buenas condiciones la Propiedad, y los gastos, comisiones y cargos pagados, asumidos o incurridos por el ARRENDADOR para volver a alquilar la Propiedad o cualquier porción de la misma. Luego, en segundo lugar, se aplicará el cobro de los alquileres al cumplimiento de los convenios del ARRENDATARIO bajo este Contrato. Cualquier realquiler de ese tipo aquí dispuesto podrá ser por el restante del término de este Arrendamiento o por un periodo más largo o más corto o por un precio de alquiler mayor o menor. En tal caso, sea o no realquilada la Propiedad o cualquier parte de la misma, el ARRENDATARIO deberá pagar al ARRENDADOR el alquiler requerido hasta el momento de terminación de este Arrendamiento y/o el alquiler completo dispuesto en el acuerdo por cualquier responsabilidad postcontractual incurrida después de la terminación del arrendamiento y hasta la entrega o la recuperación de la posesión de la Propiedad por el ARRENDADOR, según sea el caso. De ahí en adelante el ARRENDATARIO conviene y acuerda pagar al ARRENDADOR hasta el final del término de este Arrendamiento, según se arrendó originalmente, el equivalente de cualquier cantidad en deficiencia, de todo el alquiler reservado en el mismo, menos los productos netos de realquilar, si algunos, según se especifica precedentemente en este Artículo y el mismo vencerá y será pagadero por el ARRENDATARIO al ARRENDADOR según se estipula aquí, es decir, el ARRENDATARIO pagará al ARRENDADOR la cantidad de cualquier deficiencia que exista entonces.

CUARENTA Y UNO: Remedios del ARRENDADOR - En el caso que el ARRENDATARIO incumpla en la ejecución de cualesquiera términos, convenios o

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disposiciones contenidos en este Contrato, el ARRENDADOR podrá ejecutar el mismo a su opción por la cuenta del ARRENDATARIO y cualquier cantidad pagada o gasto incurrido por el ARRENDADOR en la ejecución del mismo será repagada por el ARRENDATARIO a su solicitud. En el caso de un rompimiento o amenaza de rompimiento por parte del ARRENDATARIO o cualquier subarrendatario u otra persona que ostente o reclame bajo el ARRENDATARIO cualesquiera de los convenios, condiciones o disposiciones acerca de esto, el ARRENDADOR tendrá el derecho a incoar un interdicto para evitar el mismo y el derecho a invocar cualquier remedio permitido por ley o en equidad como si los remedios específicos, indemnizaciones o reembolsos no estuvieran estipulados en este Contrato. Los derechos y remedios dados al ARRENDADOR en este Arrendamiento son distintos, separados y acumulativos, y ninguno de ellos, sean o no ejercidos por el ARRENDADOR, se interpretarán como una renuncia o exclusión de cualesquiera de los otros.

CUARENTA Y DOS: Aviso de incumplimiento - No obstante lo que en contrario se disponga en este Arrendamiento, se acuerda específicamente que no habrá incumplimiento ejecutable contra el ARRENDADOR bajo ninguna disposición de este Arrendamiento a menos que el ARRENDATARIO dé aviso al ARRENDADOR de tal incumplimiento. El ARRENDATARIO deberá, mediante el aviso, especificar el incumplimiento o la omisión de la cual se queja teniendo el ARRENDADOR treinta (30) días a partir del recibo de dicha notificación para remediar tal incumplimiento. Si dicho incumplimiento u omisión es de tal naturaleza que no puede subsanarse dentro del periodo de treinta (30) días entonces no se entenderá el mismo como un incumplimiento ejecutable, siempre y cuando el ARRENDADOR comience a tomar los pasos necesarios para remediar dicho incumplimiento dentro de los mencionados treinta (30) días y diligentemente procede en la corrección de los mismos.

CUARENTA Y TRES: Capitalización - Para propósitos de este Contrato, en específico del Artículo SEIS, Capitalización comprende las fuentes del valor total (equity) del dueño (acciones preferidas, acciones comunes y el sobrante) más las deudas a largo plazo, quedando acordado y entendido que la amortización de tales deudas no deberán disminuir en forma alguna la cantidad determinada originalmente como Capitalización.

CUARENTA Y CUATRO: Revelación de información - El ARRENDATARIO acuerda suministrar al ARRENDADOR, dentro de los noventa (90) días después de

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expirar su año fiscal, un estado financiero anual certificado por un Contador Público Autorizado independiente donde se muestre al finalizar cada año fiscal: (i) el capital pagado del ARRENDATARIO; (ii) las deudas a largo plazo y la capitalización, según lo requieren los Artículos SEIS y CUARENTA Y TRES de este Contrato; (iii) la inversión en maquinaria y su capacidad de proveer empleos; (iv) los impuestos pagados (incluyendo impuestos del Seguro Social), y (v) cualquier otra información que este Arrendamiento requiera.

En el caso que tal estado financiero no sea entregado al ARRENDADOR, según se dispone aquí, el ARRENDADOR podrá obtener esa información del ARRENDATARIO, a costas de éste, y para tales propósitos el ARRENDATARIO deberá hacer accesible a los representantes del ARRENDADOR sus libros de cuentas y otros datos y facilidades necesarias, todo lo cual el ARRENDATARIO deberá proveer y hacer disponible en sus oficinas principales en Puerto Rico.

CUARENTA Y CINCO: Renovación automática - En el caso que el ARRENDATARIO no desaloje la Propiedad de la forma y bajo las condiciones aquí dispuestas dentro de los noventa (90) días siguientes a la expiración normal del término de este Contrato, el ARRENDADOR tendrá la opción, a ejercerse en cualquier momento, de notificar al ARRENDATARIO que el arrendamiento ha sido renovado por un término adicional de **cinco (5)** años a partir de la fecha de expiración del mismo. En tal caso, las partes acuerdan que este Contrato deberá tenerse como renovado y que continúa en vigencia y en efecto durante el término adicional de **cinco (5)** años con el mero envío por correo del aviso del ARRENDADOR. Esta disposición no perjudicará, afectará o negará de forma alguna cualquier derecho que el ARRENDADOR pueda tener al momento, o de otro modo, a causa de la terminación del término del Arrendamiento, particularmente siempre que el ARRENDADOR no ejerza tal opción. Queda acordado y entendido que tal renovación se hará en iguales términos y condiciones a los contenidos en este Contrato excepto que la tarifa de alquiler que se cargará será la tarifa actualizada que el ARRENDADOR cobra por edificios similares en el área, sin embargo, en ningún caso dicho alquiler será menor a la tarifa estipulada en este Contrato.

CUARENTA Y SEIS: Invalidez parcial y derecho aplicable - Si cualquier término o condición en este Arrendamiento o su aplicación sobre alguna persona o circunstancia es inválida, el resto de este Arrendamiento y la aplicación de dicho término o condición en relación a otras personas o circunstancias, que no sean las mismas que sobre las que

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ya se determinó dicha invalidez, no afectarán a éstas siéndoles aplicable en toda su extensión los términos de este Contrato. Este Contrato es otorgado y debe ser interpretado de acuerdo a las leyes del Estado Libre Asociado de Puerto Rico.

CUARENTA Y SIETE: Terminación y responsabilidad postcontractual del Arrendamiento - A la terminación o expiración de este Arrendamiento:

(i) el ARRENDATARIO deberá informar al ARRENDADOR por escrito de las actividades del ARRENDATARIO que afectan o afectaron cada una o todas las áreas ambientales durante el periodo de operación del Arrendamiento incluyendo una descripción desde el punto de vista ambiental de las condiciones físicas del edificio y el predio de terrero. El ARRENDATARIO también informará por escrito al ARRENDADOR sobre cualquier violación, plan de cumplimiento, permiso, plan de cierre, acción de limpieza ambiental regulatoria o cualquier otro procedimiento reglamentario relativo a la operación. En el caso que la información revele un incumplimiento por parte del ARRENDATARIO en relación a lo anterior, o en el caso que una inspección física de la Propiedad y las áreas adyacentes por el ARRENDADOR o cualquier otra fuente de información revele la posibilidad de contaminación, el ARRENDATARIO deberá someter a petición del ARRENDADOR un plan de acción con la asignación financiera necesaria para ejecutarlo. El ARRENDADOR hará responsable al ARRENDATARIO sobre cualquier y todo daño ambiental, o cualquier acción remediativa (incluyendo auditorías) que se realicen en los predios, o de otro modo, como resultado de las operaciones del ARRENDATARIO después de la terminación del Arrendamiento. Dicha responsabilidad durará hasta el momento en que se remedie o se satisfagan totalmente las obligaciones del ARRENDATARIO. En el caso que el ARRENDATARIO no cumpla con las presentes condiciones, el ARRENDADOR puede, a su opción, efectuarlas a costa y responsabilidad del ARRENDATARIO.

(ii) El ARRENDATARIO deberá remover toda sustancia peligrosa y tóxica que pertenezca al ARRENDATARIO o a una tercera parte. El ARRENDATARIO deberá remover toda otra propiedad suya y/o de otra tercera parte y, de no hacerlo así, designa mediante la presente al ARRENDADOR como su agente de manera que el ARRENDADOR remueva dicha propiedad a costo y riesgo del ARRENDATARIO. El ARRENDATARIO conviene y acuerda observar y cumplir totalmente, y a tiempo, con este convenio para remover toda su propiedad y entregar la Propiedad arrendada completamente limpia. El ARRENDATARIO por la presente acuerda pagar los gastos y costos razonables y necesarios incurridos por el ARRENDADOR en concepto de lo

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anterior. Si, como único resultado de la remoción de las pertenencias del ARRENDATARIO, resulta dañada cualquier porción adicional de la Propiedad del cual aquella forma parte, el ARRENDATARIO deberá pagar al ARRENDADOR el costo razonable de reparación de tales daños a menos que éstos se deban a la crasa negligencia del ARRENDADOR, sus agentes, sus servidores, sus empleados y/o sus contratistas. La obligación del ARRENDATARIO de observar y cumplir este convenio deberá sobrevivir la expiración u otra terminación del término de este Arrendamiento.

CUARENTA Y OCHO: Cambio de dirección - El ARRENDATARIO deberá notificar al ARRENDADOR con prontitud cualquier cambio de dirección distinta a la indicada en el Artículo SIETE de este Contrato.

CUARENTA Y NUEVE: El ARRENDATARIO indemnizará al ARRENDADOR de toda responsabilidad, pérdida, daños, gastos, penalidades y/o multas, y cualesquiera gastos adicionales, incluyendo honorarios de abogados, que el ARRENDADOR pudiera sufrir como consecuencia de reclamaciones, demandas, órdenes administrativas, costas, resoluciones o sentencias contra el ARRENDADOR que provenga de la negligencia y/o el incumplimiento por el ARRENDATARIO o aquellos actuando en su nombre, con los estatutos, ordenanzas u otras reglamentaciones o requerimientos de cualquier autoridad gubernamental, sea Federal, del Estado Libre Asociado de Puerto Rico, sus instrumentalidades o corporaciones públicas, con respecto a la ejecución de este Contrato.

CINCUENTA: No obstante lo que en contrario se disponga en este Contrato, en el caso que el ARRENDATARIO requiera un volumen adicional de agua y/o presión a la existente en el área donde se ubica la Propiedad arrendada, la construcción y/o instalación de tales mejoras y/o estructuras según sean necesarias, convenientes y/o requeridas por la Autoridad de Acueductos y Alcantarillados de Puerto Rico para aumentar tal volumen y/o presión será por cuenta y costo del ARRENDATARIO. Queda acordado y entendido, no obstante, que tal construcción y/o instalación no será comenzada hasta tanto se solicite y se obtenga la aprobación escrita del ARRENDADOR.

CINCUENTA Y UNO: El ARRENDATARIO por la presente reconoce que en la urbanización industrial se localizan otras empresas; por lo tanto, el ARRENDATARIO

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específicamente acuerda y se compromete a tomar las medidas necesarias e instalar el equipo que sea necesario para evitar que cualquier peligro y/o ruido, creados por sus operaciones, puedan de alguna forma o manera afectar indebidamente las operaciones de las demás industrias. Por lo tanto, el ARRENDATARIO por la presente libera y hace indemne al ARRENDADOR de cualesquiera y todas las reclamaciones o demandas que surjan de esto o relacionadas con ello.

CINCUENTA Y DOS: El ARRENDATARIO deberá, por su cuenta y costo, instalar un sistema de protección contra incendios y deberá obtener el endoso y la aprobación del Departamento de Bomberos para dicha instalación. El ARRENDATARIO también deberá proveer medidas de seguridad para evitar o reducir el peligro de incendio debido al almacenamiento de materiales y productos inflamables.

CINCUENTA Y TRES: El ARRENDATARIO deberá solicitar y obtener un permiso para la operación de fuentes de emisión de desperdicios sólidos de la Junta de Calidad Ambiental, y una autorización de la Autoridad para el Manejo de Desperdicios Sólidos y/o del Municipio de **SAN GERMAN** para la disposición final de desperdicios.

CINCUENTA Y CUATRO: El ARRENDATARIO deberá, por su cuenta y costo, implantar las medidas necesarias y proveer el equipo de control requerido para mantener los niveles de calidad de aire atmosférico según requerido por las leyes y reglamentos de la Junta de Calidad Ambiental y de la Agencia de Protección Ambiental, según sean enmendadas y cualquier estatuto o reglamento en lo sucesivo aprobada.

CINCUENTA Y CINCO: Queda acordado y entendido que el ARRENDATARIO deberá tomar las medidas necesarias para cumplir con los reglamentos y los requisitos de ley de la Oficina de Salud y Seguridad Ocupacional de Puerto Rico (PROSHO).

CINCUENTA Y SEIS: El ARRENDADOR deberá proveer un sistema de distribución eléctrica que consista de una base de metro de 200 AMP, conductos, conductores, receptáculos y cajas de conexiones como se indica en los dibujos de los sistemas de distribución eléctrica de la Compañía de Fomento Industrial de Puerto Rico para los edificios indicados.

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CINCUENTA Y SIETE: El ARRENDATARIO deberá, por su cuenta y costo, construir y/o instalar todo el equipo necesario requerido para conectar el sistema eléctrico del edificio a la línea de distribución eléctrica de la Autoridad de Energía Eléctrica, tal conexión deberá hacerse en cumplimiento a los requisitos de la AEE.

CINCUENTA Y OCHO: El ARRENDATARIO deberá cumplir con las reglas y los reglamentos de pre-tratamiento establecidos por la Autoridad de Acueductos y Alcantarillados de Puerto Rico, la Junta de Calidad Ambiental y la Agencia de Protección Ambiental con relación a las descargas de efluentes sanitarios e industriales en el sistema de alcantarillado sanitario y su disposición final. Además, cualquier mejora necesaria para proveer facilidades de tratamiento previo para los mencionados efluentes se realizarán por cuenta y costo del ARRENDATARIO en coordinación y con la aprobación de los Departamentos de Ingeniería y Conservación del ARRENDADOR.

CINCUENTA Y NUEVE: Queda por el presente acordado y entendido que el ARRENDATARIO podrá instalar, por su cuenta y costo, un sistema de aire acondicionado en la Propiedad arrendada, si este le es necesario para sus operaciones de manufactura. El sistema de aire acondicionado se considerará como una estructura especial y se instalará en coordinación con las Oficinas de Ingeniería y de Conservación del ARRENDADOR.

SESENTA: Este contrato está sujeto y condicionado a que la Autoridad de Energía Eléctrica pueda suplir la demanda de energía eléctrica requerida por el proyecto.

SESENTA Y UNO: Este Contrato está sujeto y condicionado al endoso y a la aprobación de la Junta de Calidad Ambiental de Puerto Rico, Administración de Reglamentos y Permisos y a la Autoridad de Acueductos y Alcantarillados; disponiéndose que dichas aprobaciones constituirán condiciones de este Contrato, sin las cuales el ARRENDADOR tendrá derecho a rescindir el mismo.

SESENTA Y DOS: El ARRENDATARIO certifica y garantiza que al momento de suscribir este contrato ha rendido su planilla contributiva durante los cinco (5) años previos a este contrato y no adeuda contribuciones al Estado Libre Asociado de Puerto Rico, o se encuentra acogido a un plan de pago, con cuyos términos y condiciones está cumpliendo.

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El ARRENDATARIO igualmente certifica y garantiza que al momento de suscribirse este Contrato ha pagado las contribuciones de seguro por desempleo, de incapacidad temporal y de seguro social para chóferes (la que aplique); o se encuentra acogido a un plan de pago, con cuyos términos y condiciones está cumpliendo.

Expresamente se reconoce que ésta es una condición esencial del presente contrato, y de no ser correcta en todo o en parte la anterior certificación, esto será causa suficiente para que el ARRENDADOR pueda dejar sin efecto el mismo.

SESENTA Y TRES: El ARRENDADOR se reserva el derecho a auditar la propiedad arrendada, de tiempo en tiempo, durante el transcurso del término de este Arrendamiento según lo requiera y estime conveniente el ARRENDADOR, con el propósito de evaluar todos aquellos aspectos relacionados con la condición ambiental de la propiedad y el cumplimiento por el ARRENDATARIO con todo lo dispuesto en la reglamentación y legislación ambiental vigente, sea ésta local y/o federal; disponiéndose que el ARRENDATARIO acuerda y se allana a proveer acceso a todas aquellas áreas y/o estructuras de la propiedad y le proveerá acceso a todos aquellos libros, récords, documentos e instrumentos que el ARRENDADOR estime necesarios y convenientes para poder evaluar la condición ambiental de la Propiedad.

SESENTA Y CUATRO: El ARRENDATARIO le proveerá al ARRENDADOR lo que a continuación se requiere, además de cualquier otra información, documentos o instrumentos que puedan serle requeridos en virtud de este Arrendamiento:

a) Notificación escrita, a la mayor brevedad, de cualquier evento o hecho ocurrido, que sea de tal naturaleza que se requiera notificación o comunicación del mismo por escrito, oralmente o telefónicamente a la agencia federal "Environmental Protection Agency (EPA)", a la Junta de Calidad Ambiental, o a cualquier agencia sucesora de éstas; disponiéndose también que cualquier orden, notificación, comunicación u informes hechos, recibidos o entregados con relación al evento o hecho antes mencionado, además de cualquier acción tomada en cuanto al ARRENDATARIO por cualesquier agencia reguladora o parte privada o entidad gubernamental, relacionada con cualquier evento de la naturaleza aquí descrita, debe también serle notificado al ARRENDADOR, con copia del mismo;

b) Certificaciones anuales (Anejo incluido), suscritas por un representante u oficial autorizado e identificado con relación a la condición ambiental de la propiedad arrendada, conteniendo aquella información requerida por el ARRENDADOR;

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dicha información será especificada en una enmienda al presente Arrendamiento o en cualquier modificación subsiguiente que haga el ARRENDADOR a la información requerida en la certificación.

c) Cualquier otra información o documentos relacionados con el cumplimiento por parte del ARRENDATARIO con relación a la reglamentación y legislación ambiental vigente, ya sea ésta local y/o federal.

SESENTA Y CINCO: El ARRENDATARIO garantiza al ARRENDADOR que ni él ni ninguno de sus accionistas en el caso de una corporación ha quedado a deber dinero al ARRENDADOR bajo este o cualquier otro nombre corporativo y/o personal.

SESENTA Y SEIS: El ARRENDATARIO no podrá ceder, alquilar, gravar o disponer de forma alguna de los equipos que utiliza en sus operaciones sin la previa notificación por escrito al ARRENDADOR.

SESENTA Y SIETE: EL ARRENDATARIO no podrá ceder, vender o en forma alguna, traspasar sus operaciones a otra entidad que interese continuar ocupando el edificio sin el previo consentimiento por escrito del ARRENDADOR.

SESENTA Y OCHO: Este Contrato se otorga sujeto y condicionado al endoso y a la aprobación de la Oficina de Planificación, la Oficina de Estudios Económicos de la Compañía de Fomento Industrial de Puerto Rico, y la Junta de Calidad Ambiental de Puerto Rico; disponiéndose que dichas aprobaciones constituirán condiciones de este Contrato, sin las cuales el ARRENDADOR tendrá derecho a rescindir el mismo.

SESENTA Y NUEVE: El ARRENDATARIO proveerá seguros de responsabilidad pública y daños a la propiedad, de manera y cantidad que la CFI quede relevada y protegida de cualesquiera reclamación o demanda en su contra como resultado de las actividades realizadas en la propiedad.

SETENTA: No obstante lo que en contrario de disponga en este Contrato, las partes acuerdan y entienden que las siguientes estructuras especiales deberán ser utilizadas por el ARRENDATARIO "COMO ESTAN" y "DONDE ESTAN", libre de cargos, pero el ARRENDATARIO deberá reparar y mantener dichas estructuras especiales según se dispone bajo las disposiciones aplicables a este Contrato:

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- RAMPA PARA IMPEDIDOS
- VERJA DE ALAMBRE ESLABONADO
- SISTEMA DE ROCIADORES AUTOMATICOS
- SUBESTACION ELECTRICA TIPO "TRANSCLOSURE" DE 225 KVA, 4160/480 VOLTIOS
- PANEL PRINCIPAL DE DISTRIBUCION
- TRANSFORMADOR SECO
- POWER PANEL G E 225 A-3Ø.

Las antes mencionadas estructuras especiales se considerarán una parte integral de la Propiedad arrendada y como tal estarán sujetas y cubiertas por los términos y las condiciones de este Contrato según le sean aplicables.

SETENTA Y UNO: El ARRENDATARIO acuerda someter al ARRENDADOR dentro de los treinta (30) días siguientes a la fecha de otorgamiento de este Contrato: (a) evidencia de su registro en el Departamento de Estado del Estado Libre Asociado de Puerto Rico y el nombre y la dirección de su agente residente; y (b) un certificado de una resolución de su Junta de Directores bien sea autorizando o ratificando el otorgamiento de este Contrato.

EN TESTIMONIO DE LO CUAL las partes otorgan este Contrato de Arrendamiento, el de 13 de diciembre de 2002.

POR: _____

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
SSP #66-0292871

POR: _____

BAY-TEX INTERNATIONAL, CORP.
SSP #66-0541200

ANEJO "A"

DESCRIPCION DE EDIFICIO NUM. S-0373-0-56
SAN GERMAN, PUERTO RICO

Edificio de techo inclinado consistente de cimientos de hormigón reforzado, vigas y columnas que soportan viguetas de hormigón de 30' –0" de largo que sostienen losas prefabricadas (Poretes) cubiertas con una capa de aislación de ½" de cellotex, tres capas de felta y una de permacap. Este edificio no tiene monitor; se proveen ventiladores de techo.

La estructura consiste en un piso principal de 121' –0" x 90' –6" más dos (2) closets de 8' –0" x 1' –8", dimensiones exteriores, con un área de 10,977.22 pies cuadrados de área de manufactura; una entrada de 18' –0" x 8' –6" con un área de 153.00 pies cuadrados, facilidades sanitarias 31' –2" x 10' –6" con un área de 327.28 pies cuadrados. Esto produce un área total de 11,457.50 pies cuadrados.

El piso consiste de una losa de hormigón reforzado de 4" de espesor con terminación monolítica de cemento en el área de manufactura, área de escaleras, cuarto de conserje y almacén; losa en el área de entrada y cerámica en los baños de hombres y mujeres.

Las paredes exteriores son de bloque de cemento empañetado y pintado, excepto en la pared frontal que es hormigón reforzado, empañetado y pintado.

Paredes interiores en las facilidades sanitarias están empañetadas y pintadas conjuntamente con epoxy hasta 5' –11" desde el piso en los cuartos de inodoros.

El techo está resanado y pintado en todo el edificio.

Las puertas son lisas de madera excepto por dos puertas de metal sobre el lado izquierdo y cinco puertas de metal con cristal, dobles corredizas en las plataformas de carga.

La altura en el ára de manufactura desde el piso hasta la parte baja de la viga es de 12' – 0" en el lado y 14' –0 3/8" en el centro del edificio.

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DESCRIPCION DE EDIFICIO NUM: S-0373-1-58
SAN GERMAN, PUERTO RICO

Edificio de techo inclinado consistente de cimientos de hormigón reforzado, vigas y columnas que soportan viguertas de acero de 30' –0" de largo que sostienen vigas doble T preformadas, cubiertas con una capa de aislación de ½" de cellotex, tres capas de felta y una de permacap. Este edificio no tiene monitor; se proveen ventiladores de techo.

La estructura consiste en un piso principal de 240' –2" x 91' –7, dimensiones exteriores, con un área de 21,994.76 pies cuadrados de área de manufactura; dos (2) espacios de facilidades sanitarias 31' –4" x 10'-6" con un área de 657.92 pies cuadrados; espacio de recepción 18' –0" x 15' –0" con un área 270.00 pies cuadrados y un espacio de carga y descarga de 10' –0" x 15' –0" y 20' –0" x12' –0" con área de 540.00 pies cuadrados. Esto produce un área total de 23,462.68 pies cuadrados de espacio cubierto.

El piso consiste de una losa de hormigón reforzado de 4" de espesor con terminación monolítica de cemento en el área de manufactura, área de escaleras, cuarto de conserje y almacén. Hay cerámica en el piso de los baños.

Las paredes exteriores son de bloque de barro, huecos de baja resistencia, sin empañetar. Las interiores en el área de baño están empañetadas y pintadas con epoxy en el interior, hasta una altura de 5' –11" desde el piso.

El techo está resanado y pintado en todo el edificio.

Las ventanas son de aluminio tipo miami.

Las puertas son de madera excepto en la entrada que es de metal, lisa; y en la salida posterior que es de metal con herraje antipánico. En la plataforma de carga hay puertas de metal con cristal, dobles, corredizas.

La altura en el área de manufactura, desde el piso hasta la parte baja de las vigas es de 12' –0" en los lados y de 14' –9" en el centro.

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DESCRIPCION DE PARCELA DE TERRENO, SOLAR #1
LOCALIZADO EN LA URB. INDUSTRIAL EL RETIRO
SAN GERMAN, PR
PROYECTO CFI: S-0373-0-56 Y S-0373-1-58

General:

Parcela de terreno, Solar #1, localizado en la Urb. Industrial El Retiro, San Germán, P.R.

Está en lindes: por el Norte, con la Carretera Estatal PR-102, Km. 33.2 y terrenos propiedad del Sr. Ernesto Quiñones Sambolín; por el Sur, con la Calle "B" de la misma urbanización industrial; por el Este, con los Solares #4 y #6 (agrupados) de la misma urbanización industrial; y por el Oeste, con la Calle "A" de la misma urbanización industrial.

Tiene una cabida superficial aproximada de 7,318.78 metros cuadrados, equivalentes a 1.8621 cuerdas.

Está afectado por servidumbre de paso de 5 pies de ancho a favor de la Autoridad de Energía Eléctrica que discurre a lo largo de su colindancia Norte.

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ANEJO "B"

INFORME DE CUMPLIMIENTO CON
REQUISITOS AMBIENTALES

Para el período de _____ a _____

I. Permisos

NUM DE PERMISO	FECHA DE EXPIRACION	FECHA DE RENOVACION (SI APLICA)

II. Acciones de Cumplimiento

REFERENCIA/NUM. DE CASO	FECHA	FECHA DE RESPUESTA DE

III. Certificación

Por la presente certifico, bajo pena de ley, que este documento fue preparado bajo mi dirección o supervisión; y que basado en mi investigación de las personas directamente responsables por recolectar la información, que la información aquí sometida es, según mi mejor conocimiento, cierta, completa y precisa.

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PRIDCO
TES-065
R-09-03

Estado Libre Asociado de Puerto Rico
COMPAÑÍA DE FOMENTO INDUSTRIAL DE PUERTO RICO
San Juan, Puerto Rico

Fecha: 26 de febrero de 2007 Número de Cliente: B1255

Sylvette Archilla
Director
Oficina de Bienes Raíces

Ruben I Rivera, Oficial de Tesorería
Tesorero

PROYECTO(S) RECUPERADO(S)

Contrato(s) de Arrendamiento: BAY-TEX INTERNATIONAL CORP.

Agradeceré se proceda con la suspensión de renta del (los) Proyecto(s) antes indicado(s), efectivo a la fecha de recuperación del (los) mismo(s).

Nombre de la Industria: BAY-TEX INTERNATIONAL CORP.
Número de Proyecto(s): S037305600, S037315800

Municipio: SAN GERMAN
Localización: SAN GERMAN
Persona Entrevistada: N/A Edificio Abandonado
Teléfono: n/a
Dirección: San German
Fecha de Recuperación: 29 de enero de 2007

Comentarios: El 19 de enero de 2007, visité la industria de referencia con el Inspector Alcides Alvarez y nos percatamos que el inmueble estaba en total abandono, que los portones y la puerta principal estaban abiertos y que dentro del inmueble había maquinaria y equipo (de la cual tenia conosimiento que es propiedad del Banco de Desarrollo). Procedí a comunicarme con los representantes de Banco Desarrollo para notificarle que el edificio estaba abierto y que la maquinaria y equipo estaba siendo abandalizada.

El 29 de enero de 2007 a las 10:30 procedimos a visitar el inmueble de referencia donde estuvieron presentes las siguientes personas: Los señores Manuel Freyre y Nehemias Campos, empleados del Banco de Desarrollo, El Sr. Elmer Figueros y David Mora, contratistas de Fomento y el Inspector Alcides Alvarez el Lcdo. Julio Benítez y este Servidor.

En dicha visita nos percatamos que en efecto el inmueble estaba en total abandono. Los representantes del Banco de Desarrollo procedieron a levantar un Inventario de toda la maquinaria y equipo que tenían grabado, el Lcdo. Julio Benítez levanto un Acta Notarial. Los contratistas procedieron a instalar cadenas y candados para asegurar el inmueble.

Los representantes del Banco de Desarrollo solilcitaron tiempo para remover la maquinaria y equipo, por lo que le solicité al Inspector Alcides Álvarez que se quedara con las llaves del edificio de manera que le pueda asistir a los representantes del Banco cuando ellos estimen necesario.

Ruben I. Rivera
Nombre y Firma
Ajustador de Bienes Raíces

26 de febrero de 2007
Fecha

C8C

En el mismo lugar y fecha de su otorgamiento, expedí——— Primera Copia certificada a favor de la Compañía de——— Fomento Industrial de P.R.— Yo, el Notario, DOY FE.———

Julio R. Benítez
NOTARIO PUBLICO

JULIO R. BENITEZ TORRES
PUERTO RICO
ABOGADO - NOTARIO

---Comienza el Protocolo del año dos mil siete (2007) del infrascrito notario con el Tomo uno (1), escritura número uno (1), hoy veintiuno (21) de febrero de dos mil siete (2007).——

Julio R. Benítez

----------ESCRITURA NUMERO UNO (1)----------

----------ACTA NOTARIAL----------

---En la ciudad de San Juan, Puerto Rico, al día **veintiuno (21) del mes de febrero de dos mil siete (2007).** Constituido yo, JULIO R. BENITEZ TORRES, abogado y Notario Público en y para la jurisdicción del Estado Libre Asociado de Puerto Rico, con residencia, vecindad y oficina en la ciudad de San Juan, Puerto Rico, expreso lo siguiente:----------

---PRIMERO: El día **veintinueve (29) del mes de enero de dos mil siete (2007)**, me personé, a San Germán, a requerimiento de la División de Crédito y Cobro de la Compañía de Fomento Industrial de Puerto Rico, por conducto de su Tesorero, el señor Jorge Rodríguez Sanfeliz, quien me solicitó levantara un Acta Notarial de los procedimientos seguidos durante la visita a los predios del Proyecto Número "S-0373-0-56 y S-0373-1" ubicado en San Germán, Puerto Rico, en donde operaba una empresa llamada Bay-Tex International, Corp.———

---SEGUNDO: A las diez y treinta de la mañana (10:30 A.M.) de dicha fecha comenzó la visita al mencionado lugar.———

---TERCERO: Se encontraban presentes las siguientes personas: el señor Rubén Rivera López, Oficial de Tesorería de la

JULIO R. BENITEZ TORRES
PUERTO RICO
ABOGADO - NOTARIO

Compañía de Fomento Industrial de Puerto Rico, el señor Alcides Álvarez Crespo, inspector de la Compañía de Fomento Industrial de Puerto Rico, los señores Elmer Figueroa Cuevas y David Mora Pacheco, contratistas de la Compañía de Fomento Industrial de Puerto Rico y los señores Manuel Freyre Rosario y Nehemías Campos González, empleados del Banco de Desarrollo Económico de Puerto Rico.----------

---CUARTO: La estructura es un Edificio Industrial tipo hangar, el cual tiene puertas en el frente y a lo largo del ala norte. Para entrar al área de estacionamiento solo fue necesario empujar el portón corredizo ya que no estaba asegurado con candado. El aspecto externo del edificio da indicios de que no está en uso desde hace tiempo. En el ala norte del edificio hay unas puertas de cristal las cuales no estaban aseguradas, y por ende tuvimos libre acceso al edificio. El interior del edificio muestra que el mismo fue desalojado hace algún tiempo, ya que el interior está cubierta de polvo y no hay energía eléctrica. En el interior del edificio hay los siguientes bienes muebles: un (1) COUNTER TOPE EN MABERI Y BLOQUE DE CRISTAL, nueve(9) SILLAS SECRETARIALES COLOR VINO, nueve (9) ESCRITORIOS SECRETARIALES EN MADERA, cinco (5) ARCHIVOS LATERALES DE 5 GAVETAS, ocho (8) SILLAS VISITANTES COLOR VINO, dos (2) ESCRITORIOS PQUEÑOS EN MADERA CON CREDENZA, un (1) ESCRITORIO EJECUTIVO EN MADERA CON CREDENZA, un (1) ESCRITORIO EJECUTIVO TIPO MODULAR CON CREDENZA, un (1) ESCRITORIO

JULIO R. BENITEZ TORRES PUERTO RICO ABOGADO - NOTARIO

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PEQUEÑO TIPO MODULAR CON CREDENZA, una (1) SILLA EJECUTIVA DE PIEL NEGRA, dos (2) SILLAS VISITANTES DE PIEL NEGRA, un (1) MESA OVALADA DE CONFERENCIA DE NUEVE PIES (9') EN MADERA, seis (6) SILLAS EN PIEL COLOR NEGRO PARA EJECUTIVOS, dos (2) "PALLET YUCK" MARCA INTERIR DE CINCO MIL QUINIENTAS LIBRAS (5,500 LBS.), tres (3) "MOTONS", una (1) TIJERA ELECTRICA MARCA FEATITMAN BLUE STREAK, siento sesenta (160) CARROS EN METAL CON RUEDAS, dos (2) ANAQUELES EN METAL DE CINCO (5) NIVELES, un (1) EXTINTOR GRANDE DE CINCO PIES (5'), UNA SERIE DE MAQUINAS DE COSER LAS CUALES RESPONDEN A LA SIGUIENTES DESCRIPCIONES: una (1) "SINGER 261 USA S/S 8612697", una (1) "SINGER 26 864843 8612829", una (1) "SINGER 1669U102 OU9886K004", una (1) "SINGER 1831U 001-5 SELLO BT105", una (1) "SINGER 1831U 001-5 SELLO BT091", una (1) "SINGER 1831U 001-5 SELLO BT000", una (1) "SINGER 754U 203-048M SELLO BT103", una (1) "SINGER 754U 203-048M SELLO BT104", una (1) "SINGER" MODELO "18314 001-5 SELLO BT092", una (1) "SINGER" MODELO "18314 001-5 SELLO BT099", una (1) "SINGER" MODELO "18314 001-5 SELLO T001", una (1) "SINGER" MODELO "756U 300-056M SELLO BT 002", una (1) "SINGER" MODELO "569 U3108-42H BT098", una (1) "SINGER" MODELO "569 U3108-42H BT098", una (1) "SINGER" MODELO "756 U300-056M BT096", una (1)

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"SINGER" MODELO "756 U 300-056M BT003", una (1) "SINGER" MODELO "1831 U 001-5 BT004", una (1) "SINGER" MODELO "1831 U 001-5 BT005", una (1) "SINGER" MODELO "1831 U 001-5 BT006", una (1) "SINGER" MODELO "1831 U 001-5 BT006", una (1) "SINGER" MODELO "1831 U 001-5 BT007", una (1) "SINGER" MODELO "1831 U 001-5 BT008", una (1) "SINGER" MODELO "1831 U 001-5 BT009", una (1) "SINGER" MODELO "1831 U 001-5 BT010", una (1) "SINGER" MODELO "183 U 001-5 BT094", una (1) "SINGER" MODELO "183 U 001-5 BT011", una (1) "SINGER" MODELO "756 U 300-056M BT012", una (1) "SINGER" MODELO "756 U 300-056M BT013", una (1) "SINGER" MODELO "1831 U 001-5 BT107", una (1) "SINGER" MODELO "1831 U 001-5 BT108", una (1) "SINGER" MODELO "1831 U 001-5 BT093", una (1) "SINGER" MODELO "756 U 001-5 BT014", una (1) "SINGER" MODELO "756 U 001-5 BT015", una (1) "SINGER" MODELO "756 U 300-056M", una (1) "SINGER" MODELO "1831 U 001-5 BT017", una (1) "SINGER" MODELO "1831 U 001-5 BT101", una (1) "SINGER" MODELO "1831 U 001-5 BT018", una (1) "SINGER" MODELO "1831 U 001-5 BT019", una (1) "SINGER" MODELO "1831 U 001-5 BT100", una (1) "SINGER" MODELO "261 U 23 BT 020", una (1) "SINGER" MODELO "261 U 23 BT 021", una (1) "SINGER" MODELO "261 U 23 BT 022", una (1) "SINGER" MODELO "261 U 23 BT 023",

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una (1) "SINGER" MODELO "261 U 23 BT 024", una (1) "SINGER" MODELO "261 U 23 BT 025", una (1) "SINGER" MODELO "471 U BT 095", una (1) "SINGER" MODELO "375 B11 BT 102", una (1) "SINGER" MODELO "251-15 261 U23A BT 113", una (1) "SINGER 261 U 23A BT 026", una (1) "SINGER 183 U 001-5 BT027", una (1) "SINGER 183 U 001-5 BT028", una (1) "SINGER 756 U 300-056M BT029", TAMBIEN HAY dos (2) ANAQUELES DE METAL DE DOS (2) NIVELES, un (1) ANAQUEL DE METAL DE TRES (3) NIVELES, una (1) MAQUINA PARA ROLLOS DE TELA ELECTRICA MARCA "CONSULUDEYTER 2145 MACB55", una (1) MAQUINA PARA ROLLOS DE TELA "BA382 ALEN BRADLEY", una (1) MAQUINA CORTAR TELA MARCA "MAIMI BT082", una (1) MAQUINA DE MESA PARA CORTAR TELA "BT 082 N/S 44 79-38H", una (1) MAQUINA PARA PORTAR ROLLOS DE TELA EN MESA DE NOVENTA Y SEIS PIES (96'), una (1) MAQUINA "4478-38H BT086", cuatro (4) MESAS PARA CORTAR TELA DE NOVENTA Y SEIS PIES (96'), seis (6) ANAQUELES INDUSTRIALES DE METAL, dos (2) ESCAPARATES INDUSTRIALES EN METAL, una (1) MAQUINA PARA CORTAR TELA MAIMI, tres (3) LINEAS DE LAMPARAS DE TECHO, un (1) ESCRITORIO SECRETARIAL EN MADERA, tres (3) CARROS EN TELA PARA TRANSPORTAR ROPA, un (1) COMPRESOR "INGERSOLL RAND", un (1) SISTEMA DE ENFRIAMIENTO "INGERSOLL RAND".----------

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---QUINTO: Una vez se tomó nota de los bienes muebles allí existentes, los contratistas se dieron a la tarea de cerrar el lugar bajo llave.----------

---Yo, el Notario, de cuanto contiene este Instrumento Público, a cuyo final agrego los sellos correspondientes, DOY FE.----------.

---Firmado, Signado, Sellado y Rubricado: Julio R. Benítez Torres. Hay cancelados los sellos de Rentas Internas correspondientes y el sello del Colegio de Abogados de Puerto Rico. Concuerda bien y fielmente con la escritura matriz que bajo el número indicado obra en el protocolo de instrumentos públicos en esta notaría a mi cargo la cual consta de seis (6) folios, que me remito y en fe de ello y para entregar a la parte con interés, expido esta primera copia certificada que firmo, signo, sello y rubrico en San Juan, Puerto Rico, el mismo día de su otorgamiento.----------

Julio R. Benítez
NOTARIO PUBLICO

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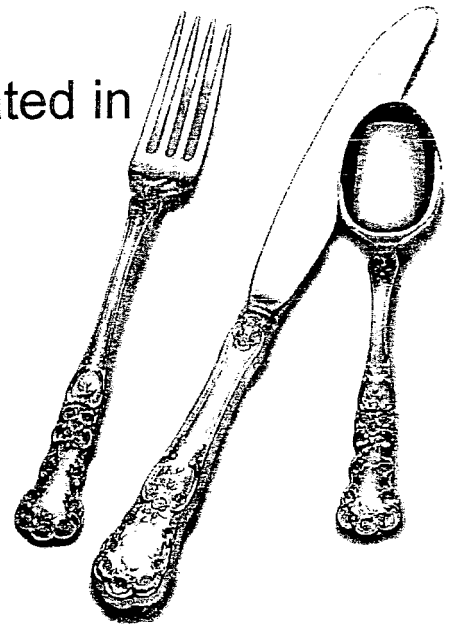
Wallace Silversmiths de Puerto Rico

- Single largest sterling silver flatware and seasonal giftware manufacturer in the United States
  - Manufactures luxury flatware and giftware products within hundreds of patterns under the Brands
    - Wallace© Towle© Gorham© International Silver© Kirk Stieff© Tuttle©
  - Sterling flatware contract manufacturer for Tiffany & Co. and Vera Wang by Waterford Wedgwood USA

- 54,772 square foot manufacturing facility located in San German, PR
  - General Manager and 7 management staff
    - Average 20 years experience with Company
  - 54 associates
    - Average 20 years experience with company



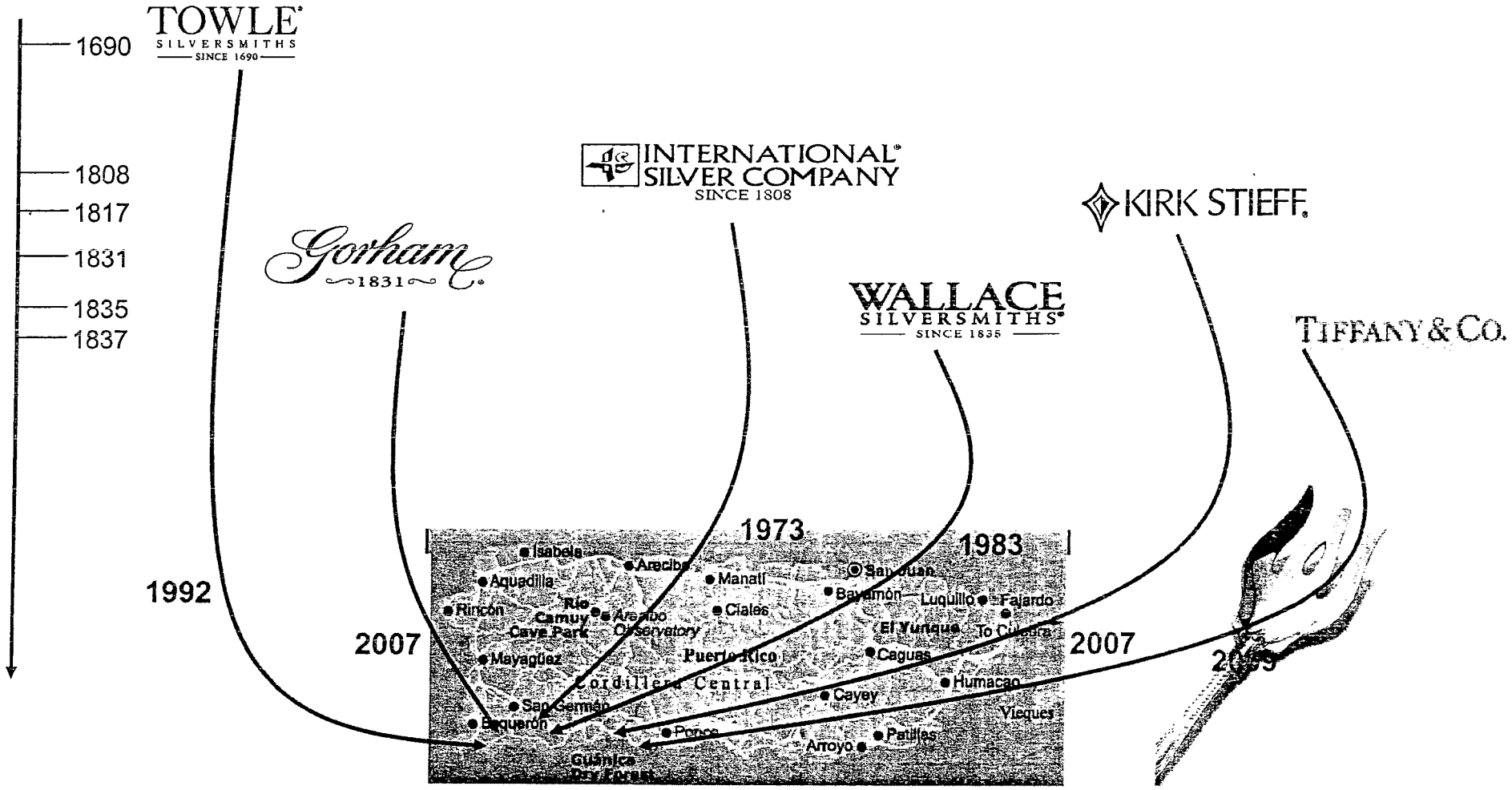
Buttercup 1899

Thirty Six Year History in Puerto Rico

- Wallace Silversmiths de Puerto Rico Ltd is the heart of a longstanding American Industry
- The 300 year history and legacy of this industry is in San German
  - Established 1973 as International Silversmiths
    - Relocated manufacturing from Meriden, CT
  - Merged with Wallace Silversmiths 1983 (from Wallingford, CT)
    - Re-incorporated as Wallace International de PR
    - Purchased by Syratech Corp. in 1986
  - Towle Silversmiths acquired in 1992 (from Newburyport, MA)
  - Flat stock manufacturing added in 1993
  - Asset Purchase by Lifetime Brands April 2006
    - Re-incorporated as Wallace Silversmiths de PR
  - Assets of Gorham Silver acquired July 2007 (from Pomona, NJ)
  - Seasonal Ornaments added to plant Dec 2007
  - Tiffany & Co., added 2009 (from Greenfield, MA)
- The San German Plant manufactures Over 80% of the domestic manufacturing volume of sterling silver flatware

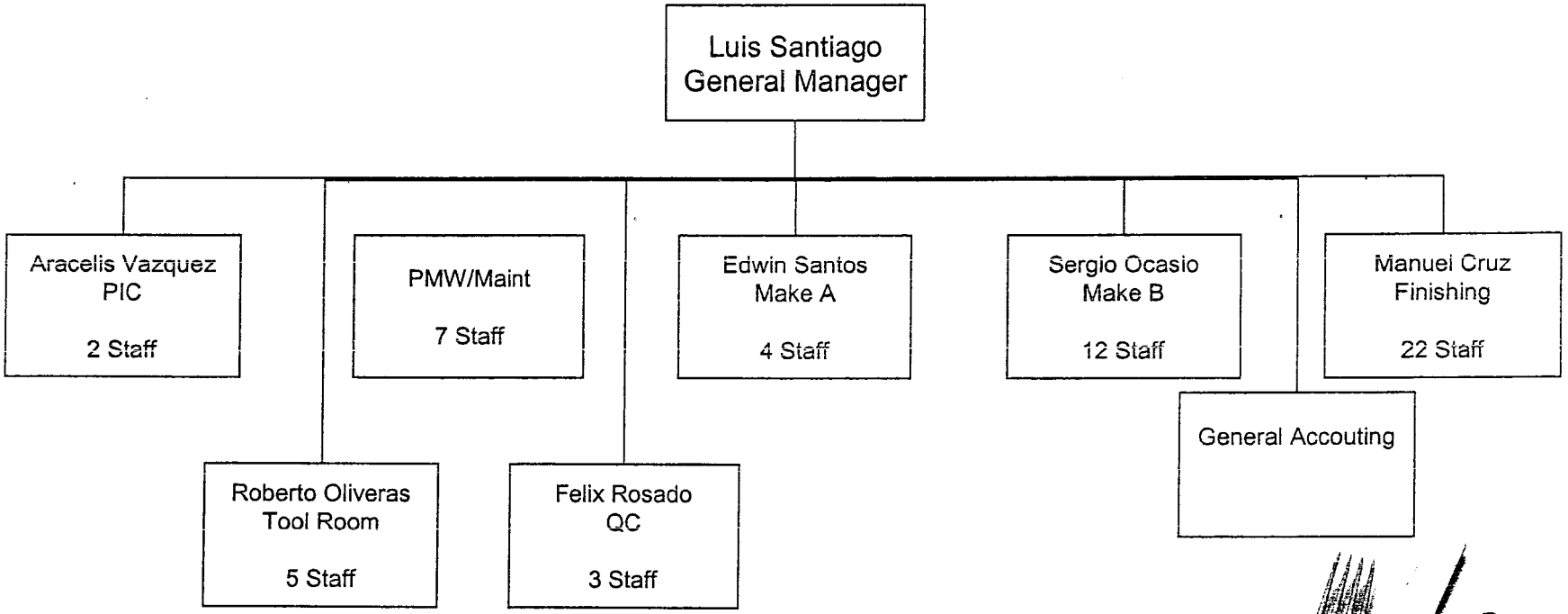
Repousse 1828

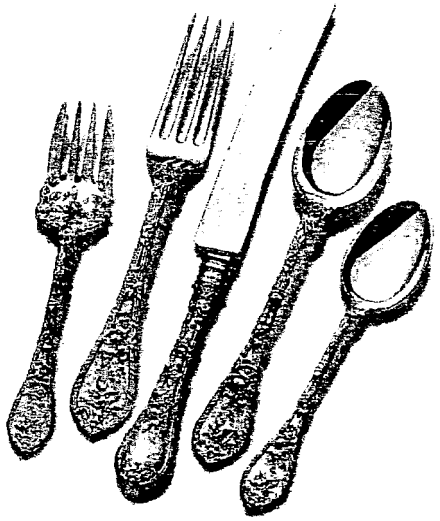
300 Years Silversmithing History



Chantilly 1895

Organization

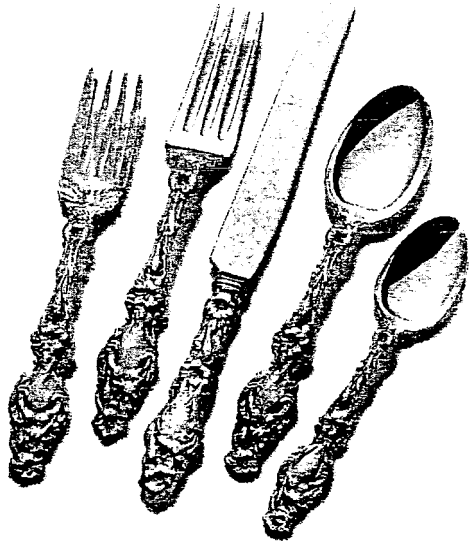




Dauphin 1897

Manufacturing Capability

- Precious Metal Works (PMW)
  - Sterling flat and coil stock manufacturing
- Make A
  - Cutout and Shaping Operations from Blanks
- Make B
  - Stamping Press Operation
- Make C
  - Hollow Handle Silver Soldering and Annealing
- Finishing
  - Final Detail Trimming, Polish and Clean
- Tool Room
  - Tool manufacturing, repair and maintenance



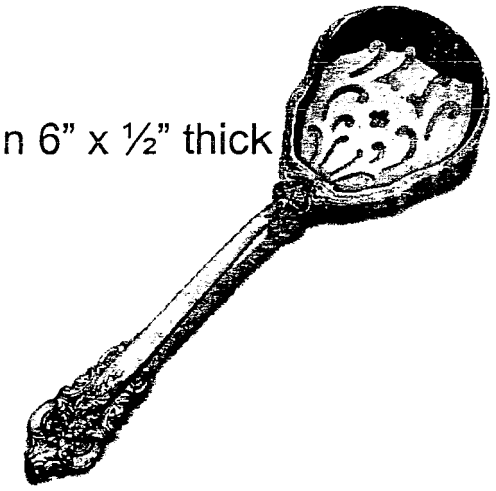
Whiting Lily 1902

WALLACE

Precious Metal Works (PMW)

- Sterling flat and coil stock manufacturing
  - Raw material supplier for flatware and hollowware production

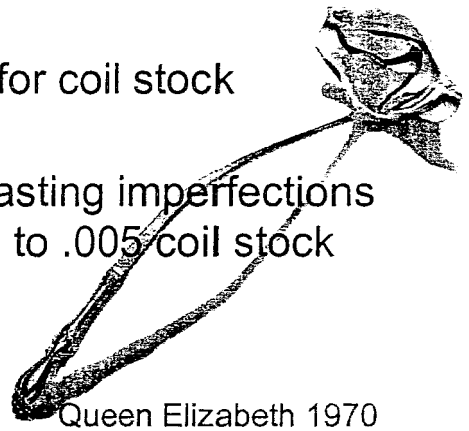
- Sterling Bar Stock Manufacturing
  - Fine Silver Processing
    - "Pop Corn" Machine
      - Convert fine ingots into silver shots (Pop Corn)
      - Silver is melted and drained into a water tank to solidify the metal into small shots
      - Provides capability to mix fine silver with copper in an accurate way to achieve target of 92.7% silver ("sterling")
  - Induction Melting Furnace
    - 1,750 F caster
    - Continuous flow and cooling operation to cast sterling in 6" x ½" thick sheet
    - Reprocess plant's clean sterling scrap on-site
  - Spectrometer Laboratory
    - Assay testing
      - Samples are taken at start-up and in-process



Grand Baroque 1941

PMW, continued

- Flat and Coil Stock Manufacturing
  - Farrell Two High Mill
    - Capability to reduce sterling bar stock from .500 to .100 of an inch
  - Small Farrell Two High Mill
    - Capability to reduce bar stock from .200 to .045
    - Primarily used for flat stock
  - Luis Two High Mill
    - Capability to reduce sterling bar stock from .500 to .045
    - Primarily used for coil stock
  - ZR MILL
    - Capability to bring down coil stock from .045 to .005
  - Scalper Machine
    - Removes top layer of sterling bar stock that will be used for coil stock production
    - Capability to shave .010 on each side of bar to remove casting imperfections in metal to ensure defects are not carried through to .025 to .005 coil stock



Queen Elizabeth 1970

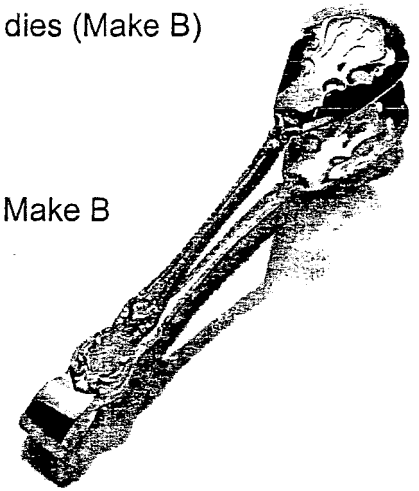
PMW, continued

- Slitter Machine
  - Cuts coil stock to size (width)
- Brush Machine
  - Smoothes surface of flat stock
- Straightening Machine (2)
  - Straighten flat stock after rolling to required gauge
- Blanking Press
  - Cut flat stock to required blank per manufacturing work order
- Heating Element Furnace (3)
  - Anneal bars and coil in process
- Mechanical Shear Blade Machine (4)
  - Cut bars to required lengths after casting

Royal Danish 1939

Make A Flatware

- Cutout and Shaping Operations from Blanks
  - Blanks and work order received from Production Inventory Control (PIC)
  - Standard blanks and specifications reviewed for 100% of work orders prior to rolling and cutout
  - Pieces shaped without detail to fit press dies in stamping operation (Make B)
    - Gauge measured prior to rolling and continuous in process to final shape
    - Random QC department checks
- The Department is composed of:
  - Cross Roll (4) – three machines for Gorham and one for Wallace, Towle, International (W/T/I)
    - Shape handle and bowl or tine area to required width
  - Grade Roll (8) – for W/T/I
    - Shape blank to fit cutout die
  - Back Roll (1)
    - Additional shaping to fit cutout die (not all items require this operation)
  - Cut Out Presses (7)
    - Cutout model shape of piece (no design) to prepare for stamping in press dies (Make B)
    - Additional cross roll maybe performed for bowl shaping
    - Quick change capability presses (2) for Wallace and Gorham patterns
  - Tining and Additional Bowl and Handle Cutout Presses (2)
    - Cutout tines if not within press die, bowl and handles for two piece dies in Make B
    - Quick change capability for tining
    - Presses also support trimming operations (Make B)
  - Capability to blank flat stock and shear as necessary from PMW supply



Old Master 1942

Make B Flatware

- Stamping and Trimming Operations
  - Hydraulic and electric mechanical presses and pneumatic hammers for piece forming operations
    - Flexible to make a given pattern on multiple pieces of equipment
    - Capability determined by tool dimensions, not all tools fit all equipment
  - Department is composed of the following:
    - Pneumatic Hammers (8)
      - Hollow Handle (HH) press die stamping
      - Supports flexibility for additional flatware press die stamping
    - Hydraulic and Knuckle Presses (5)
      - 400, 600, 700, 800 and 900 Ton
      - Primary press die stamping for W/T/I and Gorham flatware
        - » Shorter set-up operation than hammers
      - 400 Ton supports HH (Towle) and flat seasonal ornaments
    - Mechanical Presses (19)
      - 2 to 60 ton
      - Trimming, piercing, bowling, circle cutouts
      - Seasonal ornament and HH stamping
    - Tine Cutting Machine
      - Removes tine bars

Make C

- Hollow Handle (HH) and Seasonal Ornaments
  - Department is composed of the following:
    - Blanking (3) and Shear (3) Equipment
      - Coil stock blanking for HH and seasonal ornaments for introduction to Make B for stamping
    - Facing Machine (1)
      - Smooth HH edges before solder
    - Solder Stations (3)
      - Apply silver mesh paste to both sides, mate shells and solder distinct points
      - Furnace cycle to evenly solder entire border area of piece
    - Leak test Station (1)
  - Annealing
    - Furnace (2)
      - 1,200 F, used to anneal flatware, hollowware, and ornament blanks or cutouts prior to stamping
      - Improves the pattern detail and helps maintain useful life of tools

Finishing

- Operations include:
  - HH flatware assembly
    - Trim bolster and satin edge, cement fill, implement mating and alignment and cure
  - Flatware finishing
    - Final trim and polish (included fork tines, outside and inside) with grinders, belt sanders, and multiple grade buffing and polishing material and compounds
    - Multiple grades of finish in bright, satin or hybrid to include oxidation for highlighting
    - Clean
  - Department is composed of the following:
    - Oven (2) – cure HH pieces
    - Grinding, sanding and buffing stations (38)
    - Sand Buffing Station (4) – remove heavier imperfections
    - Clair Machines (3) - final stage polishing

Hollowware Operations

- Sleigh Bell
  - Sterling and Brass (silver plated)
  - Equipment was acquired (Nov 07) from long-term supplier and incorporated into PR manufacturing:
  - Department is composed of the following:
    - 35 Ton Press
      - Unattended auto feed press
      - Form both top and bottom shells
    - 8 Ton Press
      - Post initial polish and wash, pierce design into bottom shell
    - Polishing
      - Five head rotary polish and upright polishing lathes (2) for final polish
    - Emboss Machine
      - Post initial polish and wash, emboss border design inside out on top shell
      - Reshaping for snap fit
    - Final assembly and solder, final wash and polish

Gorham 1831

Quality Control (QC)

- Process
  - Make B sampling
    - 100% of work orders (WO) weight tested after first stamp and trimming
      - If not in tolerance WO stopped and investigated and corrected or scrapped
  - Receipt from Finishing
    - 100% of WOs, sample weights for acceptance
    - 100% of pieces visually inspected
      - Highly experienced based
        - » Pattern detail, color and finish (multiple), uniformity of tines, smooth edges
        - » Uniformity of shape (stack evenly)
        - » HH implement correct, alignment 180 degrees, no openings or leaks in HH
        - » Scratches, pits, cleanliness (no compound residue)
      - Immediate feedback on problems to correct balance of order or operator
        - » Pieces visibly marked for rework, major defects scrapped
      - Reference samples available to QC personnel
  - Engrave logo into HH pieces
  - Bag, insert warranty and seal, to shipping

Tool Room

- In-house maintenance, repair and manufacture of tools
  - Variety of turning, milling, cutting and grinding equipment
  - CNC milling machines (2), Wire EDM (2), Agie machine (2)
- In-house manufacture of replacement parts for manufacturing equipment
- In-house CAD design from submitted drawing (artwork) to CNC program

General Operations

- Plant maintenance
  - Mechanical system construction, repair and maintenance
  - Welding, basic electrical
  - Building and grounds maintenance
- Ship finished goods to Massachusetts for domestic distribution once per month

- Information and details on our flatware products can be found at:
  - www.sterling365.com
  - www.lifetimebrands.com/products/sterlingholloware.php
  - Wallace Silversmiths is wholly owned subsidiary of Lifetimebrands Inc.

Eaton Electrical

- **Grain or popcorn fine silver:**
- Manufacturing Cost: $0.893
- Subject to further definition of overall quantity and packaging
- Fine silver bullion consigned by Buyer to Wallace Silversmiths.
- **Bar Anodes:**
- Manufacturing Cost: $1.268
- Subject to further definition of size of anode, overall quantity and packaging
- Fine silver bullion consigned by Buyer to Wallace Silversmiths.
- Wallace Silversmiths is also willing to quote a cost FOB San German where Wallace will procure fine silver bullion at agreed upon quantity and price for Buyer and buyer will pick-up silver at our San German plant at frequency and quantities determined by Buyer. Buyer will be contractually required to procure all silver by an agreed upon time frame (e.g., quarterly or within 4 months).
- Wallace Silversmiths is elegible for 25% Tax Credit under Law 73

WALLACE SILVERSMITHS IS COMMITED TO QUALITY AND SERVICE

Wallace Silversmiths de Puerto Rico

Plant Background

2009

WALLACE
SILVERSMITHS®
SINCE 1835

TOWLE®
SILVERSMITHS
SINCE 1690

INTERNATIONAL®
SILVER COMPANY
SINCE 1808

Gorham
1831

KIRK STIEFF®

sterling 365™
silver for real life

SYRATECH™
SYRATECH CORPORATION

September 21, 1993

Mr. Efrain Castro
Senior Industrial Representative
Economic Development Administration
Commonwealth of Puerto Rico
666 Fifth Avenue, 15th Floor
New York, New York 10103-1599

Dear Efrain:

It was a pleasure to meet with you the other day and describe to you the highlights of the planned expansion of our San German manufacturing facility. As you know, Wallace International de P. R., Inc. presently leases and occupies the following buildings:

T-0343-0-56 } 1
T-0343-1-60 }
T-0261-0-54 } 2
T-0261-1-62 }
T-0261-2-72 }
S-1404-0-87 } 3

We intend to install a state of the art precious metal fabrication facility in a portion of Buildings T-0261-0-54, T-0261-1-62 and T-0261-2-72. This will bring to Puerto Rico an entirely new technology which will offer highly skilled employment opportunities to the local work force. This new facility will be operated by P.M.W. Silver de P.R., Inc. They will own the equipment, hire the employees and operate the facility. P.M.W. Silver de P.R. Inc. will be a wholly owned subsidiary of Wallace International Silversmiths, Inc. and will be a sister corporation to Wallace International de P.R., Inc. and International Silver de P.R., Inc. By the end of the first year of operation, we expect to employ ten people. These positions will require special skills. We anticipate that we will take these prospective skilled employees to the mainland for approximately thirty days where they will receive the instruction and training necessary for the operation. We expect that wage rates for fully skilled operations will be in the range of $8.00 to $10.00 per hour, significantly greater than our present average factory wage of $4.75.

The successful operation of this facility will reduce our raw material costs in our existing manufacturing operation. We are currently purchasing our flat stock on the mainland. By making our own flat stock, we will remain very competitive. As a result of this competitive edge, we foresee receiving an increased share of the market which in turn will increase our manufacturing output. This in turn will create approximately 20 new manufacturing jobs in the next two years. These 30 new jobs represent an increase of 25% over our combined committed employment and an increase of 20% over our present employment which now totals 148. We believe we have made a significant contribution to the economic well-being of Puerto Rico. Even in this uncertain economic climate we have continued to offer a steady level of continuous employment. We have not had a layoff in over five years.

This new production facility will not have any negative environmental impact. There will be no increase in noise level of our operation and no noxious fumes will be emitted. In fact as a result of this new technology, we will be converting from the use of ammonia to propane gas in our present manufacturing operations. We will have increased electrical requirements.

Our capital outlay will be significant to have the new process operational. When fully installed, we estimate that the replacement cost of the production line will be approximately $3,000,000. In addition to the cost of the equipment, there will be significant installation costs. It is probable that we will need to open a hole in the wall adjacent to the access road to permit the equipment to be moved into the building. The present floor in the building is subject to frequent cracking and requires continual repair. We will have to break through the present floor in the areas where the machines will be located, excavate and then install adequate footings and a pad to support the equipment. In addition the height of certain pieces of the new equipment will require us to make holes in the present roof. These holes will also be used to permit the use of a crane during installation. The primary source of power to heat the casting machine and operate the production line will be electricity. Once heated, continuous operation of the casting machine is mandated by the very nature of the operation.

It will be necessary to install a standby generator capable of producing 350 kilowatts of power that would be sufficient to maintain the melt temperature in the casting machine in the event of a power failure. We estimate that the total cost of all of the above projects will be $750,000.

We request your favorable consideration of an infrastructure grant to assist us in this project. Specifically, we request your assistance with the costs associated with our increased power needs including the new generator, the excavation and installation of the new foundation to support the proposed equipment, and the opening and appropriate closing of holes in the building wall and roof. We also request your assistance with the cost of training the new employees to enable them to acquire the needed new skills.

Precious metal fabrication involves the conversion of fine silver by a process of melting, pressing and annealing to high quality flat stock having a 92.7% content of fine silver. We will have a fully equipped laboratory capable of certifying the silver content of the product. In addition to our own use on the Island, we anticipate shipment of a portion of our output to our plant in Newburyport. In addition we expect to sell product to other users on the Island and to export product to South America. The production capacity of the facility is such that we believe we will have significant sales of product to sources other than our own affiliates. We believe this bodes well for continuous expansion of our facility. As discussed the other day, the lease covering all buildings except S-1404-0-87 has an initial maturity of December 31, 1993. We wish to pursue the extension of this lease at terms that are truly reflective of the present market value for like property. (Alternatively we are interested in purchasing all of the facilities leased by International Silver de P.R., Inc. if the price is truly reflective of the present market value. Obviously, the sale of the buildings would give PRIDCO immediate cash as opposed to a stream of future income and would provide immediate benefit to their operation. In the event the sale of the building is not a possibility, we request your acknowledgement that the heretofore described activities are in accordance with the terms of our lease dated May 25, 1984 and/or are permitted by your acknowledgement.

Time is of the essence in this matter. The pending expiration of the present lease and the rapid pace of our equipment negotiations mandate a quick response to our request. While the economics of this raw material supply and the benefit to the Commonwealth of Puerto Rico by our proposed expansion of this core industry are obvious, a final decision is dependent upon your favorable response to our requests.

We will be glad to attempt to answer any questions you might have concerning the above material or the information contained in the Economic Development Administration Questionnaire which is enclosed. We continue to be represented by the firm of Fiddler, Gonzalez and Rodriguez. Roberto B. Suarez of that firm handles our affairs. Hopefully you can arrange a meeting in Puerto Rico where I can meet with you and your associates and discuss matters with you.

Very truly yours,

E. Merle Randolph
Vice President and
Chief Financial Officer

EMR/mre
Enclosures

ESTADO LIBRE ASOCIADO DE PUERTO RICO / OFICINA DEL GOBERNADOR
JUNTA DE CALIDAD AMBIENTAL
OFICINA REGIONAL DE MAYAGÜEZ

Fixto

19 de junio de 1999

83499
6-25-99

Sra. Igdalie Rodríguez
Subgerente Interina
Oficina Asuntos Ambientales
Compañía de Fomento Industrial
Apartado 362350
San Juan, Puerto Rico 00936-2350

T-0393-0-54 Ext
T-1261-0-54 Ext

ASUNTO: **DN-RM-99-0119 CFI**
Caso: 99-068
Evaporador de Aguas de Proceso
Wallace International de Puerto Rico
San Germán, PR

Estimada señora Rodríguez:

La Junta de Calidad Ambiental (JCA) ha analizado el documento ambiental sometido para el proyecto de referencia. El mismo consiste en la instalación de un evaporador de aguas de proceso operado con gas propano.

Entendemos que al presentar el mismo su instrumentalidad ha cumplido con la fase de evaluar el posible impacto ambiental de la acción propuesta, de acuerdo con el Artículo 4(c) de la Ley Sobre Política Pública Ambiental, Ley Número 9 del 18 de junio de 1970, según enmendada. No obstante, para una mejor realización de la acción propuesta esta Junta emite las siguientes recomendaciones:

1. El proponente deberá evitar generar olores objetables que puedan afectar la atmósfera comunal.

2. Deberán radicar y obtener un Permiso de Fuente de Emisión para la instalación de dicho equipo, a tenor con la Regla 203 del Reglamento para el Control de la Contaminación Atmosférica (RCCA) vigente. Posteriormente deberán modificar el Permiso de Operación de las demás fuentes de emisión de la instalación para incluír este nuevo equipo. Esto acorde con la Regla 204 del Reglamento antes mencionado.

Agradecemos su cooperación por mantener y conservar nuestro ambiente.

Cordialmente,

JUNTA DE CALIDAD AMBIENTAL

Jorge L. Sánchez Soler
Director
Región de Mayagüez

Material Safety Data Sheet

Rev. Date 04/16/93

STERLING SILVER

HANDY & HARMAN
Precious Metals Products Center
231 Ferris Avenue
East Providence, RI 02916

Company Contact: Environmental/Safety Office
Telephone Number: (401)434-6543

Emergency Contact: Chemtrec
Emergency Phone Number: (800)424-9300

SECTION #1 - IDENTIFICATION

Product: STERLING SILVER

Product Code: 13-000 & 13-002
Chemical Family: Sterling Silver
Chemical Formula: Alloy of silver and copper

SECTION #2 - HAZARDOUS CHEMICAL COMPONENTS

Component: Copper
CAS Number: 7440-50-8
Percent of Mixture: 7.3
ACGIH TLVs (1991-92)
Fume: 0.2 mg/m3 (TWA
Dusts and mists: 1 mg/m3 (TWA)
OSHA PELs
Fume: 0.1 mg/m3 (TWA)
Dusts and mists: 1 mg/m3 (TWA)

Component: Silver
CAS Number: 7440-22-4
Percent of Mixture: 92.7
ACGIH TLV (1991-92)
0.1 mg/m3 (TWA)
OSHA PEL
0.01 mg/m3 (TWA)

SECTION #3 - PHYSICAL DATA

Melting Point: 1435 F 780 C
Vapor Pressure: N/A
Vapor Density (Air=1): N/A
Specific Gravity: 10.4
Solubility (H2O): Insoluble
Percent Volatiles: N/A
Evaporation Rate: Solid - N/A

Appearance

White metal in form of wire, rod, tubing, sheet, strip, grain, or anodes.

SECTION #3 - PHYSICAL DATA Continued...

Odor

Solid - N/A

SECTION #4 - FIRE FIGHTING & EXPLOSION DATA

Flash Point: N/A F
Autoignition: N/A F

Flammability Class: N/A

Lower Explosive Limit (%): N/A
Upper Explosive Limit (%): N/A

Fire and Explosion Hazards

In finely-divided form, this material may ignite when exposed to flame or by reaction with incompatible materials (see Section #6 for incompatible materials). Fires or explosions involving this material may release potentially toxic emissions of metal or metal oxide fumes (see Section #2 for hazardous components and/or reaction products).

Extinguishing Media

Use dry powder. Do not use water.

Special Fire Fighting Instructions

Use self-contained breathing apparatus with full-facepiece operated in pressure-demand or other positive pressure mode.

SECTION #5 - EXPOSURE EFFECTS and FIRST AID

Route of Exposure - Inhalation

Inhalation of the components of this material may produce the following:

1. SILVER: Chronic exposure may produce argyria, a permanent blue-gray discoloration of the skin, eyes, mucous membranes, and the respiratory tract.

2. COPPER: Acute exposure may cause respiratory tract irritation, fever, muscle ache, chills, cough, weakness, and a metallic taste. Chronic exposure may cause damage to the liver, kidney, spleen, pancreas, and brain.

SECTION #5 - EXPOSURE EFFECTS and FIRST AID Continued...

First Aid - Inhalation

If signs and symptoms of toxicity are observed, remove subject from contaminated area, administer oxygen, and seek medical attention. Keep the subject warm and at rest. Perform artificial respiration if breathing has stopped.

Route of Exposure - Skin

Skin contact with this material in solid forms is not known to be hazardous. In finely-divided form, skin contact may produce localized irritation, localized argyria (from silver), and/or skin discoloration and contact dermatitis (from copper).

First Aid - Skin

Following repeated or prolonged contact, remove contaminated clothing. Wash affected area with large quantities of water for at least five minutes. Seek medical attention if necessary.

Route of Exposure - Eyes

Exposure of the eyes to this material in finely-divided form may produce localized argyria, irritation, conjunctivitis, and ulceration of the cornea.

First Aid - Eyes

Flush affected areas with water for at least 15 minutes. Seek medical assistance if necessary.

Route of Exposure - Ingestion

Ingestion of this material in finely-divided form may produce gastric irritation, vomiting, abdominal pain, hemorrhage, and diarrhea. Long-term chronic ingestion may produce damage to the liver, kidney, spleen, pancreas, and brain.

First Aid - Ingestion

If subject is conscious, induce vomiting. If unconscious or convulsive, seek immediate medical assistance.

Miscellaneous Toxicological Information

Neither silver nor copper are classified as potential or demonstrated human carcinogens by IARC, NIOSH, NTP, OSHA, or ACGIH.

SECTION #5 - EXPOSURE EFFECTS and FIRST AID Continued...

Health Conditions Aggravated By Exposure

Pre-existing pulmonary diseases (e.g., bronchitis, emphysema) may be aggravated by inhalation exposure to this material, particularly as fume.

SECTION #6 - REACTIVITY & POLYMERIZATION

Stability: Stable

Conditions to Avoid (Stability)

Stable at room temperature.

Incompatible Materials

Strong oxidizers and halogens.

Hazardous Decomposition Products

Heating to elevated temperatures may volatilize silver and copper as fume.

Conditions to Avoid (Polymerization)

N/A

Hazardous Polymerization: Does not occur

SECTION #7 - SPILL, LEAK, & DISPOSAL PROCEDURES

Steps to be Taken in The Event of Spills, Leaks, or Release

Clean up spilled material so as to minimize dispersion of dust. Wet sweeping or vacuuming using HEPA filtration are recommended methods.

Waste Disposal Methods

Return to manufacturer for reclaim.

MATERIAL SAFETY DATA SHEET
AMINE

Printed : 02/18/94
Revised : 10/01/91

SECTION I - PRODUCT IDENTIFICATION

Manufacturer: MONA INDUSTRIES, INC.
76 EAST 24TH STREET
PATERSON, NJ 07514

Information Phone: 201-345-8220
Emergency Phone: 201-345-8220
CHEMTREC Phone: 1-800-424-9300

HMIS Hazard Ratings: Health - 2
Flammability - 1
Reactivity - 0
0 = none ... 4 = extreme

Trade Name : MONAMINE AA-101
Product Class: COCAMIDE DEA AND TEA
Product Code : XXXX30000000
C.A.S. Number: 68603-42-9
Chemical Name: COCAMIDE DEA (AND) DEA

THE CHEMTREC NUMBER IS TO BE CALLED ONLY IN THE EVENT OF CHEMICAL EMERGENCIES INVOLVING A SPILL, LEAK, FIRE, EXPOSURE OR ACCIDENT INVOLVING CHEMICALS.

EMERGENCY OVERVIEW:
MAY CAUSE MODERATE SKIN AND EYE IRRITATION

SECTION II - HAZARDOUS INGREDIENTS

Ingredients	CAS #	Weight %	--- Exposure Limits --- ACGIH/TLV	OSHA/PEL
DIETHANOLAMINE	111-42-2	34.60 %	ppm NL	ppm
		STEL =	NL	ppm

SECTION III - PHYSICAL DATA

Boiling Range: >350 (DEG.F)
Volatiles vol % ND
Water Solubility: Dispersible
pH:
Appearance: CLEAR AMBER LIQUID

Vapor Pressure: Non Volatile
Wgt per gallon: 8.33 Pounds.
Spec. Gravity: 1.0

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

Flammability Class: Flash Point: >200(DEG.F)PMCC LEL: ND UEL: ND

-EXTINGUISHING MEDIA:
CO2, DRY CHEMICAL, FOAM EXTINGUISHERS

-SPECIAL FIREFIGHTING PROCEDURES:
NONE

-UNUSUAL FIRE & EXPLOSION HAZARDS:
NONE

SECTION V - HEALTH HAZARD DATA

-UNDER NORMAL USE CONDITIONS:
MAY CAUSE EYE AND SKIN IRRITATION.

-EFFECTS OF OVEREXPOSURE:
EYES-PROLONGED CONTACT CAN CAUSE SEVERE IRRITATION, REDNESS,
(cont.)

62-D - Soap (1 ...) (M&M LAB)

SECTION V - HEALTH HAZARD DATA (cont.)

-EFFECTS OF OVEREXPOSURE: (cont.)
BLURRED VISION.
SKIN - PROLONGED CONTACT CAN CAUSE SEVERE IRRITATION.
-FIRST AID:
EYE CONTACT - IMMEDIATELY FLUSH WITH COPIOUS AMOUNTS OF WATER FOR AT LEAST 5 MINUTES. CONSULT PHYSICIAN.
SKIN IRRITATION - IMMEDIATELY FLUSH WITH COPIOUS AMOUNTS OF SOAP AND WATER FOR 5 MINUTES. IF IRRITATION PERSISTS, CONTACT PHYSICIAN. LAUNDER CONTAMINATED CLOTHING BEFORE RE-USE.
INGESTION - INDUCE VOMITING IMMEDIATELY. ADMINISTER 2 GLASSES OF WATER AND STICK FINGER DOWN THROAT. NEVER GIVE ANYTHING BY MOUTH TO AN UNCONCIOUS PERSON. CALL PHYSICAN IMMEDIATELY.
INHALATION - REMOVE TO FRESH AIR. IF NECESSARY, GIVE OXYGEN. ARTIFICIAL RESPIRATION. CONTACT PHYSICIAN.

SECTION VI - REACTIVITY DATA

STABLITY: [ ] Unstable [x] Stable
HAZARDOUS POLYMERIZATION: [ ] May occur [x] Will not occur
-INCOMPATIBILITY
STRONG OXIDIZING AGENTS
CONDITIONS TO AVOID:
EXTREMELY HIGH TEMPERATURES. NITROSATING AGENTS. SEE SECTION IX.
-HAZARDOUS DECOMPOSITION PRODUCTS:
NITROUS OXIDES AND AMMONICAL VAPORS

SECTION VII - SPILL OR LEAK PROCEDURES

-STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED
FOR LARGE SPILLS - SOAK UP WITH SAND OR SWEEPING COMPOUND AND DISPOSE AS SOLID WASTE.
FOR SMALL SPILLS - FLUSH TO INDUSTRIAL SEWER.

SECTION VIII - SPECIAL PROTECTION INFORMATION:

-RESPIRATORY PROTECTION:
NOT REQUIRED.
-VENTILATION:
NOT REQUIRED - MISTING OPERATIONS MAY REQUIRE ADEQUATE VENTILATION.
-PROTECTIVE GLOVES:
IMPERVIOUS
-EYE PROTECTION:
CHEMICAL GOGGLES
(cont.)

SECTION [illegible] - SPECIAL PROTECTION INFORMATION: (cont.)

-EYE PROTECTION: (cont.)
OTHER PROTECTIVE EQUIPMENT:
EAR PROTECTIVE CLOTHING TO PREVENT SKIN CONTACT.

SECTION [illegible] - SPECIAL PRECAUTIONS

-PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING:
KEEP CONTAINER CLOSED WHEN NOT IN USE
-OTHER PRECAUTIONS:
SPILLED MATERIAL IS QUITE SLIPPERY. DO NOT USE WITH NITROSATING AGENTS SUCH AS SODIUM NITRITE WHICH MAY FORM NITROSODIETHANOLAMINE.
CONTAINS DIETHANOLAMINE, WHICH HAS BEEN FOUND TO CAUSE TARGET ORGAN EFFECTS IN LABORATORY ANIMALS.

SECTION [illegible] - REGULATORY INFORMATION

-TSCA:
LISTED IN TSCA INVENTORY
-SARA TITLE III-SEC. 313:
DIETHANOLAMINE, SEE SECTION II
-CALIFORNIA PROPOSITION 65:
MAY POSSIBLY CONTAIN TRACE AMOUNTS OF NITROSODIETHANLOMINE
OTHER STATES:
NONE
-CANADA:
WHMIS Class: Mol. Wt.:
Use:

-EUROPE EINECS:
-OTHER:

SECTION [illegible] - WASTE DISPOSAL

-WASTE DISPOSAL METHOD:
IN ACCORDANCE WITH LOCAL, STATE AND FEDERAL REGULATIONS.
-DISPOSAL:

SECTION [illegible] - TRANSPORTATION INFORMATION

-D.O.T.:
D.O.T. Hazard Class : NONE ID #: NONE
Proper Shipping Name: NONE
-IATA:
Classification : NONE ID #: NONE

(cont.)

MONA INDUSTRIES, INC.
Material Safety Data Sheet for: MONAMINE AA-100(0[illegible]250000000)

SECTION II - TRANSPORTATION INFORMATION (cont.)

DATA: (cont.)
-IMO:
-RM 101:
-CANADA:
TDG Class : NONE ID #: NONE
TDG Shipping Name NONE

SECTION XIII - TOXICOLOGICAL INFORMATION

-CARCINOGENICITY:
-TERATOGENICITY:
-REPRODUCTION:
-MUTAGENICITY:

SECTION XIV - ECOLOGICAL INFORMATION

-BIODEGRADABILITY:
-BOD:
-COD:

SECTION XV - OTHER INFORMATION

-LABEL INFORMATION:
LEGEND: ND-NOT DETERMINED NA-NOT APPLICABLE NL-NOT LISTED
REVISIONS:
-CHANGES:
-NEW SECTIONS:

WHILE THE INFORMATION AND RECOMMENDATIONS SET FORTH HEREIN ARE BELIEVED ACCURATE AS OF THE DATE HEREON, MONA INDUSTRIES, INC. MAKES NO WARRANTY WITH RESPECT THERETO AND DISCLAIMS ALL LIABILITY FROM RELIANCE THEREON.

MATERIAL SAFETY DATA SHEET

Ashland

P.O. Box 2219
COLUMBUS, OHIO 43216
(614) 889-3333

Emergency Telephone
1(800) 274-5263 or
1(800) ASHLAND

001373

SODIUM HYPOCHLORITE 5%

THIS MSDS COMPLIES WITH 29 CFR 1910.1200 (THE HAZARD COMMUNICATION STANDARD)

Product Name: SODIUM HYPOCHLORITE 5%
CAS NUMBER: 7681-52-9

CLOROX

[redacted]
PR 00617

05 50 081 7046850-

[redacted]
PR 00617

Data Sheet No: 00455-A1-003
Prepared: [redacted]
Supersedes: 07/06/87

ATTN: PLANT MGR./SAFETY DIR.

SECTION I - PRODUCT IDENTIFICATION

General or Generic ID: SALTS

DOT Hazard Classification: ORM-B

SECTION II - COMPONENTS

IF PRESENT, IARC, NTP AND OSHA CARCINOGENS AND CHEMICALS SUBJECT TO THE REPORTING REQUIREMENTS OF SARA TITLE III SECTION 313 ARE IDENTIFIED IN THIS SECTION. SEE DEFINITION PAGE FOR CLARIFICATION

INGREDIENT	% (by WT)	PEL	TLV	Note
SODIUM HYPOCHLORITE CAS #: 7681-52-9	5			(1)

Notes:

(1) PEL/TLV NOT ESTABLISHED FOR THIS MATERIAL

SECTION III - PHYSICAL DATA

Boiling Point	for PRODUCT	> 212.00 Deg F (100.00 Deg C) @ 760.00 mm Hg
Vapor Pressure	For PRODUCT	< 17.50 mm Hg @ 77.00 Deg F (25.00 Deg C)
Specific Vapor Density	AIR = 1	.6
Specific Gravity		GREATER THAN WATER
Percent Volatiles		>95%
Evaporation Rate		SLOWER THAN ETHER

SECTION IV - FIRE AND EXPLOSION INFORMATION

FLASH POINT NOT APPLICABLE

EXPLOSIVE LIMIT NOT APPLICABLE

EXTINGUISHING MEDIA: NOT APPLICABLE

HAZARDOUS DECOMPOSITION PRODUCTS: CHLORINE

FIREFIGHTING PROCEDURES: WEAR SELF-CONTAINED BREATHING APPARATUS WITH A FULL FACEPIECE OPERATED IN THE POSITIVE PRESSURE DEMAND MODE AND FULL BODY PROTECTION WHEN FIGHTING FIRES.

NFPA CODES: HEALTH- 3 FLAMMABILITY- 0 REACTIVITY- 2

SECTION V - HEALTH HAZARD DATA

PERMISSIBLE EXPOSURE LEVEL: SEE SECTION II

EFFECTS OF ACUTE OVEREXPOSURE:

EYES - CAUSES BURNS.
SKIN - CAUSES BURNS.
BREATHING - MIST CAN CAUSE DAMAGE TO NASAL AND RESPIRATORY PASSAGES.
SWALLOWING - CAN RESULT IN DAMAGE TO THROAT AND ESOPHAGUS.

FIRST AID:

IF ON SKIN: IMMEDIATELY FLUSH EXPOSED AREA WITH WATER FOR AT LEAST 15 MINUTES, GET MEDICAL ATTENTION. REMOVE CONTAMINATED CLOTHING. LAUNDER CONTAMINATED CLOTHING BEFORE RE-USE.

IF IN EYES: IMMEDIATELY FLUSH WITH LARGE AMOUNTS OF WATER FOR AT LEAST 15 MINUTES, LIFTING UPPER AND LOWER LIDS OCCASIONALLY. GET IMMEDIATE MEDICAL ATTENTION.

IF PHYSICIAN IS NOT IMMEDIATELY AVAILABLE, CONTINUE FLUSHING WITH WATER.

DO NOT USE CHEMICAL ANTIDOTE.

IF SWALLOWED: DO NOT INDUCE VOMITING. VOMITING WILL CAUSE FURTHER DAMAGE TO THE THROAT. DILUTE BY GIVING WATER. GIVE MILK OF MAGNESIA. KEEP WARM, QUIET. GET MEDICAL ATTENTION IMMEDIATELY.

IF BREATHED: REMOVE INDIVIDUAL TO FRESH AIR.

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CONTINUED ON PAGE: 2

MFG
QC
QA

SECTION V-HEALTH HAZARD DATA (CONTINUED)

PRIMARY ROUTE(S) OF ENTRY:

INHALATION, SKIN CONTACT

SECTION VI-REACTIVITY DATA

HAZARDOUS POLYMERIZATION: CANNOT OCCUR

STABILITY: STABLE

INCOMPATIBILITY: AVOID CONTACT WITH:, AMMONIA, UREA, ACIDS, HEAT, AND, LIGHT

SECTION VII-SPILL OR LEAK PROCEDURES

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED:

SMALL SPILL: DILUTE WITH WATER AND ABSORB ONTO A NONCOMBUSTIBLE ABSORBENT MATERIAL.

LARGE SPILL: PERSONS NOT WEARING PROTECTIVE EQUIPMENT SHOULD BE EXCLUDED FROM AREA OF SPILL UNTIL CLEAN-UP IS COMPLETED. STOP SPILL AT SOURCE. DIKE TO PREVENT SPREADING. PUMP TO SALVAGE TANK.

FLUSH AREA WITH WATER.

WASTE DISPOSAL METHOD:

SMALL SPILL: DISPOSE OF IN ACCORDANCE WITH ALL LOCAL, STATE AND FEDERAL REGULATIONS.

LARGE SPILL: DISPOSE OF IN ACCORDANCE WITH ALL LOCAL, STATE AND FEDERAL REGULATIONS.

SECTION VIII-PROTECTIVE EQUIPMENT TO BE USED

RESPIRATORY PROTECTION: IF OVEREXPOSURE HAS BEEN DETERMINED OR DOCUMENTED, A NIOSH/MSHA JOINTLY APPROVED AIR SUPPLIED RESPIRATOR IS ADVISED IN ABSENCE OF PROPER ENVIRONMENTAL CONTROL. OSHA REGULATIONS ALSO PERMIT OTHER NIOSH/MSHA RESPIRATORS UNDER SPECIFIED CONDITIONS. (SEE YOUR SAFETY EQUIPMENT SUPPLIER). ENGINEERING OR ADMINISTRATIVE CONTROLS SHOULD BE IMPLEMENTED TO REDUCE EXPOSURE.

VENTILATION: NOT REQUIRED UNDER NORMAL CONDITIONS OF USE.

PROTECTIVE GLOVES: WEAR RESISTANT GLOVES SUCH AS:, NEOPRENE, NATURAL RUBBER, POLYVINYL CHLORIDE

EYE PROTECTION: CHEMICAL SPLASH GOGGLES AND FACE SHIELD (8" MIN.) IN COMPLIANCE WITH OSHA REGULATIONS ARE ADVISED; HOWEVER, OSHA REGULATIONS ALSO PERMIT OTHER TYPE SAFETY GLASSES. (CONSULT YOUR SAFETY EQUIPMENT SUPPLIER)

OTHER PROTECTIVE EQUIPMENT: TO PREVENT SKIN CONTACT, WEAR IMPERVIOUS CLOTHING AND BOOTS.

SECTION IX-SPECIAL PRECAUTIONS OR OTHER COMMENTS

CONTAINERS OF THIS MATERIAL MAY BE HAZARDOUS WHEN EMPTIED. SINCE EMPTIED CONTAINERS RETAIN PRODUCT RESIDUES (VAPOR, LIQUID, AND/OR SOLID), ALL HAZARD PRECAUTIONS GIVEN IN THIS DATASHEET MUST BE OBSERVED.

THE INFORMATION ACCUMULATED HEREIN IS BELIEVED TO BE ACCURATE BUT IS NOT WARRANTED TO BE WHETHER ORIGINATING WITH THE COMPANY OR NOT. RECIPIENTS ARE ADVISED TO CONFIRM IN ADVANCE OF NEED THAT THE INFORMATION IS CURRENT, APPLICABLE, AND SUITABLE TO THEIR CIRCUMSTANCES.

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MATERIAL SAFETY DATA SHEET

ISSUE NO. 1
DATE: 1/90

PRODUCT IDENTIFICATION

PRODUCT/TRADE NAME: KNIFE CEMENT TYPE 22 47

SUPPLIER: MOLTUPOL S.A.
ADDRESS: RONDA DE TOLEDO, 36. 40
28005 MADRID
SPAIN

TELEPHONE 34 1 228 41 37
FAX 34 1 467 31 14
TELEX 27933 MOLTV

CHEMICAL FAMILY: MAGNESIUM OXIDE CEMENT MGO MGOSO4.7H2O

EMERGENCY AND FIRST AID PROCEDURES

EYE CONTACT : FLUSH EYES IMMEDIATELY WITH WATER OR PHYSIOLOGICAL SALINE FOR AT LEAST 15 MINUTES. GET MEDICAL ATTENTION.
SKIN CONTACT: WASH CONTACT AREA THOROUGHLY WITH SOAP AND WATER. REMOVE CONTAMINED CLOTHING. LAUNDER BEFORE REUSE.
INHALATION: BREATHING - REMOVE TO FRESH AIR AT ONCE. APPLY ARTIFICIAL RESPIRATION IF BREATHING HAS STOPPED. GET MEDICAL ATTENTION.
INGESTION: LOW IN TOXICITY - INDUCE VOMITING IF LARGE AMOUNTS ARE INGESTED.

SPECIAL PROTECTION INFORMATION

EYE PROTECTION: SAFETY GLASSES WITH SIDE SHIELDS, CHEMICAL-TYPE GOGGLES OR FACE SHIELD.
SKIN PROTECTION: RUBBER GLOVES
RESPIRATORY PROTECTION: USE DUST RESPIRATORS IN COMPLIANCE WITH OSHA STANDARD 1910.134
VENTILATION: NORMAL VENTILATION FOR GOOD WORKING CONDITIONS SHOULD BE USED.
OTHER: WASH THOROUGHLY AFTER HANDLING, SAFETY SHOWER AND EYEWASH STATION SHOULD BE WITHIN DIRECT ACCESS. KEEP CONTAINERS CLOSED.

HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE: (IF ESTABLISHED) 10 MG/M3 - SILICA
EFFECTS OF OVEREXPOSURE: DUST MAY DEHYDRATE MUCOUS MEMBRANE - REPEATED INHALATION OF RESPIRABLE FREE DUST MAY CAUSE DELAYED LUNG INJURY (SILICOSIS)
ORAL TOXICITY: (RATS) INGESTION - LOW ACUTE ORAL TOXICITY. LD 50 RATS GREATER THAN 4000 MG/KG OF BODY WEIGHT WHICH IS HIGHEST DOSE GIVEN.
DERMAL TOXICITY: (RABBITS) INHALATION - DUST MAY BE VERY SLIGHTLY IRRITATING. NOT A SERIOUS PROBLEM. MAY CAUSE CATHARSIS OR VOMITING.

FIRE AND EXPLOSION HAZARD DATA

MATERIAL SAFETY DATA SHEET

ISSUE NO.
DATE: 11/

PRODUCT IDENTIFICATION

PRODUCT/TRADE NAME: KNIFE CEMENT TYPE ZZ +7;

SUPPLIER: MOLTUPOL,S.A.
ADDRESS: RONDA DE TOLEDO, 36. +D
28005 MADRID
SPAIN

TELEPHONE 34 1 223 +1 37
FAX 34 1 467 31 1+
TELEX 27933 MOLTU

CHEMICAL FAMILY: MAGNESIUM OXIDE CEMENT. MGO MGOSO+7H2O

EMERGENCY AND FIRST AID PROCEDURES

EYE CONTACT : FLUSH EYES IMMEDIATELY WITH WATER OR PHYSIOLOGICAL SALINE FOR AT LEAST 15 MINUTES. GET MEDICAL ATTENTION.
SKIN CONTACT: WASH CONTACT AREA THOROUGHLY WITH SOAP AND WATER. REMOVE CONTAMINED CLOTHING. LAUNDER BEFORE REUSE.
INHALATION: BREATHING - REMOVE TO FRESH AIR AT ONCE. APPLY ARTIFI RESPIRATION IF BREATHING HAS STOPPED. GET MEDICAL ATTENTION.
INGESTION: LOW IN TOXICITY - INDUCE VOMITING IF LARGE AMOUNTS ARE INGESTED.

SPECIAL PROTECTION INFORMATION

EYE PROTECTION: SAFETY GLASSES WITH SIDE SHIELDS, CHEMICAL-TYPE GOGGLES OR FACE SHIELD.
SKIN PROTECTION: RUBBER GLOVES
RESPIRATORY PROTECTION: USE DUST RESPIRATORS IN COMPLIANCE WITH OSH STANDARD 1910.134
VENTILATION: NORMAL VENTILATION FOR GOOD WORKING CONDITIONS SHOULD USED.
OTHER: WASH THOROUGHLY AFTER HANDLING, SAFETY SHOWER AND EYEWASH STATION SHOULD BE WITHIN DIRECT ACCESS. KEEP CONTAINERS CLOSED.

HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE: (IF ESTABLISHED) 10 MG/M3 - SILICA
EFFECTS OF OVEREXPOSURE: DUST MAY DEHYDRATE MUCOUS MEMBRANE - REPEATED INHALATION OF RESPIRABLE FREE DUST MAY CAUSE DELAYED LUNG INJURY (SILICOSIS)
ORAL TOXICITY: (RATS) INGESTION - LOW ACUTE ORAL TOXICITY. LD 50 RAT GREATER THAN 4000 MG/KG OF BODY WEIGHT WHICH IS HIGHEST DOSE GIVEN.
DERMAL TOXICITY: (RABBITS) INHALATION - DUST MAY BE VERY SLIGHTLY IRRITATING, NOT A SERIOUS PROBLEM. MAY CAUSE CATHARSIS OR VOMITING.

FLASH POINT: F (C) (METHOD) NA
FLAMMABLE LIMITS: LEL NA UEL: NA
AUTO IGNITION TEMP: 4,000 - 1,020 C
EXTINGUISHING MEDIA : WATER
SPECIAL FIRE FIGHTING PROCEDURES: NA
UNUSUAL FIRE AND EXPLOSION HAZARDS: NA

MATERIAL SAFETY DATA SHEET

ISSUE NO: 1

PRODUCT/TRADE NAME: KNIFE CEMENT TYPE ZZ 38 ZZ 47

TYPICAL CHEMICAL AND PHYSICAL PROPERTIES

BOILING POINT : NA
% VOLATILE BY VOLUME : NA
VAPOR PRESSURE: NA
VAPOR DENSITY (AIR=1): NA
EVAPORATION RATE: NA
SOLUBILITY IN WATER: 20%
SPECIFIC GRAVITY: 2.65 PH: NA
APPEARANCE AND ODOR: WHITE. ODORLESS POWDER MELTING POINT: 153 C

REACTIVITY DATA

STABILITY: STABLE
INCOMPATIBILITY: (MATERIALS TO AVOID) STRONG ACIDS CONDITIONS TO AVOID: AVOID DAMPNESS
HAZARDOUS POLYMERIZATION: WILL NOT OCCUR CONDITIONS TO AVOID: NA

SPILL OR LEAK PROCEDURE

CLEAN-UP PROCEDURE: SWEEP, SCOOP OR VACUUM DISCHARGED MATERIAL. RESPIRATORY PROTECTION SHOULD BE WORN AT ALL TIMES AND SKIN CONTACT AVOIDED.
WASTE DISPOSAL: DO NOT DISCHARGE INTO WATERWAYS OR INTO ANY AREA WHERE HUMANS OR ANIMALS COULD COME INTO CONTACT WITH MATERIAL. MATERIAL COULD BE DISPOSED OF IN APPROVED LANDFILL ACCORDING TO FEDERAL, STATE AND LOCAL REGULATIONS.

INGREDIENTS

CLASSIFICATION	CHEMICAL NAME	CHEMICAL FORMULA	CAS	TLV
HAZARDOUS	SILICA	SIO2	7631-86-9	10MG/M3
	TRADE SECRET			10MG/M3

INGREDIENTS

CLASSIFICATION	CHEMICAL NAME	CHEMICAL FORMULA	CAS	TLV
HAZARDOUS	SILICA	SIO2	7631-86-9	10MG/M3
	TRADE SECRET			10MG/M3

NOTE: TLV'S SHOWN FOR GUIDANCE ONLY. FOLLOW APPLICABLE REGULATIONS

ADDITIONAL INFORMATION

DOT I.D. NO.: NOT REGULATED
DOT SHIPPING NAME: NOT REGULATED
DOT HAZARD CLASS: NOT REGULATED
OTHER: NA

NA = NOT APPLICABLE NE = NOT ESTABLISHED D = DECOMPOSES

THE INFORMATION HEREIN IS GIVEN IN GOOD FAITH, BUT NO WARRANTY EXPRESSED OR IMPLIED IS MADE.

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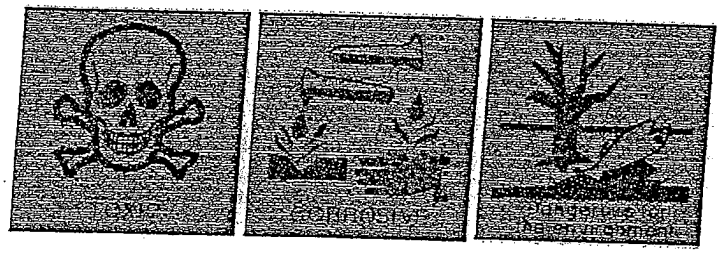
Safety data for hydrochloric acid (concentrated)



Click here for data on hydrochloric acid in student-friendly format, from the HSci project

Glossary of terms on this data sheet.

The information on this web page is provided to help you to work safely, but it is intended to be an overview of hazards, not a replacement for a full Material Safety Data Sheet (MSDS). MSDS forms can be downloaded from the web sites of many chemical suppliers.

General

Synonyms: muriatic acid, chlorohydric acid. [Data for dilute Hydrochloric acid can be found here.]
Molecular formula: HCl
CAS No: 7647-01-0
EC No: 231-595-7
Annex I Index No: 017-002-01-X

Physical data

Appearance: clear colourless or slightly yellow liquid with pungent odour. Concentrated acid is fuming.
Melting point: -25 C
Boiling point: 109 C
Specific gravity: 1.19
Vapour pressure:
Flash point:
Explosion limits:
Autoignition temperature:

Stability

Stable. Avoid heat, flames. Incompatible with most common metals, amines, metal oxides, acetic anhydride, propiolactone, vinyl acetate, mercuric sulphate, calcium phosphide, formaldehyde, alkalies, carbonates, strong bases, sulphuric acid, chlorosulphonic acid.

Toxicology

Extremely corrosive. Inhalation of vapour can cause serious injury. Ingestion may be fatal. Liquid can cause severe damage to skin and eyes. TLV 5 ppm.

Toxicity data
(The meaning of any abbreviations which appear in this section is given here.)
ORL-RBT LD50 900 mg kg^{-1}
IPR-MUS LD50 40 mg kg^{-1}
IHL-RAT LC50 3124 ppm/1h.
IHL-HMN LCLO 1300 ppm 30min

Risk phrases
(The meaning of any risk phrases which appear in this section is given here.)
R23 R24 R25 R34 R36 R37 R38.

Transport information

(The meaning of any UN hazard codes which appear in this section is given here.)
UN No 1789. Packing group II. Hazard class 8.0. Transport category 2.

Environmental information

Lethal to fish from 25 mg/l up. Toxic for aquatic organisms due to pH shift.

Personal protection

Safety glasses or face mask, gloves. Effective ventilation.

Safety phrases
(The meaning of any safety phrases which appear in this section is given here.)
S26 S36 S37 S39 S45.

[Return to Physical & Theoretical Chemistry Lab. Safety home page.]

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MATERIAL SAFETY DATA SHEET

==========®

SECTION 1 - PRODUCT IDENTIFICATION AND USE

Product Identifier: Fine Silver, 99.9% minimum silver by weight
Product Application: Wire, sheet or tube for forming. Grain / shot for melting.
Manufacturers Name: **IMPERIAL SMELTING AND REFINING CO. LTD.**
Complete Address: 451 DENISON ST. MARKHAM, ONTARIO L3R 1B7
Emergency Telephone No.: (905) 475-9563
Suppliers Name:
Complete Address:
Emergency Telephone No.:

SECTION 2 - HAZARDOUS INGREDIENTS

Hazardous Ingredients	%	CAS #	TLV (mg/m3)	STEL (mg/m3)
Fine Silver	**99.9 min.**	**7440-22-4**	**0.1**	**2.0**

SECTION 3 - PHYSICAL DATA

Physical State -	**SOLID**
Appearance -	**Silver coloured wire, tube, sheet or grain / shot.**
Density (g/cm3) -	**10.55**
Liquidus (C) -	**961**
Solidus (C) -	**961**

Information Not Applicable: Odour threshold; vapour pressure; vapour density; evaporation rate; pH

SECTION 4 - FIRE AND EXPLOSION DATA

Flammability: None **Explosion Data**: None
Extinguishing Media: Class D extinguisher; sand or other non-flammable solid
Information Not Applicable: Flashpoint; upper and lower flammable limit; auto-ignition temperature; hazardous combustion products.
Information is for form supplied. Finely divided particles (dust or powder) creating during use of this product may be hazardous (flammable) if exposed to flame or oxidizing agents.

SECTION 5 - REACTIVITY DATA

Chemical Stability: Product is stable under normal ambient working conditions
Incompatibility: Keep product away from strong acids, halogens or uncombusted acetylene. Adding any amount of water to metal while fully molten may cause an explosion and should be avoided.
Hazardous Decomposition Products: On excessive heating product may decompose to liberate metal fumes. Heating molten metal over 1110 °C is not recommended.
Information is for form supplied. Finely divided particles (dust or powder) creating during use of this product may be hazardous (flammable) if exposed to flame or oxidizing agents.

SECTION 6 - TOXICOLOGICAL PROPERTIES

Route of Entry: Inhalation or skin contact. Not known to be hazardous in form supplied. Gloves, masks and ventilation to suit the working process used are recommended.

Effects of Acute Exposure to Material: Inhalation of freshly formed fume may cause metal fume fever. Initial symptoms include dryness and irritation of the throat. Signs that may be evident several hours after exposure include a metallic taste in the mouth, headache, fever, chills, excessive sweating, muscle pains, nausea, vomiting and weakness. Recovery generally occurs within 48 hours of exposure. Metal fume fever is not usually fatal.

Effects of Chronic Exposure: There are no known chronic effects relating to repeated incidences of metal fume fever.

Carcinogenicity: NONE	Teratogenicity: NONE	Mutagenicity: NONE
Synergistic Materials: NONE	LD_{50}: N. AV	LC_{50}: N. AV

SECTION 7 - PREVENTIVE MEASURES

Engineering Controls: For low level fume generation use general dilution ventilation. For higher levels of fume generation, local exhaust is required. A health and safety consultant can assess your individual ventilation requirements. References include Industrial Ventilation: A manual recommended practice; by the ACGIH

Personal Protective Equipment for product in form supplied:
Gloves: Required as appropriate for manufacturing process involved.
Respirator: Low fume concentrations in vicinity of TLV, use portable fume respirator or high efficiency particulate filter (NIOSH APPROVED)
Consult: CSA STD. Z94. 4-M1982 "Selection, Care and Use of Respirator"
Eye Protection: Wear safety glasses / goggles / face shield appropriate to the manufacturing process involved. Tinted lenses (#3 or #4) are recommended when melting the grain form.
Consult: CSA STD. Z94.3-M1982 "Industrial Eye and Face Protectors"

Leak and Spill Procedures: Spill of molten metal should be smothered with sand or other suitable class D extinguishing media
Waste Disposal: Return to manufacturer for refining
Storage Requirements: Store in dry container away from incompatibles

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SECTION 8 - FIRST AID MEASURES

If a person breathes large amounts of metal fume, move them to fresh air. If breathing has stopped, perform artificial respiration. Keep the person warm and at rest. If breathing is difficult, provide oxygen. Take the person to medical attention if they exhibit symptoms of metal fume fever noted in Section 6. Administer normal first aid to burns caused by molten metal. If dermal irritation initiates from handling material, wash affected area thoroughly with soap and water.

SECTION 9 - PREPARATION DATE OF MSDS

Prepared by: A. Anderson, Senior Project Manager,
Phone Number: (905) 475-9566 Date: Jan 2006

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Material Data Safety Sheet (MSDS): SULFURIC ACID

1. Product Identification	7. Handling and Storage
2. Composition	8. Exposure Controls/Personal Protection
3. Hazards Identification	9. Physical and Chemical Properties
4. First Aid Measures	10. Stability and Reactivity
5. Fire Fighting Measures	11. Toxicological Information
6. Accidental Release Measures	12. Ecological Information
	13. Disposal Considerations
	16. Other Information

Note: This information sheet has been re-formatted for better clarity by the Department of Earth Sciences.
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contact the manufacturer, or check one of the various Web-based databases such as those compiled by BU's Office of Environmental Health & Safety (www.bu.edu/ehs/msds/index.htm).
Return to MSDS Index

1. Product Identification

MSDS Name: **Sulfuric acid**, reagent acs

Synonyms: Hydrogen Sulfate, Oil of Vitriol, Vitriol Brown Oil, Matting Acid, Battery Acid
Company Identification: Acros Organics N.V.
One Reagent Lane
Fairlawn, NJ 07410
For information in North America, call: 800-ACROS-01
For emergencies in the US, call CHEMTREC: 800-424-9300

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Composition/Information on Ingredients

	Chemical Name	%	EINECS#

7664-93-9	Sulfuric acid	95-98.0%	231-639-5
7732-18-5	Water	Balance	231-791-2

Hazard Symbols: XI C
Risk Phrases: 35 36/38

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3. Hazards Identification

EMERGENCY OVERVIEW
Appearance: colorless to brown.
Danger! Harmful if inhaled. Corrosive. Hygroscopic. Causes digestive and respiratory tract burns. Causes digestive and respiratory tract irritation. Causes severe eye and skin irritation and burns. Target Organs: None known.

Potential Health Effects
Eye:
May cause irreversible eye injury. Causes eye irritation and burns.
Skin:
Causes severe skin irritation and burns.
Ingestion:
Causes gastrointestinal tract burns.
Inhalation:
Harmful if inhaled. May cause severe irritation of the respiratory tract with sore throat, coughing, shortness of breath and delayed lung edema. Causes chemical burns to the respiratory tract.
Chronic:
Prolonged or repeated skin contact may cause dermatitis. Prolonged or repeated inhalation may cause nosebleeds, nasal congestion, erosion of the teeth, perforation of the nasal septum, chest pain and bronchitis. Prolonged or repeated eye contact may cause conjunctivitis.

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4. First Aid Measures

Eyes:
Get medical aid immediately. Do NOT allow victim to rub or keep eyes closed. Extensive irrigation is required (at least 30 minutes).
Skin:
Get medical aid immediately. Flush skin with plenty of soap and water for at least 15 minutes while removing contaminated clothing and shoes. SPEEDY ACTION IS CRITICAL!
Ingestion:
Do NOT induce vomiting. If victim is conscious and alert, give 2-4 cupfuls of milk or water. Never give

anything by mouth to an unconscious person. Get medical aid immediately.
Inhalation:
Get medical aid immediately. Remove from exposure to fresh air immediately. If breathing is difficult, give oxygen.
Notes to Physician:
Treat symptomatically and supportively.

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MSDS Index

5. Fire Fighting Measures

General Information:
Wear appropriate protective clothing to prevent contact with skin and eyes. Wear a self-contained breathing apparatus (SCBA) to prevent contact with thermal decomposition products. Contact with water can cause violent liberation of heat and splattering of the material.
Extinguishing Media:
Do NOT use water directly on fire. Use water spray to cool fire-exposed containers. Use carbon dioxide or dry chemical.
Autoignition Temperature: Not available.
Flash Point: 340 deg C (644.00 deg F)
NFPA Rating: Not published.
Explosion Limits, Lower: Not available.
Upper: Not available.

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6. Accidental Release Measures

General Information: Use proper personal protective equipment as indicated in Section 8.

Spills/Leaks:
Cover with sand, dry lime or soda ash and place in a closed container for disposal.

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7. Handling and Storage

Handling:
Vash thoroughly after handling. Remove contaminated clothing and wash before reuse. Use only in a

9. Physical and Chemical Properties ()

Appearance:	colorless to brown liquid
Odor:	Odorless
Solubility:	
Density:	1.8400 g/cm3
pH:	Not available
% Volatiles by volume @ 21C (70F):	
Boiling Point:	280 deg C @ 760.00mm Hg
Melting Point:	3 deg C
Vapor Density (Air=1):	1.2 kg/m3
Vapor Pressure (mm Hg):	< 0.00120 mm Hg
Evaporation Rate:	Slower than ether
Viscosity:	Not available

Molecular Formula: H2O4S
Molecular Weight: 98.08

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10. Stability and Reactivity

Chemical Stability:
Stable under normal temperatures and pressures.

Conditions to Avoid:
Contact with water, metals, excess heat, combustible materials, organic materials.

Incompatibilities with Other Materials:
Acids (mineral, oxidizing, e.g. chromic acid, hypochlorous acid, nitric acid, sulfuric acid), alcohols and glycols (e.g. butyl alcohol, ethanol, methanol, ethylene glycol), aldehydes (e.g. acetaldehyde, acrolein, chloral hydrate, formaldehyde), amines (aliphatic and aromatic, e.g. dimethyl amine, propylamine, pyridine, triethylamine), azo, diazo, and hydrazines (e.g. dimethyl hydrazine, hydrazine, methyl hydrazine), caustics (e.g. ammonia, ammonium hydrozide, calcium hydroxide, potassium hydroxide, sodium hydroxide), cyanides (e.g. potassium cyanide, sodium cyanide), dithiocarbamates (e.g. ferbam, maneb, metham, thiram), fluorides (inorganic, e.g. ammonium fluoride, calcium fluoride, cesium fluoride), isocyanates (e.g. methyl isocyanate), metals (alkali and alkaline, e.g. cesium, potassium, sodium), metals as powders (e.g. hafnium, raney nickel), metals and metal compounds (toxic, e.g. beryllium, lead acetate, nickel carbonyl, tetraethyl lead), nitrides (e.g. potassium nitride, sodium n.

Hazardous Decomposition Products:

Oxides of sulfur.

Hazardous Polymerization: Has not been reported.

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11. Toxicological Information

RTECS#:
CAS# 7664-93-9: WS5600000

LD50/LC50:
CAS# 7664-93-9: Inhalation, mouse: LC50 =320 mg/m3/2H; Inhalation, rat: LC50 =510 mg/m3/2H; Oral, rat: LD50 = 2140 mg/kg.

Carcinogenicity:
Sulfuric acid -
ACGIH: A2 - Suspected Human Carcinogen
OSHA: Select carcinogen
IARC: Group 1 carcinogen
Epidemiology:
Workers exposed to industrial sulfuric acid mist showed a statistical increase in laryngeal cancer. This data suggests a possible relationship between carcinogenisis and inhalation of sulfuric acid mist.
Teratogenicity:
No data available.
Reproductive Effects:
No data available.
Neurotoxicity:
No data available.
Mutagenicity:
No data available.
Other Studies:
No data available.

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12. Ecological Information

Ecotoxicity:

Sulfuric acid is harmful to aquatic life in very low concentrations. It may be dangerous if it enters water intakes. The aquatic toxicity for bluegill in fresh water was 24.5 ppm/24 hr, which was lethal.

Environmental Fate:

Not available.

Physical/Chemical:

Not available.

Other:

Not available.

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13. Disposal Considerations

Dispose of in a manner consistent with federal, state, and local regulations.
RCRA D-Series Maximum Concentration of Contaminants: None listed.
RCRA D-Series Chronic Toxicity Reference Levels: None listed.
RCRA F-Series: None listed.
RCRA P-Series: None listed.
RCRA U-Series: None listed.

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16. Other Information

MSDS Creation Date: 2/01/1996 Revision #3 Date: 10/01/1997

The information above is believed to be accurate and represents the best information currently available to us. However, we make no warranty of merchantability or any other warranty, express or implied, with respect to such information, and we assume no liability resulting from its use. Users should make their own investigations to determine the suitability of the information for their particular purposes. In no way shall Fisher be liable for any claims, losses, or damages of any third party or for lost profits or any special, indirect, incidental, consequential or exemplary damages, howsoever arising, even if Fisher has been advised of the possibility of such damages.

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Material Data Safety Sheet (MSDS): NITRIC ACID

1. Product Identification	7. Handling and Storage
2. Composition	8. Exposure Controls/Personal Protection
3. Hazards Identification	9. Physical and Chemical Properties
4. First Aid Measures	10. Stability and Reactivity
5. Fire Fighting Measures	11. Toxicological Information
6. Accidental Release Measures	12. Ecological Information
	13. Disposal Considerations
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contact the manufacturer, or check one of the various Web-based databases such as those compiled by BU's Office of Environmental Health & Safety (www.bu.edu/ehs/msds/index.htm).
Return to MSDS Index

1. Product Identification

MSDS Name: **Nitric Acid**, Reagent ACS

Synonyms: *Azotic Acid, Engravers Nitrate, Hydrogen Nitrate.*
Company Identification: Acros Organics N.V.
One Reagent Lane
Fairlawn, NJ 07410
For information in North America, call: 800-ACROS-01
For emergencies in the US, call CHEMTREC: 800-424-9300

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2. Composition/Information on Ingredients

#	Chemical Name	%	EINECS#

Get medical aid immediately. Flush skin with plenty of soap and water for at least 15 minutes while removing contaminated clothing and shoes. Get medical aid if irritation develops or persists. Wash clothing before reuse. Destroy contaminated shoes.

Ingestion:

If victim is conscious and alert, give 2-4 cupfuls of milk or water. Never give anything by mouth to an unconscious person. Get medical aid immediately. Do NOT induce vomiting and seek IMMEDIATE MEDICAL ADVICE.

Inhalation:

Remove from exposure to fresh air immediately. If not breathing, give artificial respiration. If breathing is difficult, give oxygen. Get medical aid. DO NOT use mouth-to-mouth respiration.

Notes to Physician:

Treat symptomatically and supportively.

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5. Fire Fighting Measures

General Information:

As in any fire, wear a self-contained breathing apparatus in pressure-demand, MSHA/NIOSH (approved or equivalent), and full protective gear. Strong oxidizer. Contact with combustible materials may cause a fire. Use water spray to keep fire-exposed containers cool. Substance is noncombustible. Containers may explode in the heat of a fire.

Extinguishing Media:

Substance is noncombustible; use agent most appropriate to extinguish surrounding fire. Do NOT get water inside containers. For large fires, use water spray, fog or alcohol-resistant foam. Do NOT use straight streams of water. For small fires, use dry chemical, carbon dioxide, sand, earth, water spray or regular foam. Cool containers with flooding quantities of water until well after fire is out.

Autoignition Temperature: Not available.
Flash Point: Not available.
NFPA Rating: Not published.
Explosion Limits, Lower: Not available.
Upper: Not available.

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6. Accidental Release Measures

General Information: Use proper personal protective equipment as indicated in Section 8.

Spills/Leaks:

Absorb spill with inert material, (e.g., dry sand or earth), then place into a chemical waste container. Wear a self contained breathing apparatus and appropriate Personal protection. (See Exposure Controls, Personal Protection section). Neutralize spill with sodium bicarbonate. Use water spray to disperse the

gas/vapor. Remove all sources of ignition. Use a spark-proof tool.

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7. Handling and Storage

Handling:
Wash thoroughly after handling. Remove contaminated clothing and wash before reuse. Use with adequate ventilation. Ground and bond containers when transferring material. Keep container tightly closed. Do not get on skin or in eyes. Do not ingest or inhale.

Storage:
Store in a tightly closed container. Store in a cool, dry, well-ventilated area away from incompatible substances. Corrosives area.

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8. Exposure Controls/Personal Protection

Engineering Controls:
Use adequate general or local exhaust ventilation to keep airborne concentrations below the permissible exposure limits.

Exposure Limits

Chemical Name	ACGIH	NIOSH	OSHA - Final PELs
Nitric acid	2 ppm ; 5.2 mg/m3; 4 ppm STEL; 10 mg/m3 STEL	2 ppm TWA; 5 mg/m3 TWA 25 ppm IDLH	2 ppm TWA; 5 mg/m3 TWA

OSHA Vacated PELs:
Nitric acid: 2 ppm TWA; 5 mg/m3 TWA

Personal Protective Equipment

Eyes:
Wear appropriate protective eyeglasses or chemical safety goggles as described by OSHA's eye and face protection regulations in 29 CFR 1910.133 or European Standard EN166.

Skin:

Wear appropriate protective gloves and clothing to prevent skin exposure.

Clothing:
Wear appropriate protective clothing to prevent skin exposure.

Respirators:
Follow the OSHA respirator regulations found in 29CFR 1910.134 or European Standard EN 149. Always use a NIOSH or European Standard EN 149 approved respirator when necessary.

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9. Physical and Chemical Properties (Nitric Acid)

Appearance:	clear colorless to pale yellow liquid
Odor:	strong odor, acrid odor
Solubility:	Soluble in water
Density/Spec. Grav:	1.50
pH:	1.0
% Volatiles by volume @ 21C (70F):	Not available
Boiling Point:	72 deg C
Melting Point:	-42 deg C
Vapor Density (Air=1):	Not available
Vapor Pressure (mm Hg):	6.8 mm Hg
Evaporation Rate (Butyl Acetate=1):	Not available
Viscosity:	Not available

Molecular Formula: HNO3
Molecular Weight: 63.0119

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MSDS Index

10. Stability and Reactivity

Chemical Stability: Decomposes when in contact with air, light, or organic matter.

Conditions to Avoid: High temperatures, incompatible materials, moisture, reducing agents.

Incompatibilities with Other Materials: Reacts with over 150 chemical combinations. Refer to NFPA Fire Protection Guide for specifics. Reacts explosively with organic materials and combustibles.

Hazardous Decomposition Products: Nitrogen oxides,

Hazardous Polymerization: Has not been reported.

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11. Toxicological Information

RTECS#:
CAS# 7697-37-2: QU5775000 QU5900000
CAS# 7732-18-5: ZC0110000

LD50/LC50:
CAS# 7697-37-2: Inhalation, rat: LC50 =67 ppm(NO2)/4H.
CAS# 7732-18-5: Oral, rat: LD50 = >90 mL/kg.

Carcinogenicity:
Nitric acid -
Not listed by ACGIH, IARC, NIOSH, NTP, or OSHA.
Epidemiology:
No information available.
Teratogenicity:
Effects on newborn: biochemical and metabolic, Oral-rat TDLo=2345 mg/kg (female 18D post).
Fetotoxicity: Stunted fetus, Oral-rat TDLo=21150 mg/kg (female 1-21D post).
Reproductive Effects:
No information available.
Neurotoxicity:
No information available.
Mutagenicity:
No information available.
Other Studies:
None.

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12. Ecological Information

Ecotoxicity:
Mosquito fish: TLm=72 ppm/96H (fresh water) Cockle: LC50=330-1000 ppm/48H (salt water)
Environmental Fate:
No information reported.
Physical/Chemical:
No information available.
Other:
None.

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13. Disposal Considerations

Dispose of in a manner consistent with federal, state, and local regulations.
RCRA D-Series Maximum Concentration of Contaminants: None listed.
RCRA D-Series Chronic Toxicity Reference Levels: None listed.
RCRA F-Series: None listed.
RCRA P-Series: None listed.
RCRA U-Series: None listed.

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16. Other Information

MSDS Creation Date: 2/01/1996 Revision #4 Date: 12/16/1997

The information above is believed to be accurate and represents the best information currently available to us. However, we make no warranty of merchantability or any other warranty, express or implied, with respect to such information, and we assume no liability resulting from its use. Users should make their own investigations to determine the suitability of the information for their particular purposes. In no way shall Fisher be liable for any claims, losses, or damages of any third party or for lost profits or any special, indirect, incidental, consequential or exemplary damages, howsoever arising, even if Fisher has been advised of the possibility of such damages.

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MOLTUPOL, S.A.

Knife Coat

Ronda de Toledo, 36. 4D 28005 MADRID .España
NIF/ IVA : ESA 28156855 Teléfono: (34) 91 528 41 37
Fax: (34) 91 467 31 14

e-

mail:moltupol@hotmail.com

Safety / data sheet
According to: 9171557EEC

1 Trade Name :Oxysulphate Cement
Grade: ZZ 47

Company: Moltupol, s.a. Ronda de Toledo. 36, Madrid, Spain
Tlf 34 91 528 41 37
June 2011

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2 Composition / information of ingredients

Chemical nature:			
	MGOSO4	CAS-NR 007487-88-9	EINECS-NR 231-298-2
	MGO	CAS-NR 1309-48-4	EINECS-NR 2151719
	SI02	CAS-NR 1408-60-7	EINECS-NR 238-878-4

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3 Possible hazards

SIO2 Silica Dioxide can cause serious damage to health if inhaled through long exposure. Avoid Dust inhalation by wearing mask or respirator mask and emptying the bags of the product into the mixer so as to avoid creating dust.

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4 First aid measures

On the skin: Wash with soap and water
On contact with eyes: Flush open eyes with plenty of water
On ingestion: Induce vomiting and consult physician

---

5 Fire fighting measures

Suitable extinguishing media: Inapplicable because not combustible
Special protective equipment: Not required
Further information: Observe solubility in water after spraying with water do not drain waste in the sewer or sewerage

---

6 Accidental release measures

Personal precautions: Avoid inhalation of dust, wear a dust mask
Environment precautions: Avoid contamination of water sources
Methods for cleaning up: Pick up mechanically and dispose according to point 13. Major residues to be washed away with excessive water according to regulations

---

7 Handling and storage

Handling: Avoid contact with water
Protection against fire and explosion: No special demands, because not combustible
Storage. Keep dry in storage, avoid moisture and avoid temperature in excess of 40C.Do not store exposed to direct sunlight

---

8 Exposure controls and personal protection

Personal protective equipment

Respiratory protection:	Dust mask
Hand protection:	Rubber gloves if exposed for a long time
Eye protection:	Safety goggles under strong dust development
Body protection:	Not required

9 Physical and chemical properties

Appearance:	Free flowing light colored powder
Odour:	Odourless
Melting point:	Above 1100 C
Flammability:	Non flammable
Flash point:	Not applicable
Explosive properties:	Not applicable
Solubility:	0.8% in water at 20 C
Density:	1 gr/cm3

10 Stability and reactivity

Conditions to avoid:	Contamination with water
Materials to avoid:	In contact with hydrofluoric acid, tetra fluoride gas will be released which is corrosive.

11 Toxicological information

See paragraph 3

On skin:	No data available
On eyes:	" " "
When inhaled:	Over a prolonged period could be dangerous to health
By ingestion:	No data available
Sensitising:	No sensitising on human beings if handled according to regulations no danger to human beings

12 Ecological information

AOX not applicable

No dangerous effects on environment

13 Disposal considerations

Transfer to a suitable waste deposit, thereby observing local laws and regulations

Contaminated packaging may be recycled after washing

14 Transport information

Is not a hazardous material according to transport regulations.

15 Regulatory information

Labeling according to ECC Directives 67/548 and subsequent amendments
. No specific marking required according to EC regulations 67/548 67/548*
. EEC Number 238-878-4
. Hazard symbols not applicable
. Risk phrases R36/7 irritating to eyes and respiratory systems
. R48/20 harmful danger of serious damage to health by prolonged exposure inhalation
. Safety phrases s22 do not breathe dust
. s38 in case of insufficient ventilation, wear suitable respiratory equipment
. Toxic and dangerous waste (10/98) .Not applicable

---

16 Other information

The information contained here is based on our present knowledge and is not meant to guarantee product properties.

MOLTUPOL, S.A.

Ronda de Toledo, 36. 4D 28005 MADRID .España
NIF/ IVA : ESA 28158855 Teléfono: (34) 91 528 41 37
Fax: (34) 91 467 31 14

mail:moltpol@hotmail.com

Safety / data sheet
According to: 9171557EEC

1 Trade Name :Oxysulphate Cement
Grade: ZZ 47

Company: Moltupol, s.a. Ronda de Toledo, 36, Madrid, Spain
Tlf 34 91 528 41 37
June 2011

2 Composition / information of ingredients

Chemical nature:			
MGOSO4	CAS-NR 007487-88-9	EINECS-NR 231-298-2
MGO	CAS-NR 1309-48-4	EINECS-NR 2151719
SI02	CAS-NR 1408-60-7	EINECS-NR 238-878-4

3 Possible hazards
SIO2 Silica Dioxide can cause serious damage to health if inhaled through long exposure. Avoid Dust inhalation by wearing mask or respirator mask and emptying the bags of the product into the mixer so as to avoid creating dust.

4 First aid measures

On the skin:	Wash with soap and water
On contact with eyes:	Flush open eyes with plenty of water
On ingestion:	Induce vomiting and consult physician

5 Fire fighting measures

Suitable extinguishing media:	Inapplicable because not combustible
Special protective equipment:	Not required
Further information:	Observe solubility in water after spraying with water do not drain waste in the sewer or sewerage

6 Accidental release measures

Personal precautions:	Avoid inhalation of dust, wear a dust mask
Environment precautions:	Avoid contamination of water sources
Methods for cleaning up:	Pick up mechanically and dispose according to point 13. Major residues to be washed away with excessive water according to regulations

7 Handling and storage

Handling:	Avoid contact with water
Protection against fire and explosion:	No special demands, because not combustible
Storage.	Keep dry in storage, avoid moisture and avoid temperature in excess of 40C.Do not store exposed to direct sunlight

MATERIAL SAFTEY DATA SHEET

Date Prepared: 01/26/98
Date Printed: 03/01/99
MSDS No: 999.0169165-004.004

GLYCERINE, NATURAL 99.5% USP

1. CHEMICAL PRODUCT AND COMPANY IDENTIFICATION

Material Identity
Product Name: GLYCERINE, NATURAL 99.5% USP
Product Code: 3405120
General or Generic ID: POLYOL

Company
Humco Holding Group, Inc.
7400 Alumax Drive
Texarkana, TX 75501

Emergency Telephone Number:
903-831-7808

2. COMPOSITION/INFORMATION ON INGREDIENTS

Ingredient (s)	CAS Number	% (by weight)
GLYCERINE	56-81-5	100.0

3. HAZARDS IDENTIFICATION

Potential Health Effects

Eye
May cause mild eye irritation. Symptoms include stinging, tearing, and redness.

Skin
May cause mild skin irritation. Prolonged or repeated contact may dry the skin. Symptoms may include redness, burning, drying and cracking of skin, and skin burns.

Swallowing
Swallowing small amounts of this material during normal handling is not likely to cause harmful effects. Swallowing large amounts may be harmful.

Inhalation
Breathing of vapor mist is possible.

Symptoms or Exposure
Signs and symptoms of exposure to this material through breathing, swallowing, and/or passage of the material through the skin may include: stomach or intestinal upset (nausea, vomiting, diarrhea), irritation (nose, throat, airways).

Target Organs Effects
No data

Development Information
No data

Continued on next page

GLYCERINE, NATURAL 99.5% USP

Cancer Information
No data

Other Health Effects
No data

Primary Route(s) of Entry
Inhalation, Skin contact.

4. FIRST AID MEASURES

Eyes
If symptoms develop, move individual away from exposure and into fresh air. Flush eyes gently with water while holding eyelids apart. If symptoms persist or there is any visual difficulty, seek medical attention.

Skin
Remove contaminated clothing. Wash exposed area with soap and water. If symptoms persist, seek medical attention. Launder clothing before reuse.

Swallowing
Seek medical attention. If individual is drowsy or unconscious, do not give anything by mouth; place individual on the left side with the head down. Contact physician, medical facility, or poison control center for advice about whether to induce vomiting. If possible, do not leave individual unattended.

Inhalation
If symptoms develop, more individual away from exposure and into fresh air. If symptoms persist, seek medical attention. If breathing is difficult, administer oxygen. Keep person warm and quiet; seek immediate medical attention.

Note To Physicians
Preexisting disorders of the following organs (or organ systems) may be aggravated by exposure to this material: skin, lung (for example, asthma-like conditions).

5. FIRE FIGHTING MEASURES

Flash Point
390.0 F (198.8C) PMCC

Explosive Limit
Not applicable

Autoignition Temperature
No data

Hazardous Products of Combustion
May form: acrolein, carbon dioxide and carbon monoxide.

Continued on next page

Fire and Explosion Hazards
No special fire hazards are known to be associated with this product.

Extinguishing Media
Alcohol foam, water fog, carbon dioxide, dry chemical.

Fire Fighting Instructions
Water or foam may cause frothing which can be violent and possibly endanger the life of the firefighter. Wear a self-contained breathing apparatus with a full facepiece operated in the positive pressure demand mode with appropriate turn-out gear and chemical resistant personal protective equipment. Refer to the personal protective equipment of this MSDS.

NFPA Rating
Health – 1, Flammability – 1, Reactivity – 0

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6. ACCIDENTAL RELEASE MEASURES

Small Spill
Absorb liquid on vermiculite, floor absorbent, or other absorbent material and transfer to hood.

Large Spill
Persons not wearing protective equipment should be excluded from area of spill until clean-up has been completed. Stop spill at source, dike area of spill to prevent spreading, pump liquid to salvage tank. Remaining liquid may be taken up on sand, clay, earth, floor absorbent, or other absorbent material and shoveled into containers.

---

7. HANDLING AND STORAGE

Handling
Containers of this material may be hazardous when emptied. Since emptied containers retain product residues (vapor, liquid, and/or solid), all hazard precautions given in the data sheet must be observed. Warning. Sudden release of hot organic chemical vapors or mists from process equipment operating at elevated temperature and pressure, or sudden ingress of air into vacuum equipment, may result in ignitions without the presence of obvious ignition sources. Published "autoignition" or "ignition" temperature values cannot be treated as safe operating temperatures in chemical processes without analysis of the actual process conditions. Any use of this product in elevated temperature processes should be thoroughly evaluated to establish and maintain safe operating conditions.

---

8. EXPOSURE CONTROLS/PERSONAL PROTECTION

Eye Protection
Chemical splash goggles in compliance with OSHA regulations are advised; however, OSHA regulations also permit other type safety glasses. Consult your safety representative.

Continued on next page

Skin Protection
Wear resistant gloves such as: natural rubber, to prevent repeated or prolonged skin contact, wear impervious clothing and boots.

Respiratory Protection
If workplace exposure limit(s) of product or any component is exceeded (see exposure guidelines), a NIOSH/MSHA approved air supplied respirator is advised in absence of proper environmental control. OSHA regulations also permit other NIOSH/MSHA respirators (negative pressure type) under specified conditions (see your industrial hygienist). Engineering or administrative controls should be implemented to reduce exposure.

Engineering Controls
Provide sufficient mechanical (general and/or local exhaust) ventilation to maintain exposure below TLV(s).

Exposure Guidelines
Component

GLYCERINE (56-81-5)
OSHA VPEL 5.000 mg/m3 – TWA respirable fraction
OSHA VPEL 10.000 mg/m3 – TWA total dust
ACGIH TLV 10.000 mg/m3 – TWA (total dust/particulate)

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9. PHYSICAL AND CHEMICAL PROPERTIES

Boiling Point
(for product) 554.0 F (290.0 C) @ 760 mmHg
Vapor Pressure
(for product) < 1.000 mmHg @ 68.00 F
Specific Vapor Density
3.100 @ AIR=1
Specific Gravity
1.263 @ 68.00 F
Liquid Density
10.510 lbs/gal @ 68.00 F
1.263 kg/l @ 20.00 C
Percent Volatiles
No data
Evaporation Rate
SLOWER THAN ETHYL ETHER
Appearance
No data
State
Liquid

Continued on next page

GLYCERINE, NATURAL 99.5% USP

Physical Form
HOMOGENEOUS SOLUTION
Color
CLEAR, APHA COLOR 25 MAX
Odor
No data
pH
Not applicable

10. STABILITY AND REACTIVITY

Hazardous Polymerization
Product will not undergo hazardous polyermization.

Hazardous Decomposition
May form: acrolein, carbon dioxide and carbon monoxide.

Chemical Stability
Stable.

Incompatibility
Avoid contact with: strong oxidizing agents.

11. TOXICOLOGY INFORMATION

No data

12. ECOLOGICAL INFORMATION

No data

13. DISPOSAL CONSIDERATION

Waste Management Information
Dispose of in accordance with all applicable local, state and federal regulations.

14. TRANSPORT INFORMATION

DOT Information – 49 CFR 172.101
DOT Description
NON_REGULATED By D.O.T.

Continued on next page

GLYCERINE, NATURAL 99.5% USP

Container /Mode:
55 Gal DRUM/TRUCK PACKAGE

NOS Component:
None

RQ (Reportable Quantity) - 49 CFR 172.101
Not applicable

---

15. REGULATORY INFORMATION

US Federal Regulations

TSCA (Toxic Substance Control Act) Status
TSCA (United States) The intentional ingredients of this product are listed.

CERCLA RQ – 40 CFR 302.4(a)
None listed

SARA 302 Components – 40 CFR 355 Appendix A
None

Section 311/312 Hazard Class – 40 CFR 370.2
Immediate( ) Delayed( ) Fire( ) Reactive( ) Sudden Release of Pressure( )

SARA 313 Components – 40 CFR 372.65
None

International Regulations

Inventory Status
DSL (Canada) The intentional ingredients of this product are listed.
EINEC (Europe) The intentional ingredients of this product are listed.
TCCL (Korea) The intentional ingredients of this product are listed.

State and local Regulations

California Proposition 65
None

Pennsylvania RTK Label Information
1,2,3-PROPANETRIOL 56-81-5

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16. OTHER INFORMATION

The information accumulated herein is believed to be accurate but is not warranted to be whether originating with the company or not. Recipients are advised to confirm in advance of need that the information is current, applicable, and suitable to their circumstances.

MSDS - COPPER

---

1 - PRODUCT IDENTIFICATION

PRODUCT NAME: COPPER
FORMULA: CU
FORMULA WT: 63.55
CAS NO.: 07440-50-8
NIOSH/RTECS NO.: GL5325000
COMMON SYNONYMS: BRONZE POWDER; C.I. 77400; ARWOOD COPPER
PRODUCT CODES: 1732,1736,1720,1714,1728
EFFECTIVE: 06/25/86
REVISION #02

PRECAUTIONARY LABELLING

BAKER SAF-T-DATA(TM) SYSTEM

HEALTH	-	0	NONE
FLAMMABILITY	-	0	NONE
REACTIVITY	-	0	NONE
CONTACT	-	1	SLIGHT

HAZARD RATINGS ARE 0 TO 4 (0 = NO HAZARD; 4 = EXTREME HAZARD).

LABORATORY PROTECTIVE EQUIPMENT

SAFETY GLASSES; LAB COAT

PRECAUTIONARY LABEL STATEMENTS

CAUTION
MAY CAUSE IRRITATION
DURING USE AVOID CONTACT WITH EYES, SKIN, CLOTHING. WASH THOROUGHLY AFTER HANDLING. WHEN NOT IN USE KEEP IN TIGHTLY CLOSED CONTAINER.

SAF-T-DATA(TM) STORAGE COLOR CODE: ORANGE (GENERAL STORAGE)

---

2 - HAZARDOUS COMPONENTS

COMPONENT	%	CAS NO.
COPPER	90-100	07440-50-8

---

3 - PHYSICAL DATA

BOILING POINT: 2595 C (4703 F)
VAPOR PRESSURE(MM HG): N/A

MELTING POINT: 1083 C (1981 F)
VAPOR DENSITY(AIR=1): N/A

SPECIFIC GRAVITY: 8.92 (H2O=1)
EVAPORATION RATE: N/A (BUTYL ACETATE=1)

SOLUBILITY(H2O): NEGLIGIBLE (LESS THAN 0.1 %) % VOLATILES BY VOLUME: 0

APPEARANCE & ODOR: REDDISH, LUSTROUS, MALLEABLE METAL.

---

4 - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT (CLOSED CUP N/A

FLAMMABLE LIMITS: UPPER - N/A % LOWER - N/A %

FIRE EXTINGUISHING MEDIA
USE EXTINGUISHING MEDIA APPROPRIATE FOR SURROUNDING FIRE.

TOXIC GASES PRODUCED
COPPER FUMES

5 - HEALTH HAZARD DATA

THRESHOLD LIMIT VALUE (TLV/TWA): 1.0 MG/M3 (PPM)

CARCINOGENICITY: NTP: NO IARC: NO Z LIST: NO OSHA REG: NO

EFFECTS OF OVEREXPOSURE
DUST MAY CAUSE SNEEZING AND COUGHING.
DUST MAY IRRITATE SKIN OR EYES.
PROLONGED EXPOSURE MAY CAUSE DERMATITIS.
INGESTION MAY CAUSE NAUSEA, VOMITING, HEADACHES, DIZZINESS, GASTROINTESTINAL IRRITATION.
NOTE: PRODUCT IS A SOLID MASS; HOWEVER, WARNINGS ARE BASED ON INHALATION DUST, MIST OR FUME EMISSIONS THAT ARE POSSIBLE DURING MANUFACTURING OR CHEMICAL REACTIONS.

TARGET ORGANS
NONE IDENTIFIED

MEDICAL CONDITIONS GENERALLY AGGRAVATED BY EXPOSURE
NONE IDENTIFIED

ROUTES OF ENTRY
NONE INDICATED

EMERGENCY AND FIRST AID PROCEDURES
INGESTION: IF SWALLOWED AND THE PERSON IS CONSCIOUS, IMMEDIATELY GIVE LARGE AMOUNTS OF WATER. GET MEDICAL ATTENTION.
INHALATION: IF A PERSON BREATHES IN LARGE AMOUNTS, MOVE THE EXPOSED PERSON TO FRESH AIR. GET MEDICAL ATTENTION.
EYE CONTACT: IMMEDIATELY FLUSH WITH PLENTY OF WATER FOR AT LEAST 15 MINUTES. GET MEDICAL ATTENTION.
SKIN CONTACT: IMMEDIATELY WASH WITH PLENTY OF SOAP AND WATER FOR AT LEAST 15 MINUTES.

6 - REACTIVITY DATA

STABILITY: STABLE HAZARDOUS POLYMERIZATION: WILL NOT OCCUR

CONDITIONS TO AVOID: MOISTURE

INCOMPATIBLES: STRONG ACIDS, ACTIVE HALOGEN COMPOUNDS, CHLORINE, FLUORINE, IODINE, BROMINE, AMMONIA

DECOMPOSITION PRODUCTS: COPPER FUMES

7 - SPILL AND DISPOSAL PROCEDURES

STEPS TO BE TAKEN IN THE EVENT OF A SPILL OR DISCHARGE
WEAR SUITABLE PROTECTIVE CLOTHING. CAREFULLY SWEEP UP AND REMOVE.

DISPOSAL PROCEDURE
DISPOSE IN ACCORDANCE WITH ALL APPLICABLE FEDERAL, STATE, AND LOCAL ENVIRONMENTAL REGULATIONS.

8 - PROTECTIVE EQUIPMENT

VENTILATION:	USE GENERAL OR LOCAL EXHAUST VENTILATION TO MEET TLV REQUIREMENTS.
RESPIRATORY PROTECTION:	NONE REQUIRED WHERE ADEQUATE VENTILATION CONDITIONS EXIST. IF AIRBORNE CONCENTRATION EXCEEDS TLV, A DUST/MIST RESPIRATOR IS RECOMMENDED. IF CONCENTRATION EXCEEDS CAPACITY OF RESPIRATOR, A SELF-CONTAINED BREATHING APPARATUS IS ADVISED.
EYE/SKIN PROTECTION:	SAFETY GLASSES WITH SIDESHIELDS, PROPER GLOVES ARE RECOMMENDED.

9 - STORAGE AND HANDLING PRECAUTIONS

SAF-T-DATA(TM) STORAGE COLOR CODE: ORANGE (GENERAL STORAGE)

SPECIAL PRECAUTIONS
KEEP CONTAINER TIGHTLY CLOSED. SUITABLE FOR ANY GENERAL CHEMICAL STORAGE AREA.

10 - TRANSPORTATION DATA AND ADDITIONAL INFORMATION

DOMESTIC (D.O.T.)

PROPER SHIPPING NAME	COPPER, HEAVY FOIL
HAZARD CLASS	ORM-E
LABELS	NONE
REPORTABLE QUANTITY	5000 LBS.

INTERNATIONAL (I.M.O.)

PROPER SHIPPING NAME	CHEMICALS, N.O.S. (NON-REGULATED)

X ~~112186~~ 712487 HRZU 450929-6

Please print or type. (Form designed for use on elite (ch) typewriter.)

Form Approved. OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No.: PRD090405648
Manifest Document No.: 0600 1

2. Page 1 of 2

Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address
WALLACE INTERNATIONAL DE PR ATTN: IRIS BONILLA
CALLE B EL RETIRO IND. PARK
SAN GERMAN, PR 00683

4. Generator's Phone (787) 892-206

A. State Manifest Document Number

B. State Generator's ID

5. Transporter 1 Company Name: ENSCO CARIBE, INC.

6. US EPA ID Number: PRR000012664

C. State Transporter's ID: HW-73

D. Transporter's Phone: (787) 641-5392

7. Transporter 2 Company Name: CSX LINES

8. US EPA ID Number: PRD980527022

E. State Transporter's ID

F. Transporter's Phone: (787) 749-6666

9. Designated Facility Name and Site Address
TERIS
209 AMERICAN CIRCLE
EL DORADO, AR 71730

10. US EPA ID Number: ARD069748192

G. State Facility's ID

H. Facility's Phone: (870) 863-7173

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	HM		12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X	X	WASTE CORROSIVE LIQUID ACIDIC INORGANIC NOS, 8, UN3264, PG:II, (NITRIC AID, SULFURIC ACID), (ERG:)	001	30/6/5 DF	00030	G	D002
b. X	X	HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	002	8' CF	00400	P	D009
c. X	X	HAZARDOUS WASTE, LIQUID, N.O.S., 9, NA3082, PG:III, (TRICHLOROETHYLENE), (ERG:171)	008	55/6/5 DM	00440	G	D040
d. X	X	WASTE CORROSIVE solids sodium Hydroxids, N.O.S, 8, UN 1823, PG:II	001	55/6/5 DF	00500	P	D002

J. Additional Descriptions for Materials Listed Above
11A: , 01350174, 11B: , 50046529, 11C: F002,, 50054599 11D, 50054620

K. Handling Codes for Wastes Listed Above
S01, H141

15. Special Handling Instructions and Additional Information
JOB#0952-06W SHIP# 06-097 CONTAINER# HRZU 450929

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway and water according to applicable international and national government regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; **OR**, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name: * Edwin Colon Cupeles
Signature: [signature]
Month Day Year: 07 31 06

17. Transporter 1 Acknowledgement of Receipt of Materials
Printed/Typed Name: ENRIQUE CLEMENTE
Signature: [signature]
Month Day Year: 07 31 06

18. Transporter 2 Acknowledgement of Receipt of Materials
Printed/Typed Name: Alexis Santiago
Signature: [signature]
Month Day Year: 08 03 06

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.
Printed/Typed Name: Marion Smith
Signature: Marion Smith
Month Day Year: 08 03 06

GENERATOR / TRANSPORTER / FACILITY

Style CF 17 LABELMASTER® (800) 621-5808 www.labelmaster.com

EPA Form 8700-22 (Rev. 9-88) Previous editions are obsolete

PRINTED ON RECYCLED PAPER USING SOYBEAN INK PRINTED WITH SOY INK

BFI Waste Systems™

BROWNING-FERRIS INDUSTRIES

NON-HAZARDOUS WASTE MANIFEST	1. Generator's US EPA ID No.	Manifest Document No. 165062	2. Page 1 of	Pass Code:

GENERATOR

3. Generator's Name and Mailing Address
WALLACE SILVER SMITH
PO BOX 1177
SAN GERMAN, PR. 00683

Generating Location:
WALLACE SILVER SMITH
EL RETIRO IND. PARK
SAN GERMAN, PR. 00683

4. Generator's Phone ( ) (787) 923-1324

5. Transporter 1 Company Name	6. EQB Permit #	A. Transporter's Phone
CARIBE HYDROBLASTING CORP.	SR-57-0007	787-836-1110
7. Transporter 2 Company Name	8. EQB Permit #	B. Transporter's Phone
9. Designated Facility Name and Site Address PONCE SANITARY LANDFILL PO BOX 7104 / RD 500 BARAMAYA FINAL AVENUE PONCE, PR 00731	10. EQB Permit # RSM-0058	C. Facility's Phone 787-841-7775

11. Waste Shipping Name and Description	Handling Code	12. Containers No	12. Containers Type	13. Total Quantity	14. Unit Wt/Vol
a. SOLI CONTAMINATED WITH SILVER	061231L29Y611176			12	
b.					
c.					
d.					

D. Additional Descriptions for Materials Listed Above

15. Special Handling Instructions and Additional Information
AS PER OSHA AND NIOSH GUIDELINES

TRANSPORTER

16. GENERATOR'S CERTIFICATION: I certify the materials above on this manifest are not subject to federal regulations for reporting proper disposal of Hazardous Waste.

Printed / Typed Name	Signature	Month	Day	Year
Edwin Colón Cuevas		9	28	06

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed / Typed Name	Signature	Month	Day	Year
Nestor L. Hernandez	Nestor L. Hernandez	9	29	06

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed / Typed Name	Signature	Month	Day	Year

FACILITY

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of waste materials covered by this manifest except as noted in item 19.

Printed / Typed Name	Signature	Month	Day	Year

GENERATORS FIRST COPY

ESTADO LIBRE ASOCIADO DE PUERTO RICO / OFICINA DEL GOBERNADOR
Junta de Calidad Ambiental
Apartado 11488, Santurce PR 00910

Manifiesto de Transportación de Aceite Usado **Núm. Manifiesto B** 7191 **5**

Generador

1. Nombre y Dirección del Generador
WALLACE INT. DE P.R.
P.O. BOX 1177
San German P.R. 00683

2. Número de Identificación
AU-02-64-1009-1011

3. Teléfono
787-892-2065

4. Número de identificación patronal del generador o número de seguro social de individuo. Indicar el nombre de la compañía o persona a la que pertenece el número. Si está cediendo a un procesador el derecho de recibir pagos por acarreo y disposición del aceite usado, deberá indicar el nombre y el número de identificación patronal del mismo.

Nombre [illegible] 2 1 6 6 0 5 4 7 9 5 8

5. Descripción	6. Tipo de envase*	7. Volumen total (gal.)
a) aceite usado contaminado **		
b) aceite usado sin contaminar	15	1,114

* Bidones ("drones")- B Tanque- T ** Especificar contaminante en el encasillado 22

8. Cantidad en palabras de aceite usado sin contaminar
[illegible]

9. Certificación del Generador: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado descrita en los encasillados de la columna 7 y el encasillado 8 es correcta. Además, certifico que el pago por acarreo y disposición debe ser realizado a la entidad indicada en el encasillado 4.

[illegible] [illegible] [illegible]

Nombre en letra de molde Firma Fecha (D/M/A)

Transportador

10. Nombre del Transportador
CHACON'S ENVIRONMENTAL OIL CLEANING, INC.
711 CALLE MARINA
ENSENADA, P.R. 00647

11. Número de permiso
SR-29-0062

12. Teléfono
787-821-1486

13. Certificación del Transportador: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recogida está descrita correctamente en los encasillados de la columna 7 y el encasillado 8.

[illegible] [illegible] [illegible]

Nombre en letra de molde Firma Fecha (D/M/A)

Instrucciones

Copia 1 – Copia de la JCA: enviada por el Destinatario a la JCA
Copia 2 – Copia del Generador: enviada por el Destinatario al Generador
Copia 3 – Copia del Destinatario Final: la retiene el Destinatario
Copia 4 – Copia del Transportador: la retiene el Transportador
Copia 5 – Copia de la JCA: enviada por el Generador a la JCA
Copia 6 – Copia del Generador: retenida por el Generador

Este documento tiene que acompañar el cargamento de aceite usado. Los encasillados del 1 al 8 tienen que estar llenos al momento de firmar la certificación en el encasillado número 9. La información debe estar legible en todas las copias del formulario. De necesitar ayuda para llenar el formulario, favor de comunicarse con cualquiera de las oficinas de la JCA.

Area Metro	Arecibo	Ponce	Mayagüez	Guayama	Humacao
787-767-8124	787-880-0013	787-840-4070	787-833-1188	787-864-0103	787-502-4102

Destinatario

14. Nombre y Dirección del Destinatario
OIL ENERGY SYSTEM, INC.
BOX 1256
MAYAGUEZ, P.R. 00681-1256

15. Número de permiso
IP-98-50-0041-RM

16. Teléfono
787-834-0555

17. Certificación del Destinatario: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recibida corresponde a la cantidad descrita en los encasillados de la columna 7 y el encasillado 8.

Nombre en letra de molde Firma Fecha (D/M/A)

Estación de Trasbordo

18. Nombre de la Estación de Trasbordo

19. Número de permiso

20. Teléfono

21. Certificación de la Estación: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recibida corresponde a la cantidad descrita en los encasillados de la columna 7 y el encasillado 8.

Nombre en letra de molde Firma Fecha (D/M/A)

22. Discrepancias: Al hacer cualquier corrección, favor de indicar el número y letra (si aplica) del encasillado que se está corrigiendo. Firmar al lado de la corrección.

X71248760

Please print or type. (Form designed for use on elite (12 ...) typewriter.)

Form Approved OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No. PRD090405649 Manifest Document No. 06092

2. Page 1 of 2

Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address ATTN: IRIS BONILLA
WALLACE INTERNATIONAL DE PR
CALLE B EL RETIRO IND. PARK
SAN GERMAN PR 00683

4. Generator's Phone (787) 892-206

A. State Manifest Document Number

B. State Generator's ID SAME

5. Transporter 1 Company Name ENSCO CARIBE, INC.

6. US EPA ID Number PRR000013664

C. State Transporter's ID HW-73

D. Transporter's Phone (787) 641-5393

7. Transporter 2 Company Name CSX LINES

8. US EPA ID Number PRD980527022

E. State Transporter's ID

F. Transporter's Phone (787) 749-6686

9. Designated Facility Name and Site Address
TERIS
309 AMERICAN CIRCLE
EL DORADO, AR 71730

10. US EPA ID Number ARD069748192

G. State Facility's ID

H. Facility's Phone (870) 863-7173

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	HM		12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X	X	HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	001	CF	00093	P	D009
b.							
c.							
d.							

J. Additional Descriptions for Materials Listed Above
11A: , 50046529

K. Handling Codes for Wastes Listed Above
S01, H141

15. Special Handling Instructions and Additional Information
JOB#0952-06W SHIP# 06-099 CONTAINER# SCSU:450256

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations. AND WATER.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment, OR, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name: Edwin Colon Cupeles — Signature: [signature] — Month Day Year: 08 02 06

17. Transporter 1 Acknowledgement of Receipt of Materials
Printed/Typed Name: Edgardo López — Signature: [signature] — Month Day Year: 08 02 06

18. Transporter 2 Acknowledgement of Receipt of Materials
Printed/Typed Name: [signature] — Signature: [signature] — Month Day Year: 08 10 06

19. Discrepancy Indication Space

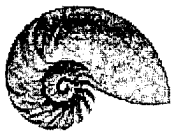
20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.
Printed/Typed Name: [signature] — Signature: [signature] — Month Day Year: 09 14 06

GENERATOR / TRANSPORTER / FACILITY

Style CF 17 LABELMASTER® (800) 621-5808 www.labelmaster.com

EPA Form 8700-22 (Rev. 9-88) Previous editions are obsolete

PRINTED ON RECYCLED PAPER ... SOYBEAN INK PRINTED WITH SOY INK



Harold Carrasquillo/PRIDCO
01/29/2007 03:35 PM

To Margarita Maldonado Ortiz/PRIDCO
cc Alfredo Perez Zapata/PRIDCO
bcc
Subject Muestreo EPA- Wallace Silversmith T-0261-0-54,T-0343-1-60,S-1404-0-87,S-0113-0-52 San German

Durante los días 22 ,23 y 24 de enero de 2007,personal de la empresa Weston Solutions,contratados por la EPA,realizó muestreos en las propiedades mencionadas.

El Sr. Dennis Foerter,de Weston Solutions,estuvo presente y cuatro técnicos enccargados de tomar y preparar las muestras.

Se tomaron un total de 13(trece) muestras en el terreno y se hicieron los "borings" hasta llegar al nivel del agua subterranea.El orificio de los puntos de muestreo fue de 2 pulgs de diametro.

Se tomaron dos muestras trasfondo("background") en el edificio adyacente(T-0496-058,almacen del Municipio de San German).Estas muestras se utilizaran como punto de comparación con las otras muestras.

El Sr. Foerter informó que todas las muestras serán analizadas para los parámetros:organicos volátiles y metales.

El proposito de este muestreo es obtener data para identificar fuentes potenciales de contaminación de los pozos de agua de Acueductos en esta area industrial.(posible Superfund site).La empresa Wallace pudiera estar relacionada con la contaminación de estos pozos.Durante nuestra visita reciente de inspección observamos que en el patio lateral del T-0343-1-60 Wallace tiene un tanque soterrado con aguas de lavado de piezas metálicas provenientes de interior.También poseen un tanque en el interior de 90 G para lavar piezas metálicas con tricloroetileno.
El Sr. Santago,gerente de Wallace,me proveyó copia de unos analisis realizados a un cieno(sludge) generado por la empresa.Este material fue analizado para la prueba de metales(plata) y resultó negativo.

Una vez este preparado el informe con los resultados de este muestreo,se nos proveerá una copia para nuestros records.

PRIDCO
PFI-069
R-04-04

Estado libre Asociado de Puerto Rico
COMPAÑÍA DE FOMENTO INDUSTRIAL DE PUERTO RICO
San Juan, Puerto Rico

FECHA 1 de febreo de 2007

Ing. Margarita Maldonado Ortiz MM 2 feb 07

Harold Carrasquillo Harold Carrasquillo

INFORME DE INSPECCIÓN A Wallace Silversmith P.R.
T-0261-0-54 y T-0343-1-60
San German

Caso Núm.: 06-I-121

Personas Entrevistadas: Sr. Luis Santiago-tel. 892-2065

Propósito de la Inspección: Muestreos de la EPA

Observaciones:

El 11 de enero de 2007 visité esta propiedad.La empresa Wallace se dedica a la manufacura de cubiertos (cucharas y tenedores) de metal y ocupa este local desde el 1987.

Eatos dos edificios estan conectados y unidos como uno solo.

Durante esta viista se observó:

INTERIOR

El interior se observó dividido en :area de oficinas,area de manufactura y almacen.

La empresa esta catalogada como un SQG(pequeño generador de desperdicios peligrosos).

El numero de generador EPA de la empresa es PRD-090405640.

El proceso de manufactura consiste de los siguientes pasos:derretir lingote de plata,mezclar plata derretida con cobre(Cu),prceso de moldeo de piezas,y lavado con tricloroetileno.

En el interior se observó un tanque sobretierra de metal de 90G utilizado para sumergir y lavar las piezas de metal.

En el interior no se observó material con asbesto.

Se observaron empleados trabajando .

CONT.: INFORME DE VISITA DE INSPECCIÓN A _____

Cont. Observaciones:

La empresa genera los sigientes desperdicios ,pero en pequeñas cantidades:tricloroetileno usado, mezcla de ácido sulfúrico,ácido muriático y ácido nítrico.

También generan aceites usados.La empresa P.R. Used Oil Collectors provee el servicio de recogido.El industrial nos proveyó copia de un manifiesto.

La empresa Ohoa proveeel servicio de regogido de desperdicios peligrosos.

En el intrerior se observó un area de almacenaje de químicos.Esta area esta localizada en el area de carga/descarga..Se observaron varios drones de 55G de metal con ácido muriatico y sulfúrico.

No se observaron manchas ni derrames de substancias en el interior.

EXTERIOR

En el patio laterlal se observó un tanque (poceto de concreto) abierto soterrado.Este tanque recibe aguas de lavado el interior (de tanques y piezas de metal sin tricloroetileno).

Este poceto tiene una capacidad aproximada de 200G.Este tanque fue instalado por Wallace aproximadamente hace 20 años y aparece registrado en la JCA(# 2-86-1986).UST

Luego de este poceto las aguas pasan a dos tanques de evaporación (plásticos de 1,000G c/u)

Este poceto se limpia cada seis meses aproximadamente y se le remueve el cieno acumulado.

Este cieno se dispone.

Durante la visita el Sr. Santiago ,gerente,me informó que hace varios años aparentemente un empleado por error involuntario depositó este cieno en el terreno del patio posterior.

El terreno contaminado se removió y se dispuso..Se analizó para la prueba TCLP -metales .

Este analisis se realizó en septiembre de 2006 por Beckton Environmnetal .Los analisis resultaron negativos para todos los parámetros(As,Ba,Cd,Cr,Pb,Hg,Se , Ag) analizados.

Ver copia resultados.El terreno removido se dispuso en septiembre de 2006 como material no-peligrosos por BFI.Ver copia de manifiesto.

La empresa Wallace posee un permiso de descarga industrial GDA-88-313-007.

Durante el año 2000, la AAA emitió una Orden y Estipulación imponiendo una multa a Walllace

CONT.: INFORME DE VISITA DE INSPECCIÓN A _____

Cont. Observaciones:

relacionada con por violaciones y "excedencias" en los límites del Permiso de Descarga .

La penalidad fue de $14,000.

En octubre de 1995 Wallace desconectó su descarga de aguas usadas industriales del sistema de alcantarillado de la AAA, y lal presente descarga solamente aguas sanitarias.

El poceto de concreto esta registrado en el Registro de Tanque Soterrados de la JCA.

Este tanque aparece registrado bajo Wallace International con el # 2-86-1986

Recomendaciones:

Se recomienda esperar por los resultados analíticos de las muestras tomadas por Weston Solutions los días 22,23 y 24 de enero de 2007 antes de hacer conclusiones.

Estas muestras serán analizadas para los parámetros organicos volátiles y metales.

Wallace puede ser un potencial contribuyente a la contaminación de los pozos de esta area.

Debemos asegurarnos que se nos envie copia de este informe con los resultados.

Anejos: Documentos Entregados por el Sr. Santiago
1- Resultado Muestra Tierra
2- Manifiesto Disposición Tierra Contaminada con Cieno
3- Certificación AAA
4- Manifiestos

INFORME DE VISITA

FECHA DEL INFORME: 5 feb 07

A: Record

DE: Margarita Maldonado Ortiz

VISITA A WALLACE INTERNATIONAL, SANGERMAN
FECHA DE VISITA: 2 FEB 07

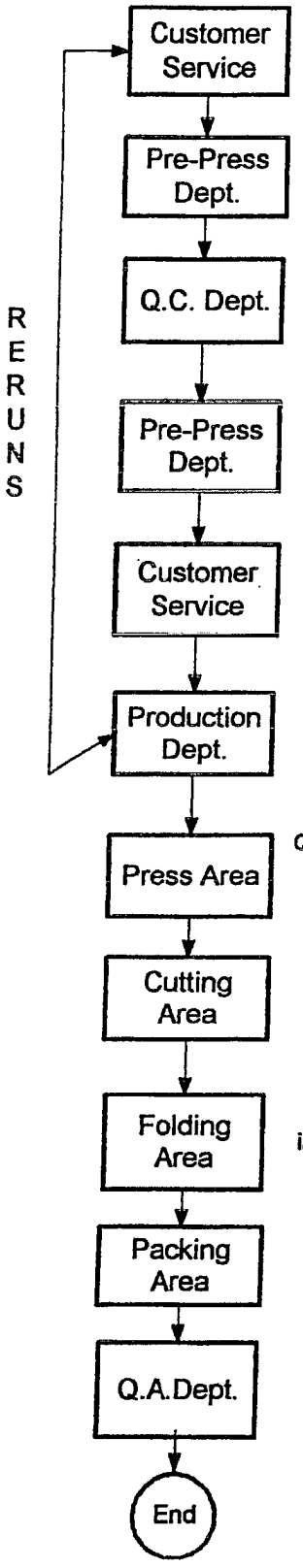
PROPOSITO DE LA VISITA: CONOCER LAS OPERACIONES DE WALLCE Y EREAS DE PREOCUPACION DEL ESTUDIO REALIZADO POR EPREGION 2

PERSONAS ENTREVISTADAS: Sr. Manuel cruz

OBSERVACIONES: El licenciado Jorge García estuvo presente en la visita. Wallace se ha dedicado por más de treinta años a fabricar cubiertos de mesas en plata. Tienen varios diseños y en ocasiones hacen diseños de acuerdo a los requisitos de los clientes. Tuvieron arrendado tres edificios: T-0261-0-54, T-0343-0-56 & s-1404-0-0-87. Actualmente no utilizan el S-1404-0-87, sin embargo el muestreo realizado por la EPA incluyó los terrenos de este último.

Hicimos un recorrido por todo el proceso que comenzando con el área donde se almacena el *raw material*, que es un área bien controlada. Aunque en toda la planta hay muchos controles por el material que se maneja. Tienen un área donde se limpian las piezas que era aquí donde se utilizaba el freón. También tiene un área donde se tratan las aguas de lavados. También tiene un sistema de colectores de polvo para el área de pulido. El polvo que se colecta se recicla porque contiene plata. Las áreas de mayor preocupación por el manejo de químicos son el área de lavado y las del tratamiento de aguas usadas.

CCL *Insertco Quality Flow Chart*



Artwork, Purchase Order and Specifications are received by CCL Insertco's Customer Service Department. The Customer Service will verify that all documents are correct and that there is no discrepancy. If there is any discrepancy, the customer will be informed,.Job Jacket will be put "On Hold" until the customer informs how to proceed.

Artwork, Specification and Job Jacket will be registered in the Artwork Log Book. Customer Service will deliver the documents to the Pre-Press Department for the development of proofs required by the customer.

Proofs will be developed and sent to the Quality Control Department for final approval. When final approval has been given, the proofs will be sent to Pre-Press Department to be packed.

Pre-Press Department will return Job Jacket and packed Proofs to the Customer Service Department. Customer Service will document in Artwork Log Book what was shipped to the customer.

When Customer Service receives from the customer the ok to print, Job Jacket is given to production and documented in the Artwork Log Book.

Production Coordinator will schedule production.

Quantity produced in the Press Area will be as requested by the customer. Inspection forms and sampling will be taken by a Q.A. Inspector throughout the run on press.

Printed material will be cut as per customer specification. Inspection form and sampling will be taken by a Q.A. Inspector throughout the cutting procedure.

If required by the customer, cut material will be sent to an assigned folding area. inspection form and sampling will be taken by a Q.A. Inspector throughout the folding procedure.

Material will be packed as per customer requirements. Inspection form and sampling will be taken by a Q. A. Inspector throughout the packing procedure.

Invoice and certificate of compliance will be filled out. Job Jacket will be given to the Q.A. Department for revision. All documents will be retained for five (5) years.

Note

Samples will be retained in the Job Jacket.

Q.C. Inspectors are authorized to stop any job in process due to non-compliance with customer requirements

V.D. Machinery and Equipment

Machinery and Equipment

Printing Department:		
Rotary Web Offset		
Didde Glaser Press	17 X 17	4 Colors
Didde Glaser Press	17 X 24	2 Colors
Didde Glaser Press	20 X 24	4 Colors
Heidelberg Speed Master	28 X 40	4 Colors (Perfector)

Cutting Department:	
Polar Mohr EM 76	Trim Size: 29-15/16 '' X 45-1/4"
Polar Mohr 115 EMC	Trim Size: 45-1/4" X 45-1/4"

Q.A. Department:
Global Vision Robotic Proofreader

Rewinding Department:		
Standford Rewinder		
Folding Department		
Herzog & Heymann (5) Outsert		Feed Size: Max 23" X 13" Min. 1-1/4"
Herzog & Heymann (2) Insert		Feed size: Max. 23" X 13" Min: 1-1/4"
Vijuk (1) Outsert Glueing Attachments	Glueing Size: ¾"	Feed size: Max. 28" X 12" Min. 3/4" Slitting Capacity 6 Out
Vijuk (2) Outsert Glueing Attachments	Glueing Size: ¾"	Feed size: Max. 39" X 13" Min. 3/4" Slitting Capacity 6 Out
Stahl Folding Machines (2)		Feed size: Max. 21" X 13" Min. 1"
MBO		Feed size: Max. 52" X 24" Min. 2"

Environmental Analysis

Installation of a Wastewater Discharge and Disposition Reduction System

Submitted by:
Eng. Ricardo Santana
Environmental Coordinator

NJP Insertco
a subsidiary of Menasha Corporation
San Germán, Puerto Rico

November 11, 1996

Introduction

NJP Insertco has been in operations since 1985 with the former name of Insert Corporation of Puerto Rico, Inc., but with Menasha Corporation's acquisition in March 1995, an expansion project began and starting on March 1996, we moved our Insert and Outsert manufacturing operations to PRIDCO facility S-0551-0-54, located at Industrial Park El Retiro, San Germán.

In our search for a safer workplace, we have incorporated the usage of more environmentally conscious products and raw materials, at the cost of the generation of a wastewater stream that arises from our printing process whose disposition costs have led us to the installation of a wastewater evaporation system that will help us reduce the regular wastewater volume by around 95%[1].

Even though there will not be a negative environmental impact from the installation, usage and maintenance of the evaporation unit, the construction of a Storage Room at the Southwest portion of the facility is required to house the evaporator and its instrumentation, a project which will be discussed throughout this document.

This Environmental Analysis is submitted in compliance with the Public Environmental Policy Law of the Commonwealth of Puerto Rico; Article 4C, Law #9 of June 18, 1970.

---

1 Additional information on the evaporation system is included as part of Appendix A.

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Project Description 4

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Environmental Considerations 7

- Water 7
- Air 7
- Stormwater 7

Waste Generation and Noise 8

- Solid Waste 8
- Noise 8

Social and Economical Aspects 8

Project Description

For the installation of the LS-55 Evaporation Still, the construction of a Storage room at the southwestern part of PRIDCO facility S-0551-0-54, located at Industrial Park El Retiro in San Germán is required. This storage room will at the same time store the chemicals used intrinsically in our production process, all of which are currently being kept in our original facility and have to be transported and/or transferred every time their usage is required.

Facility Description

The structure consists of 36,000 ft^2 of internal production area, in which our production printing process has been arranged; together with enough area for the storage of raw materials, an employee break-room, and a designated area for conferences and/or training sessions. The facility is bounded by a vacant PRIDCO facility at the north, Wallace International and PREPA's electrical substation at the west, General Electric's facility on the south, and a drainage ditch that runs parallel to PR 102 at the east[2].

The storage room in discussion will occupy an area of 220 ft^2 (12' x 18') and will be constructed out of concrete, 4 x 4 columns of galvanized iron, structural iron (or its equivalent) and galvalun. An internal electrical grounding system will be installed to provide for the proper groundage of all flammable liquid containers, as well as for the evaporation unit.

---

2 Further details can be appreciated by referring to Appendix B, **Site Plan of Insertco Facility**

Utilities

Water will be one of the utilities required for the condenser and cooling coil that drops the temperature of the evaporator's body. At regular operation, the condenser requires a flow of 1½ g.p.m., while the cooling coil requires 7 g.p.m. for the tank cool-down. The condenser will work while the evaporator is in operation for approximately 12 hours; the cooling coil will require water flow for one hour, as recommended by the manufacturer.

Outlet temperatures are well within the PRASA parameters for sewer discharge temperature of 40 °C; the outlet temperature from the condenser is expected to be 80°, 102°F from the cooling coil. All calculations are included as part of this documentation on Appendix C [3].

Power consumption of the evaporation unit will not exceed 6.6 kVA (220 V x 30 A; single phase) which could be considered non-significant, since our average consumption is near the vicinity of 440 kVA and the electrical transformer that energizes the whole facility has a capacity of 1,000 kVA. No significant changes or alterations will be required in the internal electrical distribution other than providing a 220 V single phase line, similar to the one installed for the domestic usage of an electrical stove.

---

3 Thermodynamic properties were all obtained from Perry's **Chemical Engineers Handbook**, 6 Edition; equations used were obtained from Randall N. Robinson's **Chemical Engineers Reference Manual** and Larry E. Wright's **Chemical Engineering Quick Reference Cards**.

Operation Process

The LS-55 Little Still Solvent Recovery Unit is manufactured by Finish Engineering Co., Inc., Pennsylvania; originally designed to recover contaminated organic solvents safely. Its construction design is an advantage for our project, since the unit comes will many safety standard features, such as an explosion proof tank and NEMA-7 instrumentation. These exceeded safety features will provide a safer environment for operators working with a non-flammable and non-explosive waste stream. Our wastewater proved to be non-hazardous after tested for RCRA parameters of ignitability, corrosivity and reactivity. In our situation, the solvent recovered is essentially water with dissolved organics in concentrations of parts per billion (ppb).

The unit's operation consists mainly on an electrical resistance that will transfer heat directly to the boiling tank. All the material to be evaporated will be poured directly to a polyethylene liner inside the tank which will serve to permit the collection of waste concentrates easily without having to clean the tank itself and to protect the walls of the tank from fouling accumulation, which leads to higher costs in electrical consumption due to poor heat transfer. Once the material evaporates, convective flow transfers it through the condensing heat exchanger. All water condensates will be collected in designated drums and reused.

Electrical and heat transferring parts are properly isolated from the operator. The boiling tank capacity is 55 gallons and the unit is capable of evaporating up to 4 gallons per hour of our particular waste.

Environmental Considerations

Water

The equipment requires water for the condensation of distillates and for the cool-down of the tank itself (if it were necessary). The volume of water for condensation will be approximately 72 gallons a month and if required, cool-down will not require more than 30 gallons a month, for a total of 102 ± 10% gallons on a monthly basis.

This water will not undergo any chemical processing and its discharge will be at a temperature slightly higher than that received[4], but still under the discharge limit of 40°C established by PRASA. The additional discharge volume should not adversely affect NJP Insertco, nor the local wastewater treatment plant, since this volume represents less than 0.5% of the discharge originally reported to PRASA of 20,440 gallons per month (730 G.P.D.) on the Industrial Survey Questionnaire submitted back in October 1995.

Air

The evaporation process will generate water vapor which will be condensed and reused. No emissions will result from this process that could harm the environment in any way, since testing our wastewater stream in detection limits of up to 0.001 mg/L for Volatile and Semi-Volatile Organic Compounds, no traces were found[5].

Stormwater

All equipment will be maintained inside a storage room, so no exposure to Stormwater will occur. At the same time, the Storage Room will be constructed with internal contention devices, as to retain any incidental spill of either chemicals or wastewater. NJP Insertco has its own Incidental Spill Response team and a written plan for incidental spill response together with documentation on all training sessions, all available upon request.

---

4 Calculations are included as part of Appendix C.

5 Beckton Laboratories results are included as part of Appendix D.

Waste Generation and Noise

Solid and Special Waste

NJP Insertco's wastewater stream has been certified as Non-Hazardous by a privately owned Analytical Laboratory. All liquid wastes are collected at NJP Insertco by private transporters contracted by BFI and disposed of at BFI's industrial cell in Ponce, Puerto Rico.

No solid wastes will be generated from this process and distillation bottoms will continue to be sent to BFI's solidification pit.

Noise

This equipment has no impact or moving operable parts. Still, NJP Insertco will keep providing all necessary and required PPE to all operators.

Noise levels are expected to remain in the vicinity of 65 to 75 db.

Social and Economical Aspects

Because of its random usage, this equipment will not require any permanent designated personnel for its operation, thus no new or further employees will be required.

Appendix A

Appendix B

Site Plan of Insertco Facility

MANUAL PNEUMATIC PUMPS

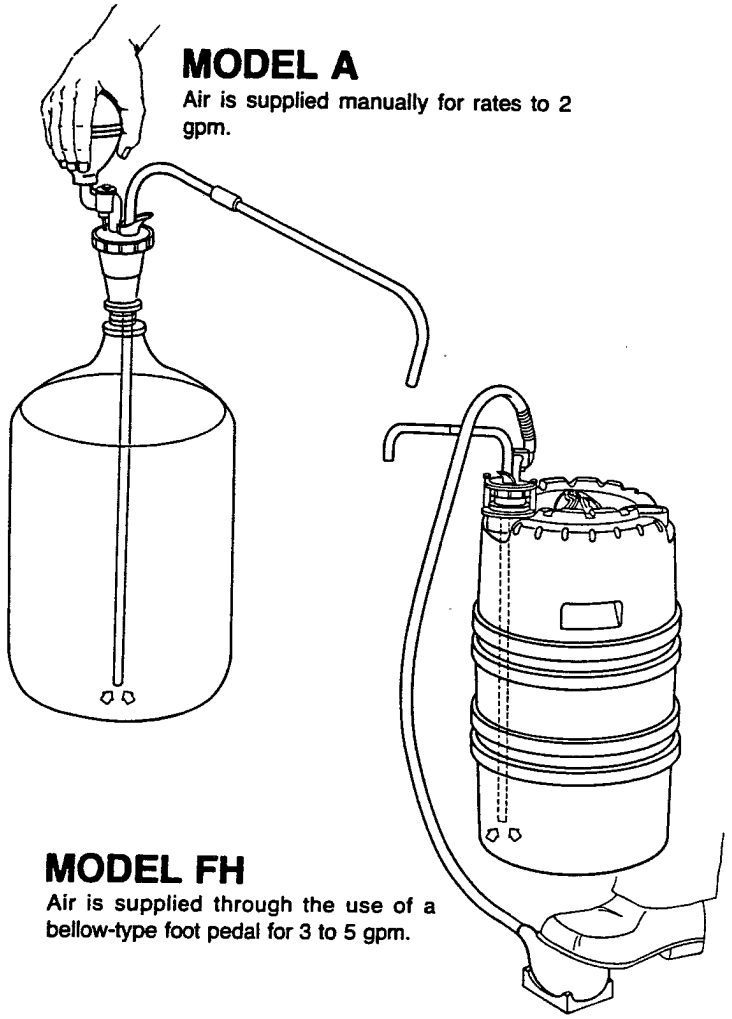
Thompson Manual Pneumatic Pumps are ideal for use either when a flow of up to 5 gpm is required or when elevating the flow as much as 12 ft.

Models A & FH with polyethlene and lead tubing. Either will accomodate all common acids and solvents. Both tubings can be adjusted to the depth of the container.

Air is supplied manually (Model A) or through the use of a bellow-type foot pedal (Model FH).

The flow can be stopped by releasing the air pressure, lifting up on the small finger release valve. The long tapered plastic plug fits openings with inside diameters from 1" to 2". This range covers most standard glass carboys and many of the other types of commonly used acid containers.

NOTE: When not in use, lift pump out and lay on its side. This removes the pump from corrosive acid fumes and also forces the ball valve to roll off its seat, preventing it from sticking.



MODEL A

Air is supplied manually for rates to 2 gpm.

MODEL FH

Air is supplied through the use of a bellow-type foot pedal for 3 to 5 gpm.

TUBING RECOMMENDED FOR USE WITH ACID PUMPS

Polyethelene Plastic Tubing – Will satisfactorily handle all of the common acids.

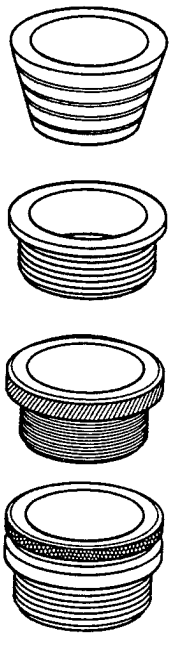
Chemical Lead Tubing – Boric, chromic, conc. nitric, phosphoric, and sulphuric acids. Bisulfates, chromates, phosphates, sulfites, and sulfates. Acetone, benzol, carbon terrachloride, ether and phenol. Photographic solutions. Plating industry solutions.

GENERAL INFORMATION

To use in Carboy — Neck opening is larger than 2" I.D., so specify Adapter.

To use in 55 Gal. Drum – Insert the pump, fitted with Adapter, in the 2" bung opening. If the larger opening is at the top of the standing drum, an additional 10" of tubing must be specified to compensate for the extra height of this larger drum.
Additional Tube Set to be purchased. Please specify.

ADAPTERS

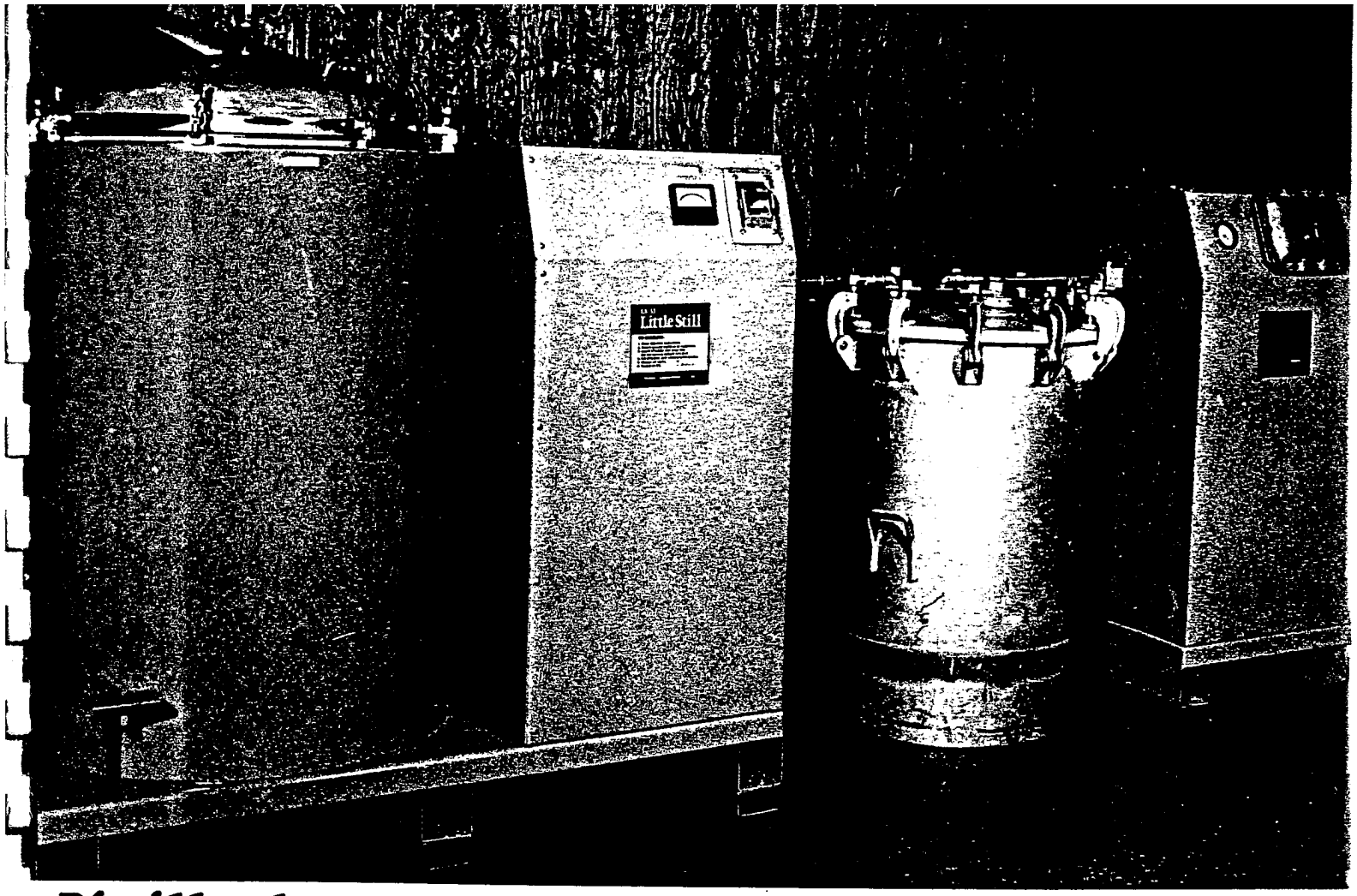


NO. 468 ADAPTER
Slips on over the pump or pouring spout plug to increase its diameter to 2 1/2". This is indicated when the pump is to be used in 15 gallon stainless steel nitric acid drums and most polyethelene plastic carboys.

NO. 470 ADAPTER
Screws into the opening of 55 gallon stainless steel nitric acid drums with a 2" I.P.S. opening. The pump or pouring spout is then inserted into this adapter. No. 1 Hold Down Clamp is to be ordered.

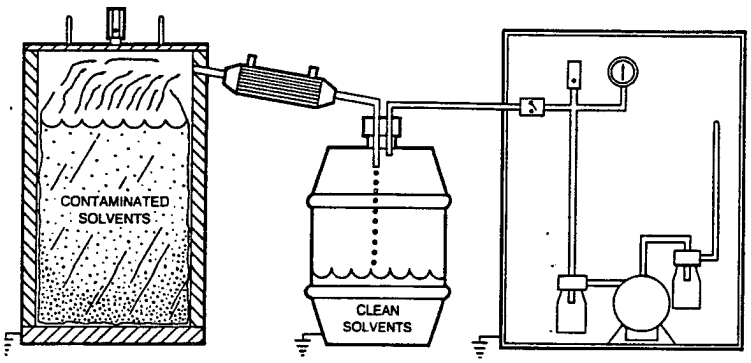
DELEWARE ADAPTER
Screws into the Deleware containers with a 2" buttress thread. The pump or pouring spout, is then inserted into the adapter. No hold down required.

DELDRUM ADAPTER
Has 2" male buttress thread. No. 1 hold down. 13-gallon to 16-gallon Deldrum - 260#. For Deldrum's and Delboy's.



Distill solvents such as:

- MINERAL SPIRITS
- STODDARD SOLVENTS
- KEROSENE
- VARSOL
- AND MANY MORE



The LS Vacuum Series Stills expands your operating capabilities for " High Boiling Solvents".

Features:

- Distill solvents with up to 500°F boiling ranges.
- Capacities up to 55 gallons per process.
- All explosion proof, Class 1, Group D, Division 1 design.
- Achieves up to 26 inches mercury vacuum.
- Selector switch for vacuum or atmospheric operation without plumbing change.
- Vacuum control valve
- Vacuum gauge
- Fully grounded

FINISH ENGINEERING CO. INC.
921 GREENGARDEN BLVD. • ERIE, PENNSYLVANIA • USA
814/455-4478 • TWX: 510-696-6816

* Patent Pending

LS-V 1282

Wallace International

VACANT WAREHOUSE

DRAINAGE FLOW

ROOF DRAIN

Vacant Facility

DRAINAGE DITCH

GRASS

STREET B

LANDSCAPED

SIDEWALK

PAVED PARKING

GATE

GATE

GATE

LOADING DOCK

24" DRAINAGE LINE

DRAINAGE FLOW

LANDSCAPED

RAMP

INLET

BUILDING S-551

CONCRETE SLAB WITH PORT

FENCE

24" DRAINAGE LINE SOURCE UNKNOWN

DOCK WITH OVERHANG

CONCRETE SLAB WITH PIPING HOLES

FENCED TRANSFORMER PAD

DRAINAGE FLOW

Proposed Construction Site

CONCRETE SLAB

G.E. PARKING LOT

LANDSCAPED

CONCRETE WALK

CONCRETE VAULTS FILLED WITH WATER

all Removed by December 1995.

SEPTIC SYSTEM VAULT (DRY)

1

DRAINAGE DITCH

DRAINAGE DISCHARGE

LOCATION

DRAINAGE DISCHARGE FROM G.E. PROPERTY

GENERAL ELECTRIC
SAN GERMAN PLANT

LEGEND

- MUNICIPAL STORM WATER CATCH BASIN SYSTEM
- STORM WATER DRAINAGE DITCH
- AREA DRAINING TO STORM WATER CATCH BASIN SYSTEM
- AREA DRAINING TO DITCH
- 1 OBSERVATION LOCATION

ESE A GEOMATRIX Company
Environmental Science & Engineering, Inc.
5440 N. CUMBERLAND AVE.
CHICAGO, IL 60656
(312) 693-6030

SITE PLAN
of
S-551
EL RETIRO INDUSTRIAL PARK
SAN GERMAN, PUERTO RICO

for
MENASHA CORPORATION

DRAWING NAME: B950776.DWG		FILE NUMBER: 559 5141	
SCALE: N.T.S.	REVISION: 0	DRAWN BY: CBG	DATE: 10/24/95

Appendix C

Effluent Temperature Determination

LS-55 Little Still, Finish Engineering Co.

Exit temperature for the evaporator's body cool-down water stream

Based in one hour of operation, as required by manufacturer

Volumetric flow of cooling fliud	7.000	gpm	0.016 cfs
Cooling Coil, Cu Type M Hard 3/8	0.495	ID in.	0.041 ID ft.

Water Properties @ 80°F

Density	62.220	lb/ft^3	
Viscosity	0.860	cP	2.081 lb/(ft hr)
Heat Capacity	4.18	kJ/(kg K)	0.998 BTU/(lb °F)
Thermal Conductivity	0.363	BTU/(hr ft °F)	

Water feed pipe, ½ in Sch 40 PVC		0.622 in (ID)
Velocity of cooling flow		7.582 fps

Properties of cooling coil

Velocity of cooling flow inside coil			12.118 fps
	Reynold's		51,770 *Flujo Turbulento*
	Prandtl		5.72
	Nusselt		285.16 *Sieder & Tate*
Convection coefficient	***h***		2,524.71 Btu/(ft^2 hr °F)

Total heat removed **214,971.47** Btu

Obtained from the "Time required for distillation" sheet)

Exit temperature of cooling stream

Heat transfer area of tank	3.792	ft^2
Time required for cooling	1.000	hr
Water feed temperature	80	°F
Temperature Gradient	22	°F
Exiting Temperature	**102**	°F

Temperatures of streams flowing out of the condenser

Condenser is a double tube heat exchanger, with water vapor as the hot fluid on inner pipe

Volumetric flow of water vapor	4.372	gph	0.00016236 cfs
Diameter of Internal pipe (D_i)	1.500	in (ID)	Sch 80, 1½ in., steel
Flow area on internal pipe	0.0123	ft^2	

Convection coefficient of flow inside of the internal pipe

Water vapor velocity	0.013	fps	
Vapor density @ 212 °F	0.037	lb/ft3	
Vapor viscosity @ 212 °F	0.00001202	Ns/m^2	2.91E-02 lb/(ft hr)
	0.0120	cP	
Thermal conductivity of vapor	1.43E-02	Btu/hr ft °F	
Heat capacity	0.48460000	Btu/lb °F	
Reynold's number for vapor stream	8	*Flujo Laminal*	
Prandtl number for vapor stream	0.986		
Nusselt number (Sieder & Tate)	0.142		
Internal Convection Coefficient (h_i)	0.016	Btu/(hr ft^2 °F)	
Diameter of the outer pipe of the HX	3.150	in. (OD)	
	3.000	in. (ID)	
Intermediate Convection Coefficient ($h_{i,o}$)	0.008	Btu/(hr ft^2 °F)	

Convection Coefficient for the cooling fluid

Volumetric flow of cooling water	1.500	gpm
HX External pipe diameter	3.000	in. (ID)
Equivalent Diameter (Annulus & External)	4.500	in

Cooling fluid properties

Water Density @ 212 °F	62.220	lb/ft3	
Viscosity @ 212 °F	0.860	cP	2.081 lb/hr ft
Thermal Conductivity	0.363	Btu/lb ft °F	
Heat Capacity	0.998	Btu/lb	
Reynold's Number for the cooling fluid	1,220	*Flujo Laminal*	
Prandtl Number	5.721		
Nusselt Number (Sieder & Tate)	14.221		
External Convection Coefficient h_o	13.766		

Overall Clean Heat Transfer Coefficient (U_c)

Taking into consideration pipe wall resistance 0.0078 Btu/ft^2 hr °F

Temperatures of streams exiting the condenser

Massic Flow of water		748.636 lb/hr			
Massic Flow of vapor		0.022 lb/hr			
Length of the Heat Exchanger		1.083 ft			
Feed temperatures	water	80.000 °F		R value	70,080
	vapor	212.000 °F		x value	2.543

Exiting temperature of condensed fluid ***131.907 °F***

Exiting temperature of cooling fluid ***80.001 °F***

Time Required for Distillation

Solvent Data

Solvent Density	8.33 lbs/gal	Solvent T_{bp}	225 °F
Tank's Maximum Capacity	55.00 gal		
Pounds of Fluid in Tank	458.15 lbs	**DT**	145 °F

Heat Required by Solvent

Specific Heat Capacity	1.00 Btu/lb °F	Latent Heat	136,214.72 Btu/lb
Heat required by solvent	66,431.75 Btu		
Total Solvent Btu	202,646.47 Btu		

Vessel Btu	12,325.00 Btu
Heat Loss (determined bo means of a graph provided by the manufacturer)	3,190.00 Btu/hr

Estimated time required for the distillation

Heat Input	17,983.00 Btu input / hr
Heat Required	214,971.47 Btu total

Distillation Time (approx) **11.95 hr**

Appendix D

Analytical Laboratory Results

BECKTON ENVIRONMENTAL

LABORATORIES, INC.

November 10, 1995

ANALYSIS REPORT

SAMPLE IDENTIFICATION: Residual Solución de Fuente Prensa
NJP Inserco San Germán, P.R.

Attn.: Mr. Ricardo Santana
Lab Name:_Beckton Environmental Laboratories_ Contract:_Inserco

Matrix:___Water_____ Lab. sample ID:___BEL-15197_____

Sample wt/vol:_1000/5.0_ (g/mL)__mL__ Lab. File ID:__15197TCL____

Column: (pack/cap) __capillary_____ Date Received: 10/24/95
Date Analyzed: 11/09/95 (V)
11/08/95 (SV)

MAXIMUN CONCENTRATION OF CONTAMINANTS
FOR CHARACTERISTIC OF TCLP TOXICITY

EPA HAZRDOUS WASTE NUMBER	CONTAMINANT	RESULTS (mg/L)	DETECTION LIMIT (mg/L)	REGULATORY LEVEL (mg/L)
	METALS (SW 6000/7000)			
D004	Arsenic	N.D.	0.002	5.0
D005	Barium	0.3530	0.00009	100.0
D006	Cadmium	0.0019	0.00015	1.0
D007	Chromium	0.0195	0.0006	5.0
D008	Lead	0.0193	0.002	5.0
D009	Mercury	N.D.	0.0005	0.2
D010	Selenium	0.459	0.002	1.0
D011	Silver	N.D.	0.00075	5.0
	VOLATILE ORGANICS (SW 8010; SW 8015; SW 8021)			
D018	Benzene	N.D.	.040	0.5
D019	Carbon Tetrachloride	N.D.	.040	0.5
D021	Chlorobenzene	N.D.	.040	100.0
D022	Chloroform	N.D.	.040	6.0
D027	1,4-Dichlorobenzene	N.D.	.040	7.5
D028	1,2-Dichloroethane	N.D.	.040	0.5
D029	1,1-Dichloroethylene	N.D.	.040	0.7
D035	Methyl Ethyl Ketone	N.D.	5.00	200.0
D039	Tetrachloroethylene	N.D.	.040	0.7
D040	Trichloroethylene	N.D.	.040	0.5
D043	Vinyl Chloride	N.D.	.020	0.2

N.D.- not detected

192 VILLA STREET
PONCE, P.R. 00731

TEL. (809) 841-7373
FAX (809) 841-7313

BECKTON ENVIRONMENTAL

LABORATORIES, INC.

SAMPLE IDENTIFICATION: BEL-15197

EPA HAZRDOUS WASTE NUMBER	CONTAMINANT	RESULTS (mg/L)	DETECTION LIMIT (mg/L)	REGULATORY LEVEL (mg/L)
	SEMI-VOLATILE ORGANICS (SW 8270)			
D023	o-Cresol	N.D.	.002	200.0
D024	m-Cresol	N.D.	.002	200.0
D025	p-Cresol	N.D.	.002	200.0
D030	2,4-Dinitrotoluene	N.D.	.002	0.13
D032	Hexachlorobenzene	N.D.	.002	0.13
D033	Hexachloro-1,3-butadiene	N.D.	.002	0.5 #
D034	Hexachloroethane	N.D.	.002	3.0
D036	Nitrobenzene	N.D.	.005	2.0
D037	Pentachlorophenol	N.D.	.002	100.0
D038	Pyridine	N.D.	.002	5.0
D041	2,4,5-Trichlorophenol	N.D.	.002	400.0
D042	2,4,6-Trichlorophenol	N.D.	.002	2.0

N.D.- not detected

HAZARDOUS CHARACTERISTICS

IGNIGTABILITY: Hazardous Waste Number D 001

The sample does not exhibit the characteristic of ignigtability according to the U.S. Environmental Protection Agency, Manual SW 846, "Test Methods for Evaluating Solid Wastes".

Flash point > 140º F

CORROSITIVITY: Hazardous Wastes Number D 002

The sample does not exhibit the characteristic of corrosivity according to the U.S. Environmental Protection Agency, Manual SW 846, "Test Methods for Evaluating Solid Wastes".

The pH of the sample was 8.03 S.U. @ 10ºC.

REACTIVITY: Hazardous Wastes Number D 003

Sample does not exhibit the characteristics of reactivity according to U.S. Environmental Protection Agency, Manual SW 846, "Test Methods for Evaluating Solid Wastes".

Sulfide	< 10	ppm (limit 500 ppm)
Cyanide	< 10	ppm (limit 250 ppm)

192 VILLA STREET
PONCE, P.R. 00731

TEL. (809) 841-7373
FAX (809) 841-7313

BECKTON ENVIRONMENTAL

LABORATORIES, INC.

SAMPLE IDENTIFICATION: BEL-15197

Certification and release of the data contained in this Report of Analysis has been authorized by the Laboratory Manager or the Manager's Designee.

ESTADO LIBRE ASOCIADO DE PUERTO RICO
Eulalia Medina Pérez
LIC. # 3901
A 386176
QUIMICO LICENCIADO

Lcda. Eulalia Medina
Chemist
Chemist License 3901

192 VILLA STREET
PONCE, P.R. 00731

TEL. (809) 841-7373
FAX (809) 841-7313

ESTADO LIBRE ASOCIADO DE PUERTO RICO

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
PO BOX 362350 SAN JUAN PR 00936-2350

FAX: (809) 250-1599

25 de marzo de 1992

A : Sr. Pedro José Rivera

P/C : Ing. Margarita Maldonado

DE : Igdalie Rodríguez

ASUNTO: **Digital Equipment Corp.**
Edificio: S-0551-0-60 y Ext.
Solar: L-49-55
San Germán, Puerto Rico
Caso: 91I-047

A solicitud del Departamento de Contratos, el 24 de enero y 5 de marzo de 1992 inspeccionamos la propiedad indicada en el asunto.

La solicitud obedece a la cancelación del contrato de arrendamiento.

Respondiendo a ésta, hemos evaluado la situación ambiental de la propiedad. En esta evaluación consideramos las siguientes reglamentaciones estatales y federales:

-Ley Federal de Conservación y Recuperación de los Recursos (RCRA).
*Reglamento para el Control de los Desperdicios Sólidos Peligrosos y no Peligrosos (versión enmendada).
*Reglamento para el Control de la Inyección Subterránea.
*Reglamento para el Control de la Contaminación Atmosférica (versión enmendada)
-Prevención de Contaminación de Aceites, Código Registro Federal 40,Parte 112.
-"PCB bajo TSCA".
-Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico del Departamento de Recursos Naturales de Puerto Rico.
-Reglamento del Departamento de Bomberos de Puerto Rico-Area de Prevención.
-Ley de Desperdicios Médicos (Código Registro Federal 40, Partes 22 y 259).
-Reglamento para Tanques Soterrados.

***Promulgado por la Junta de Calidad Ambiental (JCA)**

INFORMACION GENERAL

El edificio S-0551-0-60 y Ext. está localizado en el solar L-49-55 en la Calle B, Barrio El Retiro, Urb. Industrial en San Germán, Puerto Rico (Anejo 1, incluye copia del plano de localización y sitio del proyecto).

HISTORIAL DE USO DE LA PROPIEDAD

El edificio fue terminado el 19 de octubre de 1961.

Compañía : Midland Knitting Mills, Inc. (1)
Desde : 1 de septiembre de 1963
Hasta : 30 de junio de 1970
Producto : Tejidos

Compañía : Eastfield Knitting Mills, Inc. (2)
Desde : 1 de septiembre de 1963
Hasta : 30 de junio de 1970
Producto : Tejidos

Compañía : Digital Equipment Corp.
Desde : 29 de abril de 1971
Hasta : Presente
Producto : Oficinas y laboratorio para el control de calidad

(1) Ocupó el edificio principal.

(2) Ocupó la extensión.

COLINDANCIAS

Las colindancias a la propiedad son las siguientes:

NORTE : Propiedad privada (Ernesto Quiñones Sambolín)

SUR : Calle B del parque industrial

ESTE : Solar L-49-55 Lote 10 (arrendado a la General Electric para uso de estacionamiento)

OESTE : Solar L-49-55 Edificio S-0373-0-56
Refiérase al Anexo 2, el cual incluye un Historial de Uso de la propiedad.

La Digital Equipment Corp. instaló en este edificio un pequeño laboratorio para realizar pruebas de control de calidad a los componentes electrónicos. El proceso consistía en disolver, utilizando pequeñas cantidades de ácidos, el silicone que protegía los componentes. Las substancias químicas utilizadas eran recogidas en envases pequeños ("safety cans") para ser reutilizadas. Se incluye en el anejo 3 una descripción del proceso, según documentación provista por la Digital Equipment Corp.

De acuerdo a información suministrada por la JCA no existe querella registrada en sus expedientes contra los ocupantes de estas propiedades investigadas. Tampoco fueron catalogados como generadores de desperdicios peligrosos, según archivos de la JCA.

INFORMACION ESPECIFICA DEL PROYECTO

Durante las inspecciones al proyecto evaluamos las siguientes áreas:

1. Interior del edificio
2. Patio delantero
3. Patio posterior
4. Zona de carga y descarga

En el momento de la inspección **NO** observamos:

-Desperdicios sólidos peligrosos en violación a la reglamentación estatal y federal (Reglamento para el Control de los Desperdicios Sólidos Peligrosos y no Peligrosos, versión enmendada y Parte 261 del Código de Registro Federal Núm. 40).

-Fuentes de Emisión Atmosférica de acuerdo a la Reglamentación para el Control de Contaminación Atmosférica de la JCA.

-Tanques sobre el terreno para almacenar materia prima (líquidos), de acuerdo a la Parte 112 del Código de Registro Federal Núm. 40 para la prevención de Contaminación de Aceites.

-Pozos de extracción de agua.

-Desperdicios que puedan clasificarse como biomédicos conforme al Código de Registro Federal Núm. 40, Partes 22 y 259.

-Tanques sobre el terreno para almacenar materia prima de acuerdo al Reglamento del Departamento de Bomberos de Puerto Rico - Area de Prevención.

-Tanques sobre el terreno de gas en conformidad con la Comisión de Servicio Público.

-Pozos sépticos de acuerdo al Reglamento para el Control de Inyección Subterránea.

Se observó:

Existen tres subestaciones eléctricas (una abierta y dos tipos transclosure). Los transformadores instalados en estas subestaciones pertenecen a la AEE. Se desconoce su clasificación referente a la concentración de PCB en el fluido dieléctrico. La subestación abierta esta protegida por ocho paneles que podrían contener fibras de asbesto. La integridad física de éstos es buena.

Existe en el patio trasero una fosa en cemento. Esta se utilizaba para descargar las aguas generadas en el laboratorio incluyendo las aguas usadas en la limpieza del piso. Estas aguas eran envasadas en drones y llevadas a la planta de tratamiento que la empresa tiene instalada en su planta principal donde se realiza el proceso de electroenchape. En el anexo 3 se incluye la documentación enviada por la Digital Equipment Corp. sobre el uso de esta fosa y un análisis hecho a estas aguas. Esta fosa fue rellenada con arena y sellada con una losa en cemento, según se le requirió al industrial en carta del 10 de febrero de 1992 enviada por el Departamento de Contratos.

En la propiedad se construyeron dos trampas de grasas para tratar las aguas generadas en la cafetería. Estas aguas se disponían a través del alcantarillado sanitario. La limpieza y disposición de las aguas de estas trampas estaba a cargo de la firma Browning-Ferris. Al momento de la inspección estas trampas de grasas estaban vacías y limpias.

CONCLUSION

Basándonos en la información recopilada, entendemos que **NO** hay evidencia de riesgos de contaminación ambiental en esta propiedad. Recomendamos favorablemente la cancelación del contrato de arrendamiento.

RECOMENDACIONES

Recomendamos se envíe comunicación al Departamento de Contratos, informándole sobre la disponibilidad de la propiedad.

Anexos

ANEXOS

1. Copia del Plano de Localización de la propiedad bajo consideración.

2. Historial de Uso de los Colindantes del proyecto.

3. Documentación sobre operaciones del laboratorio para el control de calidad.

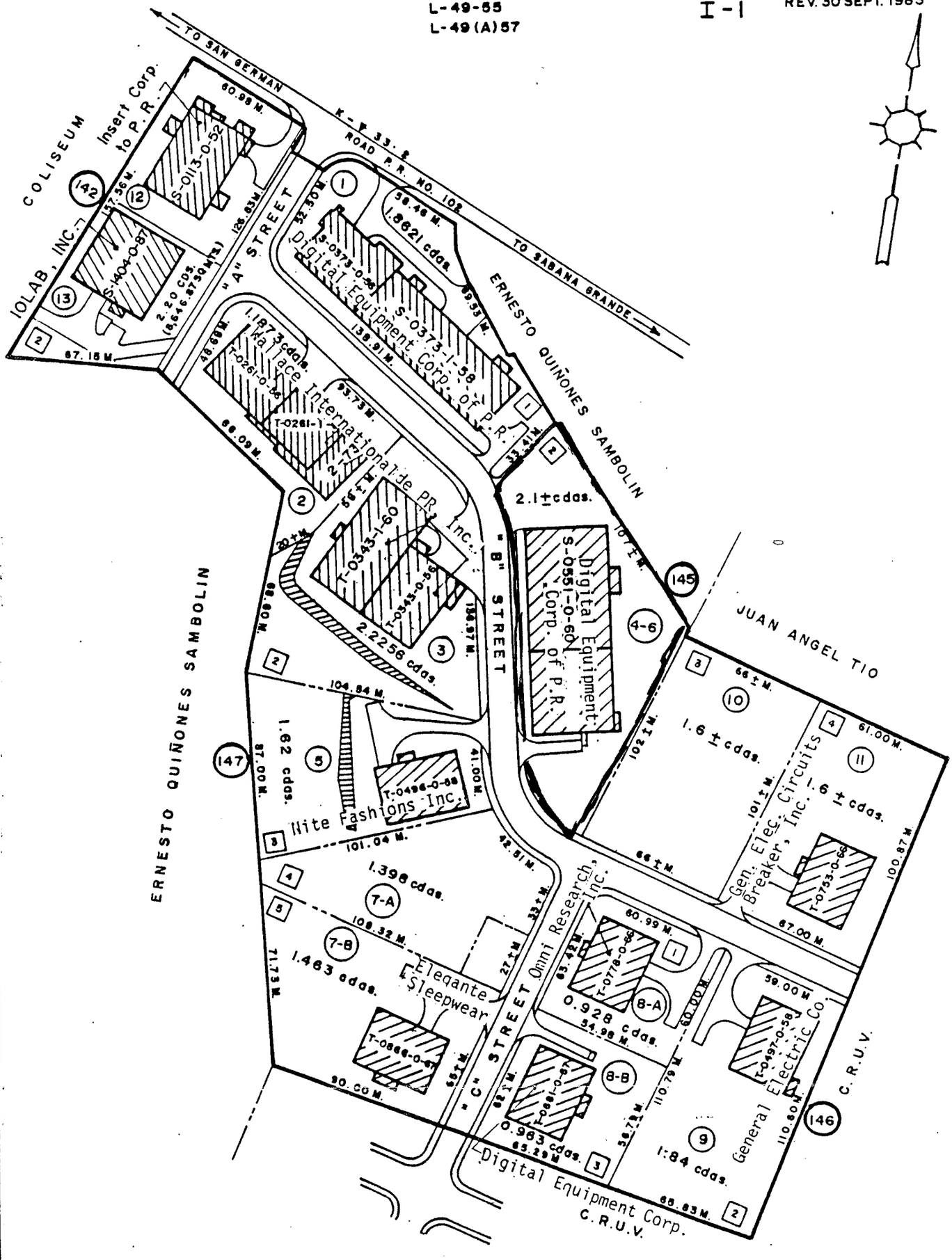
INDUSTRIAL SITE

MUN. SAN GERMAN
BARRIO RETIRO

REV. ENERO/1989
DATE 2-3-78

SITE PLAN
L-49-55
L-49(A)57

PRIDCO PROPERTY
I-1
REV. 30 SEPT. 1983



Anexo 1

DRAWN A. R. CUEVAS	. NUM. DE CATASTRO					
CHECKED	MUNICIPIO	MAPA 1:10,000	MAPA 1:1,000	MANZANA	PARCELA	
	56	334	046 056	142 - 145 146 - 147	VER LOTE ☐	

SCALE 1:2,000

ANEXO 02

HISTORIAL DE USO

Propiedad: S-0373-0-56 y Ext.

La extensión fue terminada el 5 de marzo de 1959. No se especifica la fecha en la cual se terminó la construcción del edificio principal.

Compañía : Northridge Knitting Mills
Desde : 1 de febrero de 1957
Hasta : 31 de diciembre de 1975 (1)
Producto : Ropa tejida

Compañía : Fashion Knitwear, Inc.
Desde : 8 de junio de 1976
Hasta : 28 de febrero de 1979
Producto : Ropa tejida

Compañía : Digital Equipment Corp.
Desde : 2 de octubre de 1985
Hasta : Presente
Producto : Almacén de materia prima (incluyendo químicos)

(1) Fecha en la cual se rescindió el contrato por incumplimiento.

DIGITAL EQUIPMENT CORP.

P.O. BOX 106

SAN GERMAN, PUERTO RICO 00683

809-892-1946

FAXSCIMILE TRANSMISSION COVER SHEET

DATE: 12/02/91

NO.PAGES: -3-

Igdalia Rodriguez

CATION: Fomento - Div. Ambiental

UMBER: 250-8682 / 250-1599

Noel [illegible]

ATION: Digital - San Germán

PHONE NUMBER: (809) 892-1946, EXT. [illegible]

FAX NUMBER: (809) 892-1946, EXT: 2

SENT BY: Cynthia Diaz

COMMENTS: Ref: Documents requested - Bldgs # 551 and 881

373-0-56

Anexo #3

I N T E R O F F I C E M E M O R A N D U M

Doc. No: 001885
Date: 27-Nov-1991 04:59pm EDT
From: Angel Serrano
SERRANO.ANGEL
Dept: COM EH&S
Tel No: DTN 721-2574

TO: PRIDCO (PAPER MAIL)

TO: LOPEZ NOEL (LOPEZ.NOEL)

Subject: Digital Component Lab Activities

The San Germán Manufacturing Plant is an integrated Manufacturing facility. The Main products manufactured are:

1. Printed Wiring Boards(PWB)

2. Computer Modules and Subsystems

The Component Laboratory is dedicated to do functional tests and of for the electronic components that are being utilized in the process. A small laboratory hood is used to melt the solder results as part of QA procedure. Small quantities of flux on safety cans for the purpose of being reused.

The is located on building #3, and a pit was constructed to wash water from floor by janitorial services and transferred to the waste water treatment for proper treatment. Because this operation was only the amount of water generated was too small.

Please to contact the undersigned if any additional information is needed.

Very Truly Yours,

Angel Serrano
Digital Environmental Engineer

** TOTAL **

November, 27 1991

To: Angel Serrano
From: Ismenio Ruiz
Subject: Laboratory Results

The results of the rain water from the pit of building #3 are as follows:

pH (S.U.)	8.6
Cu (MG/L)	0.29
Ni (MG/L)	0.06
Mn (MG/L)	0.03
Fe (MG/L)	0.09
Pb (MG/L)	0.04
[illegible]	234.9
[illegible]	371.0

[illegible] further information, let me know.

Ismenio Ruiz Cedeño

RUIZ CEDEÑO
I. C. 1923

Envejo II --> 8400

19/01 '00 00:05

Page: 1

MATERIAL SAFETY DATA SHEET

E-1000 LACQUER THINNER

HMIS CODES: H F R P
3 3 0 H

PRODUCT NAME: E-1000 LACQUER THINNER
PRODUCT CODE: E-1000

SECTION I - MANUFACTURER IDENTIFICATION

MANUFACTURER'S NAME: Reliance Caribbean
ADDRESS : P.O.Box 3126
San Juan, Puerto Rico
00936-3126

EMERGENCY PHONE : 809-785-3255
INFORMATION PHONE : 809-785-3255

DATE PRINTED : 03/04/97
NAME OF PREPARER : E. CORREA

SECTION II - HAZARDOUS INGREDIENTS/SARA III INFORMATION

IMPORTABLE COMPONENTS	CAS NUMBER	VAPOR PRESSURE mm Hg @ TEMP		WEIGHT PERCENT
• PHENYL METHANE OSHA PEL: 100 PPM. ACGIH TLV: 100 PPM	108-88-3	53	100	62.00
• 2-PROPANONE OSHA PEL: 1000 ppm. ACGIH TLV: 1000 ppm	67-64-1	213	77	25.00
• 2-PROPANOL OSHA PEL: 400 ppm. ACGIH TLV: 400 ppm	67-63-0	33	68	5.00
• 4-METHYL-2-PENTANONE OSHA PEL: 75 ppm. ACGIH TLV: 75 ppm	108-10-1	1	50	5.00
• ACETIC ACID, ESTER WITH OXO- ALCHOL-BRANCHED OTHER: 50 ppm	88230-35-7	1.4	68	3.00

• Indicates toxic chemical(s) subject to the reporting requirements of section 313 of Title III and of 40 CFR 372.

N/A

SECTION III - PHYSICAL/CHEMICAL CHARACTERISTICS

BOILING RANGE: 122-128 C
VAPOR DENSITY: HEAVIER THAN AIR
COATING V.O.C.: 7.00 lb/gl
SOLUBILITY IN WATER: NON SOLUABLE
APPEARANCE AND ODOR: FRUITY ODOR. CLEAR, WATER WHITE LIQUID.

SPECIFIC GRAVITY (H2O=1): 0.84
EVAPORATION RATE: SLOWER THAN ETHER
MATERIAL V.O.C.: 6.80 lb/gl

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT: 45 F METHOD USED: T.C.C.
FLAMMABLE LIMITS IN AIR BY VOLUME- LOWER: 1 UPPER: 13

EXTINGUISHING MEDIA: FOAM, ALCOHOL FOAM, CO2, DRY CHEMICAL, WATER FOG

SPECIAL FIREFIGHTING PROCEDURES
RESPIRATORY EQUIPMENT SHOULD BE WORN TO AVOID INHALATION OF CONCENTRATED VAPORS. WATER SHOULD NOT BE USED EXCEPT AS FOG TO KEEP NEI
CONTAINERS COOL.

UNUSUAL FIRE AND EXPLOSION HAZARDS
HANDLE AS FLAMMABLE LIQUID. VAPORS FORM AN EXPLOSIVE MIXTURE IN AIR BETWEEN THEUPPER AND LOWER EXPLOSIVE LIMITS WHICH C AN BE IGN
BY MANY SOURCES SUCH AS PILOT LIGHTS, OPEN FLAMES, ELECTRICAL MOTORS AND SWITHCHES.

SECTION V - REACTIVITY DATA

STABILITY: STABLE
CONDITIONS TO AVOID
EXCESSIVE HEAT, POOR VENTILATION, CORROSIVE ATMOSPHERES, EXCESSIVE AGING.

INCOMPATIBILITY (MATERIALS TO AVOID)
ALKALINE MATERIALS, STORNG ACIDS AND OXIDIZING MATERIALS.

HAZARDOUS DECOMPOSITION OR BYPRODUCTS
CARBON MONOXIDE, CARBON DIOXIDE, OXIDES OF NITROGEN.

HAZARDOUS POLYMERIZATION: WILL NOT OCCUR

SECTION VI - HEALTH HAZARD DATA

INHALATION HEALTH RISKS AND SYMPTOMS OF EXPOSURE
INHALATION: DIZZYNESS, BREATHING DIFFICULTY, HEADACHES & LOSS OF COORDINATION.

SKIN AND EYE CONTACT HEALTH RISKS AND SYMPTOMS OF EXPOSURE

3-1000 LACQUER THINNER

YE CONTACT: SEVERE IRRITATION, TEARING, REDNESS AND BLURRED VISION.

SKIN ABSORPTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE

KIN CONTACT: CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMITITIS.

INGESTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE

NGESTION: CAN CAUSE GASTROINTESTINAL IRRITATION, VOMITING, NAUSEA, AND DIARRHEA.

HEALTH HAZARDS (ACUTE AND CHRONIC)

NHALATION -DIZZYNESS, BREATHING DIFFICULTY, HEADACHES, & LOSS OF COORDINATION. EYE CONTACT-SEVERE IRRITATION, TEARING, REDNESS, AND LURRED VISION. SKIN CONTACT-CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMITITIS. INGESTION-C AN CAUSE GASTROINTESTINAL RRITATION, VOMITING, NAUSEA, & DIARRHEA.

CARCINOGENICITY: NTP CARCINOGEN: No IARC MONOGRAPHS: No OSHA REGULATED: Yes

I/A

MEDICAL CONDITIONS GENERALLY AGGRAVATED BY EXPOSURE

NESTHESIA, RESPIRATORY TRACT IRRITATION, DERMITITIS, NAUSEA, VOMITING.

EMERGENCY AND FIRST AID PROCEDURES

NHALTION OVEREXPOSURE-MOVE PERSON TO FRESH AIR. IF BREATHING STOPS, APPLY ARTIFICIAL RESPIRATION AND SEEK IMMEDIATE MED ICAL ATTENTIO YE CONTACT-FLUSWITH LARGE QUANTITIES OF WATER FOR 15 MINUTES. SKIN CONTACT-WASH THOROUGHLY SOAP AND WAT ER AND SEE A DOCTOR. INGESTIO O NOT INDUCE VOMITING, CAN CAUSE CHEMICAL PNEUMONITIS AND PULMONARY EDEMA. CONTACT PHYSI CIAN IMMEDIATELY.

========== SECTION VII - PRECAUTIONS FOR SAFE HANDLING AND USE ==========

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED

LIMINATE IGNITION SOURCES. PROVIDE GOOD VENTILATION, DIKE SPILL AREA AND ADD ABSORBENT EARTH OR SAWDUST TO SPILLED LIQU ID. THOROUGHL ET WITH WATER AND MIX.

WASTE DISPOSAL METHOD

OLLECT ABSORBENT/WATER/SPILLED LIQUID MIXTURE INTO METAL CONTAINERS AND ADD ENOUGH WATER TO COVER. CONSULT LOCAL, STATE & FEDERAL AZARDOUS WASTE REGULATIONS BEFORE DISPOSING INTO APPROVED HAZARDOUS WASTE LANDFILLS. OBEY RELEVANT LAWS.

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING

SE NON-SPRKING UTENSILS WHEN HANDLING THIS MATERIAL. AVOID HOT METAL SURFACE. USE IN COOL, WELL-VENTILATED AREAS. KEEP CONTAINERS LOSED WHEN NOT IN USE. KEEP AWAY FROM EXCESSIVE HEAT AND OPEN FLAMES.

OTHER PRECAUTIONS

MOKING IN AREA WHERE THIS MATERIAL IS USED SHOULD BE STRICTLY PROHIBITED. TOOLS USED WITH THIS MATERIAL SHOULD BE MADE FROM ALUMINUM RASS, OR COPPER. PLASTIC UTENSILS SHOULD NOT BE USED. NOTE: THIS INFORMATION IS ACCURATE TO T HE BEST KNOWLEDGE OF SUPERIOR PAINTS FG. CO. BUT IS FURNISHED WITHOUT ANY EXPRESSED OR IMPLIED WARRANTIES.

========== SECTION VIII - CONTROL MEASURES ==========

RESPIRATORY PROTECTION

HEN SPRAYING THIS MATERIAL USE A NIOSH APPROVED CARTRIDGE RESPIRATORY OR GAS MASK SUITABLE TO KEEP AIRBORNE MISTS AND V APOR ONCENTRATIONS BELOW THE TIME WEGHTED THRESHOLD LIMIT VALUE . WHEN USING IN POORLY VENTILATED AND CONFINED SPACES, USE A FRESH-AIR UPPLYING RESPIRATOR OF A SELF-CONTAINED BREATHING APPARATU

VENTILATION

ENERAL MECHANICAL VENTILATION OR LOCAL EXHAUST SHOULD BE SUITABLE TO KEEP VAPOR CONCENTRATIONS BELOW TLV. VENTILATION E QUIPMENT SH E EXPLOSION PROOF.

PROTECTIVE GLOVES

MPERMEABLE CHEMICAL HANDLING GLOVES FOR SKIN PROTECTION.

EYE PROTECTION

SE CHEMICAL SAFETY GLASSES, GOGGLES, AND FACESHIELDS FOR EYE PROTECTION.

OTHER PROTECTIVE CLOTHING OR EQUIPMENT

SE IMPERMEABLE APRONS AND PROTECTIVE CLOTHING WHENEVER POSSIBLE TO PREVENT SKIN CONTACT. THE USE OF HEAD CAPS WHENEVER POSSIBLE IS TRONGLY RECOMMENDED.

WORK/HYGIENIC PRACTICES

YES WASHES

========== SECTION IX - DISCLAIMER ==========

THE INFORMATION IN THIS MSDS WAS OBTAINED FROM SOURCES WHICH WE BELIEVE ARE RELIABLE. HOWEVER THE INFORMATION IS PROVIDE D WITHOUT EPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, REGARDING ITS ACCURACY OR CORRECTNESS. WE DO NOT ASSUME RESPONSIBILITY AND EXPRE ISCLAIM LIABILITY FOR LOSS, DAMAGE OR EXPENSE WITH THE HANDLING,STORAGE,USE OF THE PRODUCT

MATERIAL SAFETY DATA SHEET

CL-147 SUPER HIGH SOLID CLEAR

HMIS CODES: H 2 F 3 R 0 P J

PRODUCT NAME: CL-147 SUPER HIGH SOLID CLEAR
PRODUCT CODE: CL-147

SECTION I - MANUFACTURER IDENTIFICATION

MANUFACTURER'S NAME: Reliance Caribbean
ADDRESS : P.O.Box 3126
San Juan, Puerto Rico
00936-3126
EMERGENCY PHONE : 809-785-3255
INFORMATION PHONE : 809-785-3255

DATE PRINTED : 03/04/97
NAME OF PREPARER : E. CORREA

SECTION II - HAZARDOUS INGREDIENTS/SARA III INFORMATION

REPORTABLE COMPONENTS	CAS NUMBER	VAPOR PRESSURE mm Hg @ TEMP		WEIGHT PERCENT
PHENYL METHANE OSHA PEL: 100 PPM, ACGIH TLV: 100 PPM	108-88-3	53	100	38.92
4-METHYL-2-PENTANONE OSHA PEL: 75 ppm, ACGIH TLV: 75 ppm	108-10-1	1	50	19.42
2-PROPANOL OSHA PEL: 400 ppm, ACGIH TLV: 400 ppm	67-64-1	222	77	4.26
	67-63-0	33	68	3.25

Indicates toxic chemical(s) subject to the reporting requirements of section 313 of Title III and of 40 CFR 372.

N/A

SECTION III - PHYSICAL/CHEMICAL CHARACTERISTICS

BOILING RANGE: 122-128 C
VAPOR DENSITY: HEAVIER THAN AIR
COATING V.O.C.: 5.10 lb/gl
SOLUBILITY IN WATER: NON SOLUBLE
APPEARANCE AND ODOR: FRUTY ODOR. CLEAR,OR LIGHT YELLOW LIQUID.

SPECIFIC GRAVITY (H2O=1): 0.93
EVAPORATION RATE: SLOWER THAN ETHER
MATERIAL V.O.C.: 4.93 lb/gl

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT: 45 F METHOD USED: T.C.C.
FLAMMABLE LIMITS IN AIR BY VOLUME- LOWER: 1 UPPER: 13

EXTINGUISHING MEDIA: FOAM, ALCOHOL FOAM, CO2, DRY CHEMICAL, WATER FOG

SPECIAL FIREFIGHTING PROCEDURES
RESPIRATORY EQUIPMENT SHOULD BE WORN TO AVOID INHALATION OF CONCENTRATED VAPORS. WATER SHOULD NOT BE USED EXCEPT AS FOG TO KEEP NEARB CONTAINERS COOL.

UNUSUAL FIRE AND EXPLOSION HAZARDS
HANDLE AS FLAMMABLE LIQUID. VAPORS FORM AN EXPLOSIVE MIXTURE IN AIR BETWEEN THE UPPER AND LOWER EXPLOSIVE LIMITS WHICH CAN BE IGNITE BY MANY SOURCES SUCH AS PILOT LIGHTS, OPEN FLAMES, ELECTRICAL MOTORS AND SWITHCHES.

SECTION V - REACTIVITY DATA

STABILITY: STABLE
CONDITIONS TO AVOID
EXCESSIVE HEAT, POOR VENTILATION, CORROSIVE ATMOSPHERES, EXCESSIVE AGING.

INCOMPATIBILITY (MATERIALS TO AVOID)
ALKALINE MATERIALS, STRONG ACIDS AND OXIDIZING MATERIALS.

HAZARDOUS DECOMPOSITION OR BYPRODUCTS
CARBON MONOXIDE, CARBON DIOXIDE, OXIDES OF NITROGEN.

HAZARDOUS POLYMERIZATION: WILL NOT OCCUR

SECTION VI - HEALTH HAZARD DATA

INHALATION HEALTH RISKS AND SYMPTOMS OF EXPOSURE
INHALATION: DIZZYNESS, BREATHING DIFFICULTY, HEADACHES & LOSS OF COORDINATION.

SKIN AND EYE CONTACT HEALTH RISKS AND SYMPTOMS OF EXPOSURE
EYE CONTACT: SEVERE IRRITATION, TEARING, REDNESS AND BLURRED VISION.

CL-147 SUPER HIGH SOLID C AR

SKIN ABSORPTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE

SKIN CONTACT: CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMATITIS.

INGESTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE

INGESTION: CAN CAUSE GASTROINTESTINAL IRRITATION, VOMITING, NAUSEA, AND DIARRHEA.

HEALTH HAZARDS (ACUTE AND CHRONIC)

INHALATION: DIZZYNESS, BREATHING DIFFICULTY, HEADACHES, & LOSS OF COORDINATION. EYE CONTACT:SEVERE IRRITATION, TEARING, REDNESS, AND BLURRED VISION. SKIN CONTACT:CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMATITIS. INGESTION:CAN CAUSE GASTROINTESTINAL IRRITATION, VOMITING, NAUSEA, & DIARRHEA.

CARCINOGENICITY: NTP CARCINOGEN: No IARC MONOGRAPHS: No OSHA REGULATED: Yes

N/A

MEDICAL CONDITIONS GENERALLY AGGRAVATED BY EXPOSURE

ANESTHESIA, RESPIRATORY TRACT IRRITATION, DERMATITIS, NAUSEA, VOMITING.

EMERGENCY AND FIRST AID PROCEDURES

INHALTION OVEREXPOSURE:MOVE PERSON TO FRESH AIR. IF BREATHING STOPS, APPLY ARTIFICIAL RESPIRATION,GET MEDICAL ATTENTION. EYE CONTACT:FLUSH WITH LARGE QUANTITIES OF WATER FOR 15 MINUTES. SKIN CONTACT:WASH THOROUGHLY WITH SOAP AND WATER AND SEE A DOCTOR. INGESTION:DO NOT INDUCE VOMITING, CAN CAUSE CHEMICAL PNEUMONITIS AND PULMONARY EDEMA. CONTACT PHYSICIAN IMMEDIATELY.

========== SECTION VII - PRECAUTIONS FOR SAFE HANDLING AND USE ==========

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED

ELIMINATE IGNITION SOURCES, PROVIDE GOOD VENTILATION, DIKE SPILL AREA AND ADD ABSORBENT MATERIAL OR SAWDUST TO SPILLED LIQUID. THOROUGHLY WET WITH WATER AND MIX.

WASTE DISPOSAL METHOD

COLLECT ABSORBENT/WATER/SPILLED LIQUID MIXTURE INTO METAL CONTAINERS AND ADD ENOUGH WATER TO COVER. CONSULT LOCAL, STATE & FEDERAL HAZARDOUS WASTE REGULATIONS BEFORE DISPOSING INTO APPROVED HAZARDOUS WASTE LANDFILLS.OBEY ALL APPLICABLES LAWS.

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING

USE NON-SPARKING UTENSILS WHEN HANDLING THIS MATERIAL. AVOID NON-METAL TOOLS USE IN COOL, WELL VENTILATED AREAS. KEEP CONTAINERS CLOSED WHEN NOT IN USE. KEEP AWAY FROM EXCESSIVE HEAT AND OPEN FLAMES.

OTHER PRECAUTIONS

SMOKING IN AREA WHERE THIS MATERIAL IS USED SHOULD BE STRICTLY PROHIBITED. TOOLS USED WITH THIS MATERIAL SHOULD BE MADE FROM ALUMINUM BRASS, OR COPPER. PLASTIC UTENSILS SHOULD NOT BE USED. NOTE: THIS INFORMATION IS ACCURATE TO T HE BEST KNOWLEDGE OF SUPERIOR PAINTS MFG. CO. BUT IS FURNISHED WITHOUT ANY EXPRESSED OR IMPLIED WARRANTIES.

========== SECTION VIII - CONTROL MEASURES ==========

RESPIRATORY PROTECTION

WHEN SPRAYING THIS MATERIAL USE A NIOSH APPROVED CARTRIDGE RESPIRATORY OF GAS MASK SUITABLE TO KEEP AIRBORNE MISTS AND V APOR CONCENTRATIONS BELOW THE TIME WEGHTED THRESHOLD LIMIT VALUES. WHEN USING IN POORLY VENTILATED AND CONFINED SPACES, USE A FRESH-AIR SUPPLYING RESPIRATOR OF A SELF-CONTAINED BREATHING APPARATUS.

VENTILATION

GENERAL MECHANICAL VENTILATION OR LOCAL EXHAUST SHOULD BE SUITABLE TO KEEP VAPOR CONCENTRATIONS BELOW TLV. VENTILATION & QUIPMENT MUS BE EXPLOSION PROOF.

PROTECTIVE GLOVES

IMPERMEABLE CHEMICAL HANDLING GLOVES FOR SKIN PROTECTION.

EYE PROTECTION

USE CHEMICAL SAFETY GLASSES, GOGGLES, AND FACESHIELDS FOR EYE PROTECTION.

OTHER PROTECTIVE CLOTHING OR EQUIPMENT

USE IMPERMEABLE APRONS AND PROTECTIVE CLOTHING WHENEVER POSSIBLE TO PREVENT SKIN CONTACT. THE USE OF HEAD CAPS WHENEVER POSSIBLE IS STRONGLY RECOMMENDED.

WORK/HYGIENIC PRACTICES

EYES WASHES

========== SECTION IX - DISCLAIMER ==========

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CL-101 SANDING SEALER

PRODUCT NAME: CL-101 SANDING SEALER
PRODUCT CODE: CL-101

HMIS CODES: H F R P
2 3 0 C

SECTION I - MANUFACTURER IDENTIFICATION

MANUFACTURER'S NAME: Reliance Caribbean
ADDRESS : P.O.Box 3126
San Juan, Puerto Rico
00936-3126
EMERGENCY PHONE : 809-785-3255
INFORMATION PHONE : 809-785-3255
DATE PRINTED : 03/04/97
NAME OF PREPARER : E. CORREA

SECTION II - HAZARDOUS INGREDIENTS/SARA III INFORMATION

REPORTABLE COMPONENTS	CAS NUMBER	VAPOR PRESSURE mm Hg @ TEMP		WEIGHT PERCENT
* METHYL METHANE	108-88-3	93	100	44.90
OSHA PEL: 100 PPM, ACGIH TLV: 100 PPM	108-10-1	1	50	18.59
* 4-METHYL-2-PENTANONE				
OSHA PEL: 75 ppm, ACGIH TLV: 75 ppm	67-64-1	213	77	11.46
* 2-PROPANONE				
OSHA PEL: 1000 ppm, ACGIH TLV: 1000 ppm	67-63-0	33	68	6.93
* 2-PROPANOL				
OSHA PEL: 400 ppm, ACGIH TLV: 400 ppm	68230-35-7	1.4	68	0.67
ACETIC ACID, ESTER WITH OXO- ALCHOL-BRANCHED				
OTHER: 50 ppm				

* Indicates toxic chemical(s) subject to the reporting requirements of section 313 of Title III and of 40 CFR 372.

N/A

SECTION III - PHYSICAL/CHEMICAL CHARACTERISTICS

BOILING RANGE: 122-128 C
VAPOR DENSITY: HEAVIER THAN AIR
COATING V.O.C.: 6.09 lb/gl
SOLUBILITY IN WATER: NON SOLUBLE
APPEARANCE AND ODOR: FRUTY ODOR. CLEAR, OR LIGHT YELLOW LIQUID.
SPECIFIC GRAVITY (H2O=1): 0.89
EVAPORATION RATE: SLOWER THAN ETHER
MATERIAL V.O.C.: 5.93 lb/gl

SECTION IV - FIRE AND EXPLOSION HAZARD DATA

FLASH POINT: 45 F METHOD USED: T.C.C.
FLAMMABLE LIMITS IN AIR BY VOLUME- LOWER: 1 UPPER: 13

EXTINGUISHING MEDIA: FOAM, ALCOHOL FOAM, CO2, DRY CHEMICAL, WATER FOG

SPECIAL FIREFIGHTING PROCEDURES
RESPIRATORY EQUIPMENT SHOULD BE WORN TO AVOID INHALATION OF CONCENTRATED VAPORS. WATER SHOULD NOT BE USED EXCEPT AS FOG TO KEEP NEARBY CONTAINERS COOL.

UNUSUAL FIRE AND EXPLOSION HAZARDS
HANDLE AS FLAMMABLE LIQUID. VAPORS FORM AN EXPLOSIVE MIXTURE IN AIR BETWEEN THE UPPER AND LOWER EXPLOSIVE LIMITS WHICH CAN BE IGNITED BY MANY SOURCES SUCH AS PILOT LIGHTS, OPEN FLAMES, ELECTRICAL MOTORS AND SWITHCHES.

SECTION V - REACTIVITY DATA

STABILITY: STABLE
CONDITIONS TO AVOID
EXCESSIVE HEAT, POOR VENTILATION, CORROSIVE ATMOSPHERES, EXCESSIVE AGING.

INCOMPATIBILITY (MATERIALS TO AVOID)
ALKALINE MATERIALS, STRONG ACIDS AND OXIDIZING MATERIALS.

HAZARDOUS DECOMPOSITION OR BYPRODUCTS
CARBON MONOXIDE, CARBON DIOXIDE, OXIDES OF NITROGEN.

HAZARDOUS POLYMERIZATION: WILL NOT OCCUR

SECTION VI - HEALTH HAZARD DATA

INHALATION HEALTH RISKS AND SYMPTOMS OF EXPOSURE
INHALATION: DIZZYNESS, BREATHING DIFFICULTY, HEADACHES & LOSS OF COORDINATION.

SKIN AND EYE CONTACT HEALTH RISKS AND SYMPTOMS OF EXPOSURE

CL-101 SANDING SEALER

EYE CONTACT: SEVERE IRRITATION, TEARING, REDNESS AND BLURRED VISION.

SKIN ABSORPTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE
SKIN CONTACT: CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMATITIS.

INGESTION HEALTH RISKS AND SYMPTOMS OF EXPOSURE
INGESTION: CAN CAUSE GASTROINTESTINAL IRRITATION, VOMITING, NAUSEA, AND DIARRHEA.

HEALTH HAZARDS (ACUTE AND CHRONIC)
INHALATION: DIZZYNESS, BREATHING DIFFICULTY, HEADACHES, & LOSS OF COORDINATION. EYE CONTACT:SEVERE IRRITATION, TEARING, REDNESS, AND BLURRED VISION. SKIN CONTACT:CAN DRY AND DEFAT SKIN CAUSING CRACKS, IRRITATION, AND DERMATITIS INGESTION:CAN CAUSE GASTROINTESTINAL IRRITATION, VOMITING, NAUSEA, & DIARRHEA.

CARCINOGENICITY: NTP CARCINOGEN: No IARC MONOGRAPHS: No OSHA REGULATED: Yes
N/A

MEDICAL CONDITIONS GENERALLY AGGRAVATED BY EXPOSURE
ANESTHESIA, RESPIRATORY TRACT IRRITATION, DERMATITIS, NAUSEA, VOMITING.

EMERGENCY AND FIRST AID PROCEDURES
INHALTION OVEREXPOSURE:MOVE PERSON TO FRESH AIR. IF BREATHING STOPS, APPLY ARTIFICIAL RESPIRATION.GET MEDICAL ATTENTION. EYE CONTACT:FLUSH WITH LARGE QUANTITIES OF WATER FOR 15 MINUTES. SKIN CONTACT:WASH THOROUGHLY WITH SOAP AND WATER AND SEE A DOCTOR. INGESTION:DO NOT INDUCE VOMITING. CAN CAUSE CHEMICAL PNEUMONITIS AND PULMONARY EDEMA. CONTACT PHYSICIAN IMMEDIATELY.

========== SECTION VII - PRECAUTIONS FOR SAFE HANDLING AND USE ----------

STEPS TO BE TAKEN IN CASE MATERIAL IS RELEASED OR SPILLED
ELIMINATE IGNITION SOURCES, PROVIDE GOOD VENTILATION, DIKE SPILL AREA AND ADD ABSORBENT MATERIAL OR SAWDUST TO SPILLED LIQUID. THOROUGHLY WET WITH WATER AND MIX.

WASTE DISPOSAL METHOD
COLLECT ABSORBENT/WATER/SPILLED LIQUID MIXTURE INTO METAL CONTAINERS AND ADD ENOUGH WATER TO COVER. CONSULT LOCAL, STATE & FEDERAL HAZARDOUS WASTE REGULATIONS BEFORE DISPOSING INTO APPROVED HAZARDOUS WASTE LANDFILLS.OBEY ALL APLICABLES LAWS.

PRECAUTIONS TO BE TAKEN IN HANDLING AND STORING
USE NON-SPARRING UTENSILS WHEN HANDLING THIS MATERIAL. AVOID NON-METAL TOOLS USE IN COOL, WELL-VENTILATED AREAS. KEEP CONTAINERS CLOSED WHEN NOT IN USE. KEEP AWAY FROM EXCESSIVE HEAT AND OPEN FLAMES.

OTHER PRECAUTIONS
SMOKING IN AREA WHERE THIS MATERIAL IS USED SHOULD BE STRICTLY PROHIBITED. TOOLS USED WITH THIS MATERIAL SHOULD BE MADE FROM ALUMINUM, BRASS, OR COPPER. PLASTIC UTENSILS SHOULD NOT BE USED. NOTE: THIS INFORMATION IS ACCURATE TO T HE BEST KNOWLEDGE OF SUPERIOR PAINTS MFG. CO. BUT IS FURNISHED WITHOUT ANY EXPRESSED OR IMPLIED WARRANTIES.

---------- SECTION VIII - CONTROL MEASURES ==========

RESPIRATORY PROTECTION
WHEN SPRAYING THIS MATERIAL USE A NIOSH APPROVED CARTRIDGE RESPIRATORY OR GAS MASK SUITABLE TO MEET AIRBORNE MISTS AND V APOR CONCENTRATIONS BELOW THE TIME WEGHTED THRESHOLD LIMIT VALUES. WHEN USING IN POORLY VENTILATED AND CONFINED SPACES, USE A FRESH-AIR SUPPLYING RESPIRATOR OF A SELF-CONTAINED BREATHING APPARATUS.

VENTILATION
GENERAL MECHANICAL VENTILATION OR LOCAL EXHAUST SHOULD BE SUITABLE TO KEEP VAPOR CONCENTRATIONS BELOW TLV. VENTILATION E QUIPMENT MUST BE EXPLOSION PROOF.

PROTECTIVE GLOVES
IMPERMEABLE CHEMICAL HANDLING GLOVES FOR SKIN PROTECTION.

EYE PROTECTION
USE CHEMICAL SAFETY GLASSES, GOGGLES, AND FACESHIELDS FOR EYE PROTECTION.

OTHER PROTECTIVE CLOTHING OR EQUIPMENT
USE IMPERMEABLE APRONS AND PROTECTIVE CLOTHING WHENEVER POSSIBLE TO PREVENT SKIN CONTACT. THE USE OF HEAD CAPS WHENEVER POSSIBLE IS STRONGLY RECOMMENDED.

WORK/HYGIENIC PRACTICES
EYES WASHES

========== SECTION IX - DISCLAIMER ==========

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CFIPR
AAM-008
R-3-95

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO

San Juan, Puerto Rico

FECHA 10/sep/97

A : Record

DE : Margarita Maldonado

ASUNTO : INFORME DE VISITA A S-0343-0.5

Caso Núm. _____

Personas Entrevistadas Insp. Arsides Alvarez

Propósito de la Visita Inspeccionar tanque soterrado (TAS)

Observaciones

El Inspector de la Oficina de Conservación de Mayagüez nos acompañó al S-0343-0- . En este edificio estaba el contratista de Conservación reparando el edificio. Parte de la construcciones que llevaba a cabo era la construcción de una rampa para impedidos. La misma finalizaba sobre la plataforma sobre el TAS. Por el tamaño de la plataforma el TAS es bastante grande (3,000 a 5,000 g)

Observaciones

También observamos una linea de aprox 1½" a 2" a lo largo de la pared del edificio. Esta parece ser el respiradero del TAS. El inspector quitó la tapa de metal (~ 4" a 5" dia) por donde introdujimos un pedazo de tubo de 4' a 5' de largo que no tocó fondo. El tubo salió empapado de liquido transparente (aprox 2' a 3') con un olor característico de diesel. Nos pareció que liquido no contenia agua.

El inspector nos indicó que podia conseguir que uno de sus contratistas que utilizan este tipo de combustible se lo llevara. Le indicamos al inspector que es más recomendable tomarle una muestra para asegurarnos que es utilizable el mismo. Pues si el contratista lo removiese y encontrase que no le es de utilidad podria crearsele un problema para disponer de él.

El inspector estuvo de acuerdo en esperar los resultados de la muestra

CFIPR
AAM-008
4-91

ESTADO LIBRE ASOCIADO DE PUERTO RICO
COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO
SAN JUAN, PUERTO RICO

FECHA

A : Sr. Tomás Sanabria

DE : Ygdalia Rodríguez

ASUNTO : INFORME DE VISITA

Caso Núm. 91 I-056

Personas Entrevistadas Sr. Noel López
Gerente de facilidad

Propósito de la Visita Inspección ambiental propiedades
S-0373-0-56 y ext; S-0551-0-60 y ext; T-0881-0-67
Digital Equipment Corp., San Germán

Observaciones

La propiedad T-0881-0-67 se utilizaba para oficinas y centro de adiestramiento. El interior del edificio se encontraba libre de equipo y mobiliario. La Digital Equipment Corp. pagó como deficiencias, a la CFI, la remoción de las losetas del piso que están construidas en vinyl (posible fuente de fibras de asbesto). Existe una subestación eléctrica compuesta por tres transformadores. Según nos informó el ingeniero José Ruiz, ingeniero de planta de la empresa, esta subestación eléctrica esta arrendada a la A.E.E. y según las

Observaciones

muestras que se le tomaron al fluido dieléctrico, estos están clasificados como No PCB. Se observó que los transformadores ~~están así~~ no están rotulados indicando que son No PCB. Nos indicó el ingeniero Ruiz que ellos están dando de baja este equipo con la A.E.E.

La propiedad S-0551-0-60 era utilizada para oficinas y como centro de distribución. En este edificio había instalado un pequeño laboratorio ~~de control~~ para realizar pruebas para el control de la calidad. ~~Los~~ efluentes ~~(aceites~~ eran descargados a una fosa de cemento construida en el patio trasero. Según nos indicó el señor Angel Serrano, ingeniero ambiental de la empresa. Las aguas depositadas en esta fosa eran recogidas en drones y tratadas en la planta de tratamiento que tiene instalada la Digital en la planta de manufactura. Nos informó el señor Serrano que las pruebas que se realizaban en el laboratorio consistían en disolver con un ácido la cubierta protectora de silicone que cubría los circuitos. Estos circuitos eran sometidos a pruebas de control de calidad. Añadió el señor Serrano que este laboratorio operó escasamente por siete meses ya que no contaba con todo el equipo requerido para las pruebas. En esta fosa también se

Observaciones

depositaban las aguas ~~de la limpieza~~ generadas durante las limpieza del laboratorio. Se incluye en el anexo 3 del informe una copia de los análisis que se le realizaron a estas aguas antes de ser tratadas en la planta de tratamiento de la Digital. Al momento de la inspección la fosa estaba vacía.

En la propiedad S-0551-060 hay instaladas tres subestaciones eléctricas (una abierta y dos tipo Transclousure). ~~Esta~~ Los transformadores instalados en estas subestaciones pertenecen a la A.E.E. Se desconoce su clasificación referente a la concentración de PCB en el fluido dieléctrico.

La propiedad S-0373-0-56 y ext. era utilizada como almacén de materia prima incluyendo las substancias químicas utilizadas en el proceso de electroenchape. Este proceso se lleva a cabo en la planta principal de la empresa ubicada en la carretera #362 en San Germán.

Se observó que en el edificio se habían construidos dos cuartos para almacenar diferentes químicos segun sus características y en conformidad con las normas establecidas por el Departamento de Bom-

Observaciones

beros. Estos cuartos estaban protegidos con un dique para contener cualquier derrame. En uno de los cuartos se almacenaban substancias flamables y en otro las substancias corrosivas y oxidantes. Dentro de los químicos almacenados se puede mencionar:

ácido sulfúrico — sulfato de sodio (sodium persulfate)
ácido nítrico — catalíticos
ácido fluobórico — soluciones de metales (cobre)

Luego de la inspección realizada a esta propiedad visitamos en compañía del señor Noel López el área que la Digital Equipment Corp. habilitó en su planta principal, para almacenar las substancias químicas. Pudimos observar el equipo [redacted] con que la empresa cuenta para [redacted] contener cualquier derrame que ocurrá así como las buenas prácticas de manejo que tiene la empresa en manejar tanto el almacenamiento de las substancias químicas como de los desperdicios peligrosos. Se incluye como el anejo 3 del informe una carta de la J.C.A. certificando el cumplimiento de la empresa como facilidad para el almacenamiento y tratamiento de des-perdicios peligrosos (TSD facility).

En la propiedad 5-0373-0-56 y ext

Observaciones

Hay instalada una subestación eléctrica tipo "trans closure". Los transformadores que componen esta subestación pertenecen a la A.E.E y se desconoce la clasificación de estos en relación al contenido de PCB en el fluido dieléctrico.

Acción

Recomendamos declarar los edificios S-0373-0-56 y ext y T-0881-0-67 y ext disponibles condicionados a que no se utilicen las subestaciones eléctricas hasta tanto se obtenga evidencia que los transformadores de estas están clasificados NO-PCB.

Al nivel de la inspección realizada a la propiedad S-0373-0-56 y ext y a la evidencia recopilada no se sospecha el manejo inadecuado de substancias químicas por parte de la Digital Equipment. No obstante, la certeza de éste solamente se podría obtener realizando un muestreo en la propiedad.

Recomendamos que la propiedad S-0551-0-60 y ext. no se declare disponible hasta tanto el industrial no haya sellado la fosa en donde se disponían las aguas de lavado del laboratorio.

ESTADO LIBRE ASOCIADO DE PUERTO RICO

COMPAÑIA DE FOMENTO INDUSTRIAL DE PUERTO RICO

PO BOX 362350 SAN JUAN PR 00936-2350

FAX: (809) 250-1599

25 de marzo de 1992

A : Sr. Pedro José Rivera

P/C : Sr. Tomás Sanabria

: Ing. Margarita Maldonado

DE : Igdalie Rodríguez

ASUNTO: **Digital Equipment Corp.**
Edificio: S-0373-0-56 y Ext.
Solar: L-49-55
San Germán, Puerto Rico
Caso: 91I-056

A solicitud del Departamento de Contratos, el 24 de enero de 1992 inspeccionamos la propiedad indicada en el asunto.

La solicitud obedece a la cancelación del contrato de arrendamiento.

Respondiendo a ésta, hemos evaluado la situación ambiental de la propiedad. En esta evaluación consideramos las siguientes reglamentaciones estatales y federales:

-Ley Federal de Conservación y Recuperación de los Recursos (RCRA).
*Reglamento para el Control de los Desperdicios Sólidos Peligrosos y no Peligrosos (versión enmendada).
*Reglamento para el Control de la Inyección Subterránea.
*Reglamento para el Control de la Contaminación Atmosférica (versión enmendada)
-Prevención de Contaminación de Aceites, Código Registro Federal 40,Parte 112.
-"PCB bajo TSCA".
-Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico del Departamento de Recursos Naturales de Puerto Rico.
-Reglamento del Departamento de Bomberos de Puerto Rico-Area de Prevención.
-Ley de Desperdicios Médicos (Código Registro Federal 40, Partes 22 y 259).
-Reglamento para Tanques Soterrados.
***Promulgado por la Junta de Calidad Ambiental (JCA)**

INFORMACION GENERAL

El edificio S-0373-0-56 y ext. está localizado en el solar L-49-55 en la Calle B, Barrio El Retiro, Urb. Industrial en San Germán, Puerto Rico (Anejo 1, incluye copia del plano de localización y sitio del proyecto).

HISTORIAL DE USO DE LA PROPIEDAD

Propiedad: S-0373-0-56 y Ext.

La extensión fue terminada el 5 de marzo de 1959. No se especifica la fecha en la cual se terminó la construcción del edificio principal.

Compañía : Northridge Knitting Mills
Desde : 1 de febrero de 1957
Hasta : 31 de diciembre de 1975 (1)
Producto : Ropa tejida

Compañía : Fashion Knitwear, Inc.
Desde : 8 de junio de 1976
Hasta : 28 de febrero de 1979
Producto : Ropa tejida

Compañía : Digital Equipment Corp.
Desde : 2 de octubre de 1985
Hasta : Presente
Producto : Almacén de materia prima (incluyendo químicos)

(1) Fecha en la cual se rescindió el contrato por incumplimiento.

COLINDANCIAS

Las colindancias a la propiedad son las siguientes:

NORTE : Propiedad Ernesto Quiñones Sambolín

SUR : Calle B del parque industrial

ESTE : Solar L-49-55 Edificio S-0551-0-60
Refiérase al Anexo 2, el cual incluye un Historial de Uso de la propiedad.

OESTE : Calle A del parque industrial.

En la propiedad S-0373-0-56 y ext., Digital Equipment almacenó substancias con características de flamabilidad y toxicidad. Entre éstas se almacenaban agentes oxidantes, ácido sulfúrico, nítrico y fluobórico, soluciones de metales utilizadas en el proceso de electroenchape y solventes. No se almacenaban desperdicios peligrosos.

En el 1974 la Digital Equipment Corp. confrontó problemas con la JCA por estar depositando los cienos generados en el proceso de electroenchape en el vertedero de San Germán. Estos cienos tenían una concentración alta de calcio, cobre, plomo, estaño y zinc (refiérase al anexo 3). Posteriormente, estos cienos se disponían como desperdicios peligrosos conforme a las reglamentaciones estatales y federales.

Según copia de la carta de la JCA de 1991 la empresa estaba en cumplimiento con la Reglamentación para el Control de los Desperdicios Peligrosos y No-peligrosos, según enmendada (refiérase al anexo 4).

INFORMACION ESPECIFICA DEL PROYECTO

Durante la inspección al proyecto evaluamos las siguientes áreas:

1. Interior del edificio
2. Patio delantero
3. Patio posterior
4. Zona de carga y descarga

En el momento de la inspección **NO** observamos:

-Desperdicios sólidos peligrosos en violación a la reglamentación estatal y federal (Reglamento para el Control de los Desperdicios Sólidos Peligrosos y no Peligrosos, versión enmendada y Parte 261 del Código de Registro Federal Núm. 40).

-Fuentes de Emisión Atmosférica de acuerdo a la Reglamentación para el Control de Contaminación Atmosférica de la JCA.

-Tanques sobre el terreno para almacenar materia prima (líquidos), de acuerdo a la Parte 112 del Código de Registro Federal Núm. 40 para la prevención de Contaminación de Aceites.

-Pozos de extracción de agua.

-Desperdicios que puedan clasificarse como biomédicos conforme al Código de Registro Federal Núm. 40, Partes 22 y 259.

-Estructuras/planchas de material conteniendo asbesto en la propiedad bajo investigación.

-Tanques sobre el terreno para almacenar materia prima de acuerdo al Reglamento del Departamento de Bomberos de Puerto Rico - Area de Prevención.

-Tanques sobre el terreno de gas en conformidad con la Comisión de Servicio Público.

-Pozos sépticos de acuerdo al Reglamento para el Control de Inyección Subterránea.

Se observó:

Existe instalada una subestación eléctrica tipo "transclosure". Esta pertenece a la AEE.

La empresa Digital Equipment Corp. utilizaba este edificio como almacén de materia prima que incluía substancias químicas. El edificio fue dividido en áreas para almacenar las substancias químicas según sus características. Se observó un cuarto en donde se almacenaban los químicos inflamables y otro donde se almacenaban los agentes corrosivos y oxidantes. Ambos estaban protegidos por un dique.

CONCLUSION

Basándonos en la información recopilada, entendemos que **NO** hay evidencia de riesgos de contaminación ambiental en esta propiedad y sus alrededores. Recomendamos favorablemente la cancelación del contrato de arrendamiento.

RECOMENDACIONES

Recomendamos se envíe comunicación al Departamento de Contratos, informándole:

Sobre la disponibilidad de la propiedad bajo investigación.

ANEXOS

1. Copia del Plano de Localización de la propiedad bajo consideración.

2. Historial de Uso de los Colindantes del proyecto.

3. Carta de la JCA sobre inspección ambiental.

4. Documentos sobre la evaluación ambiental para la ubicación del almacén de substancias químicas.

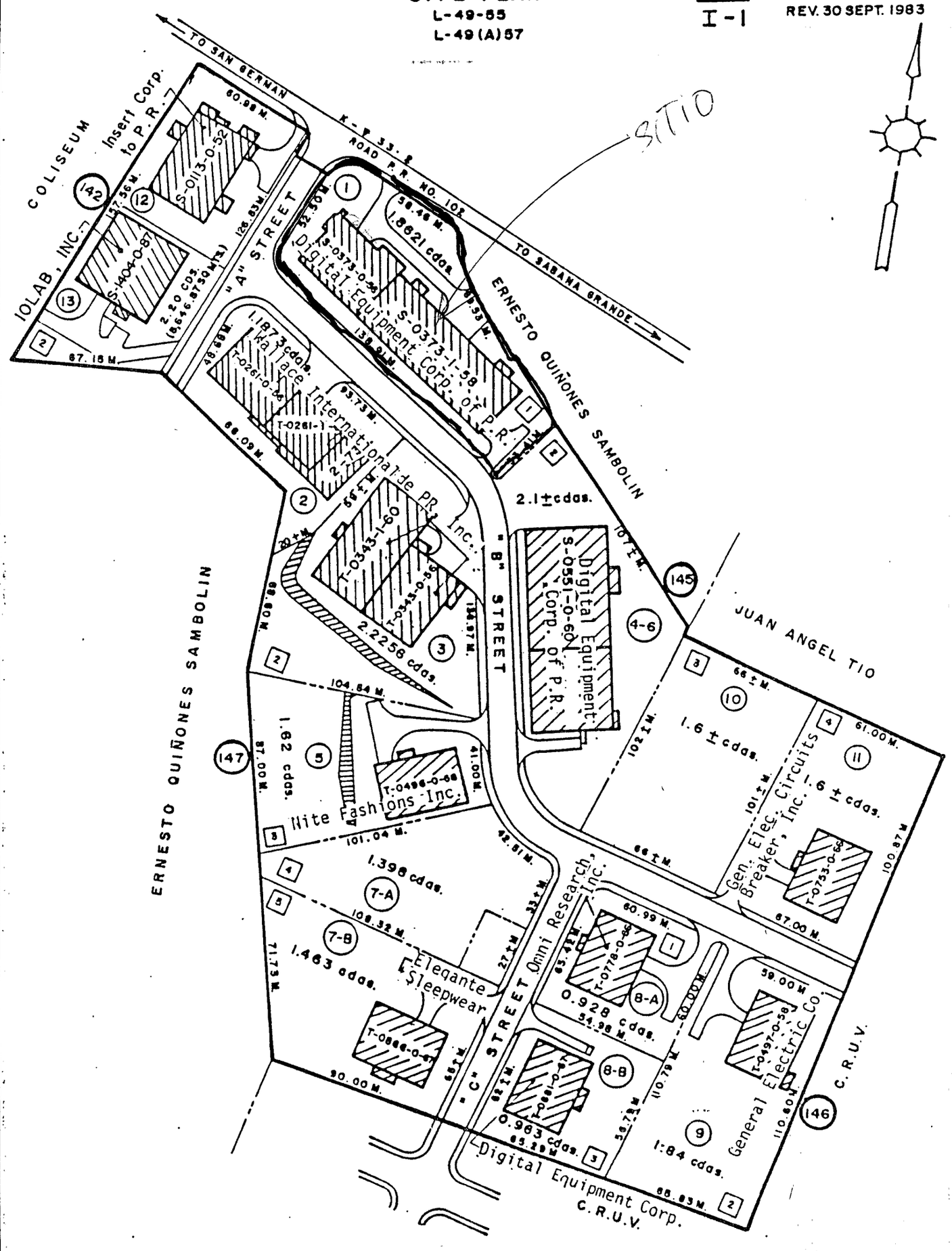
INDUSTRIAL SITE

MUN. SAN GERMAN
BARRIO RETIRO

REV. ENERO/1989
DATE 2-3-78

SITE PLAN
L-49-55
L-49(A)57

PRIDCO PROPERTY
REV. 30 SEPT. 1983
I-1



Arevo #1

NUM. DE CATASTRO				
MUNICIPIO	MAPA 1:10,000	MAPA 1:1,000	MANZANA	PARCELA
56	334	046 058	142 - 145 146 - 147	VER LOTE

DRAWN A.R.CUEVAS
CHECKED

SCALE 1:2,000

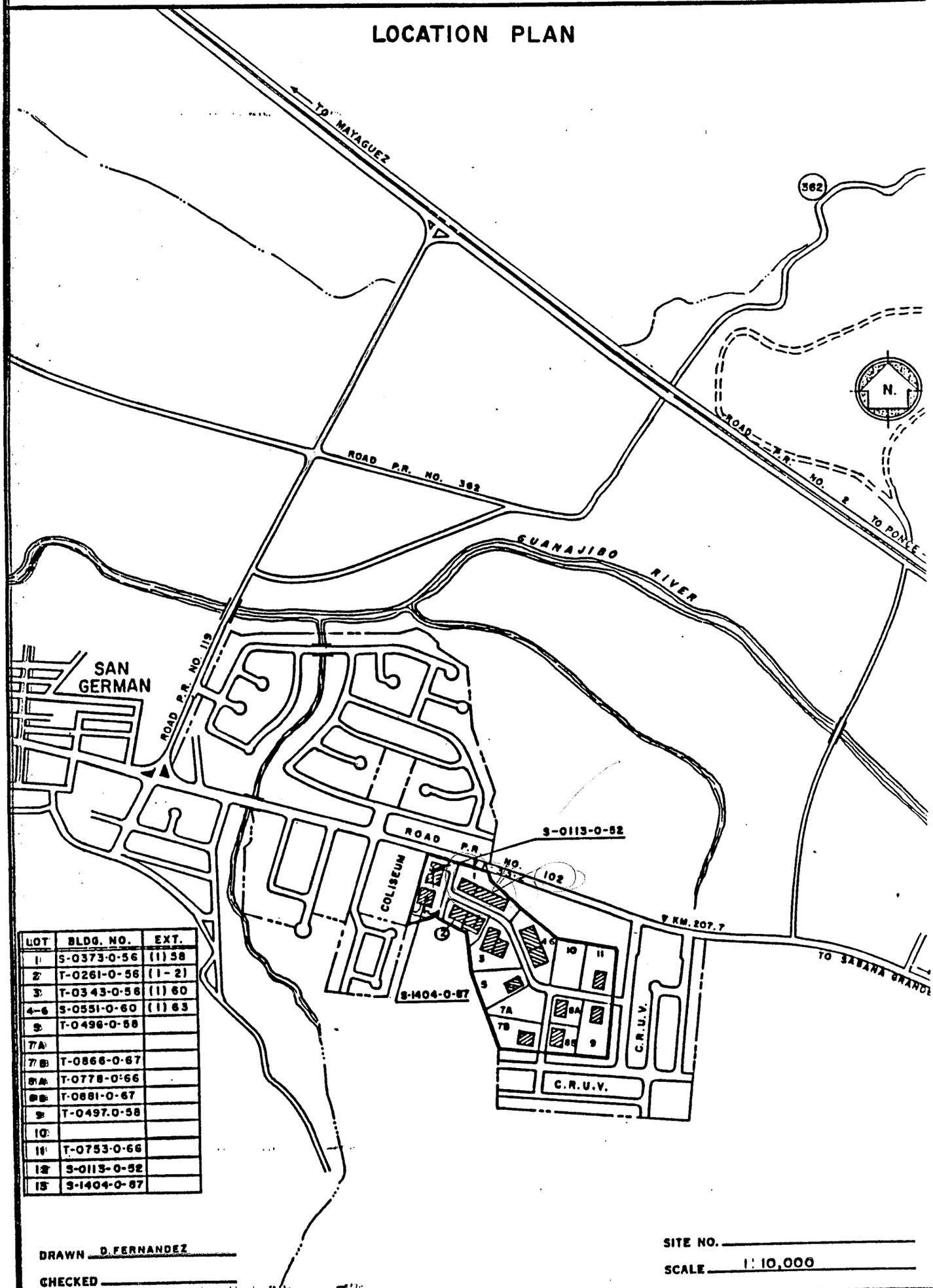
MUN. SAN GERMAN
BARRIO RETIRO

INDUSTRIAL SITE

REV. MAY / 1988
DATE 4 JUNE 1973

NUMBER SN - 3

LOCATION PLAN



LOT	BLDG. NO.	EXT.
1	S-0373-0-56	(1) 58
2	T-0261-0-56	(1-2)
3	T-0343-0-56	(1) 60
4-6	S-0551-0-60	(1) 63
9	T-0496-0-58	
7A		
7B	T-0866-0-67	
8A	T-0778-0-66	
8B	T-0881-0-67	
9	T-0497-0-58	
10		
11	T-0753-0-66	
12	S-0113-0-52	
13	S-1404-0-67	

DRAWN D. FERNANDEZ
CHECKED

SITE NO.
SCALE 1:10,000

PUERTO RICO INDUSTRIAL DEVELOPMENT CO. – PLANNING DEPT. – SAN JUAN, P. R.

ANEXO 02

HISTORIAL DE USO

Propiedad: S-0551-0-60 y Ext.

El edificio fue terminado el 19 de octubre de 1961.

Compañía : Midland Knitting Mills, Inc. (1)
Desde : 1 de septiembre de 1963
Hasta : 30 de junio de 1970
Producto : Tejidos

Compañía : Eastfield Knitting Mills, Inc. (2)
Desde : 1 de septiembre de 1963
Hasta : 30 de junio de 1970
Producto : Tejidos

Compañía : Digital Equipment Corp.
Desde : 29 de abril de 1971
Hasta : Presente
Producto : Oficinas y laboratorio para el control de calidad

(1) Ocupó el edificio principal.

(2) Ocupó la extensión.

Ambiental

12 de agosto de 1974

Sr. Gerardo E. Maldonado
Director
Investigaciones Industriales
Compañía de Fomento Económico
Apartado 3088
San Juan, Puerto Rico 00936

RECIBIDO
AUG 16 1974
DEPTO. INVESTIGACION Y DESARROLLO
DIV. ASESORAMIENTO AMBIENTAL

Re: DIA Final JCA 73-054 (AFE)
Expansión de Digital
Equipment Corporation
San Germán, P. R.

Estimado señor Maldonado:

La Junta de Calidad Ambiental (JCA) ha revisado la Declaración de Impacto Ambiental (DIA) Final del proyecto mencionado en el epígrafe. Estimamos que los aspectos ambientales han sido evaluados en su medida, no obstante, deseamos emitir las siguientes recomendaciones:

I Uno de los problemas básicos que presenta este proyecto es el manejo y disposición final de los cienos digeridos resultantes del tratamiento de los efluentes del proceso industrial. Por su composición y características estos cienos presentan posibles problemas de contaminación de los suelos y de las aguas subterráneas y superficiales, dando lugar a posibles daños a la vida acuática y aumentando la concentración de los metales pesados en las aguas.

Entre las alternativas a considerarse para el tratamiento de estos cienos se incluyen:

1) La incineración y almacenamiento adecuado de las cenizas.

2) Embarque de los cienos a los Estados Unidos.

3) Tratamiento que pueda rendir los cienos secos de manera que estos puedan ser depositados en un sistema de relleno sanitario.

El Municipio de San Germán, donde actualmente se depositan los cienos de la planta que está en operación, posee un vertedero que opera en violación a nuestra reglamentación y cuyos terrenos colindan con una quebrada a donde prácticamente van a dar los desperdicios sólidos.

Anexo #3

Rafael A. Tejo de Varona
Olga Piña

Por tales motivos, deseamos indicar que se deberá descontinuar el depósito de estos cienos en el vertedero de San Germán. De el proponente optar por utilizar el sistema de relleno sanitario de otro municipio, como lo podría ser el de Mayaguez, deberá obtenerse la autorización de las Autoridades Municipales correspondientes.

II Los cristales de sulfato de cobre que se recuperan son de propiedades tóxicas y los mismos pueden ser devueltos al proceso industrial de la planta o enviados a una firma que procese este material.

III La compañía encargada de la recolección y disposición de los desperdicios sólidos deberá estar autorizada por esta JCA.

En caso de surgir alguna duda sobre el particular, favor de comunicarse con nuesta División de Desperdicios Sólidos.

Cordialmente,

Carlos M. Jiménez Barber
Director Ejecutivo

OAC/ILC/cp

Isabel D. Serrano de Vargas

Junta de Calidad Ambiental

File DIA-Digital San Germán

21 feb./75
Esperar hablar con Guzmán para organizar viaje a San Germán

18 de febrero de 1975

MEMORANDO

A : Jaime L. Ortiz

P/C : Jorge E. Huyke

De : Roberto Olazagasti

Asunto : Digital Equipment Corp.

En visita realizada por el Sr. Jorge E. Huyke a la Digital Equipment Corporation de P.R. localizada en San Germán y con dirección postal P.O. Box 106 San Germán, P.R. 00753, como parte del estudio realizándose sobre los desperdicios tóxicos o peligrosos en las industrias de P.R. se encontró la siguiente deficiencia la cual amerita atención inmediata.

La industria antes mencionada produce cieno de alto contenido de sustancias químicas altamente tóxicos y peligrosos como desperdicio.

A continuación se ofrece el análisis sometido a esta Junta sobre dicho cieno el día 3 de febrero de 1975.

Calcio	12,300 ppm
Cromio	10 ppm
Cobre	27,000 ppm
Plomo	1,200 ppm
Estaño	900 ppm *
Zinc	1,800 ppm

suplido por Guzmán

*Aparentemente la cifra de 900 ppm ha sido un error ya que por cálculos matemáticos y por información suministrada anteriormente la cifra debe ser 9,000 ppm.

Este análisis fue sometido a esta por el Sr. Richard W. Esten, gerente general de la planta, en solicitud de un permiso para operar servicios de recolección.

Al examinar el contenido de dicho cieno se encontraron valores extremadamente altos y en violación con los límites provisionales establecidos por la Agencia Federal para la Protección del Ambiente (EPA). A continuación se ofrecen los valores provisionales establecidos por la EPA.

Oxido de Calcio	.....
Oxido de Cromio	..... 0.25 mg/l (ppm)
Oxido de Cobre	..... N.A.
Oxido de Plomo	..... N.A.
Oxido de Estaño	..... 0.05 mg/l (ppm) como Pb
Oxido de Zinc	..... N.A.
	..... 5.0 mg/l (ppm) como 2m

Se han tomado los óxidos o hidróxidos ya que siguen la DIA (JCA 73-054 AFE) sometida a esta Junta, así se clasifican, además se clasifican como hidróxido de iones metálicos insolubles.

A continuación se ofrece el análisis tóxico general de cada uno de los compuestos encontrados en el cieno.

Compuestos de Calcio:

Son irritantes a la piel, ojos y membranas mucosos. Se deben considerar tóxicos solo cuando contienen componentes tóxicos como arsenico o como óxidos de calcio o hidróxidos.

Compuestos de Cromio:

Los ácidos y sales tienen acción carrosiva a la piel y las membranas mucosas en las cuales se producen pequeñas úlçeras. Las sales están asociadas con el cáncer en los pulmones. Compuestos hexavalentes son mas tóxicos que los trivalentes.

Compuestos de Cobre:

Como óxido puede causar la fiebre de vapores de metal. La inhalación de polvo de cobre ha causado hemolisis. Ingestión de las sales puede causar la muerte. Otros compuestos causan irritación en la piel y ojos.

Compuestos de Plomo:

El envenenamiento por compuestos de plomo son de los más comunes. Es un veneno acumulativo. Produce endurecimiento de las células rojas de la sangre. Tiene efecto nocivo a órganos y tejidos que tengan contacto con estos compuestos.

Compuestos de Estaño:

El estaño como tal no se considera generalmente tóxico. Algunas sales inorgánicas son irritantes y pueden liberar vapores tóxicos durante la descomposición de esta. Los alquilos de estaño son altamente tóxicos y causan alergias. El polvo de óxido de estaño han causado pneumoconiosis el cual es relativamente benigno.

Como elemento no es tóxico, pero cuando se calienta produce vapores de oxido de zinc que cuando se inhalan pueden producir efectos nocivos. El oxido de zinc en polvo puede obstruir los directos de las glándulas cebaceas.

Esta información ha sido recopilado del libro Dangerous Properties of Industrial Materials.

Se debe aclarar que en ninguna ocasión esta Junta ha dado permiso para que estos cienos sean depositados en el vertedero de Mayaguez sin antes ser tratados adecuadamente. Anteriormente estos cienos se estaban depositando en el vertedero de San Germán el cual queda adyacente a una quebrada.

Recomendaciones:

Se deben citar a esta Junta los señores:

Sr. Ramón M. Guzmán y Sr. Gerardo Maldonado para reunión sobre el particular.

Se deben tomar muestras del agua adyacente al vertedero de San Germán para análisis de metales.

Se debe tomar muestra del cieno depositado en el vertedero de Mayaguez para análisis.

Se debe tomar la acción pertinente a la mayor brevedad posible.

Asunto: EVALUACION DE ASPECTOS AMBIENTALES

Proyecto: Digital Equipment Corporation (Exp.)

EVALUACION TERMINADA

Ubicación: Edif. S-0373-0-56 y Extensión
Urb. Industrial Retiro
San Germán, PR

La Oficina de Asesoramiento Ambiental de la Administración de Fomento Económico ha evaluado el impacto ambiental del proyecto mencionado en el asunto y opina lo siguiente:

No se espera impacto significativo sobre el ambiente como consecuencia de este proyecto.

Esta opinión está sujeta a la(s) siguiente(s) determinación(es):

Aplica solamente al uso del edificio número S-0373-0-56 y su extensión para el almacenamiento de materias primas, incluyendo productos químicos y para el ensamblaje liviano ("kitting") de piezas electrónicas, plásticas, etc.

No se almacenarán productos químicos de desecho, ni otros desechos, en este edificio.

No se instalarán tanques subterraneos para depositar productos químicos o desechos ni se depositarán materiales de desecho en los terrenos de la industria. Cualquier desecho que se produzca será dispuesto en cumplimiento con la reglamentación vigente de la EPA/JCA.

Cordialmente,

Gilberto García Monge
Director
Ofic. Asesoramiento Ambiental

LAC/v

DEPARTAMENTO DE CONTRATOS
12 JUN 1985

cc: (x) Depto. Promoción AFE ( ) Local (x) Continental ( ) Servicios
(x) Depto. Negociación de Contratos CFI
(x) Depto. de Estudios Económicos AFE
(x) Oficina de Planificación CFI

PRIDCO

GOBIERNO DE PUERTO RICO
Compañía de Fomento Industrial

21 de diciembre de 2000

Sr. Francisco J. López

Sr. Víctor Rivera Morales

Harold Carrasquillo

INFORME DE EVALUACION AMBIENTAL
BAYTEX INTERNATIONAL CORP.
EDIFICIO: S-0373-0-56 & EXT.
SAN GERMAN, PUERTO RICO
CASO 00I061

A solicitud de la División de Administración de Bienes Raíces, visitamos la propiedad citada.

La solicitud obedece a la cancelación del contrato de arrendamiento.

En esta evaluación consideramos las siguientes reglamentaciones estatales y federales:

-Ley Federal de Conservación y Recuperación de los Recursos (RCRA).
*Reglamento para el Control de los Desperdicios Sólidos Peligrosos y No Peligrosos (versión enmendada).
*Reglamento para el Control de la Inyección Subterránea.
*Reglamento para el Control de la Contaminación Atmosférica (versión enmendada).
*Prevención de Contaminación de Aceites, Código Registro Federal 40, Parte 112.
-"PCB bajo TSCA"
-Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico del Departamento de Recursos Naturales de Puerto Rico.
-Reglamento del Departamento de Bomberos de Puerto Rico, Area de Prevención.
-Reglamento para el Manejo de los Desperdicios Biomédicos (JCA), agosto 1991.
-Reglamento para Tanques Soterrados.

***Promulgado por la Junta de Calidad Ambiental (JCA)**

Información General

La propiedad bajo estudio está localizada en el solar L-49-65 en la calle A, en el Parque Industrial Retiro de San Germán.

Historial de Uso de la Propiedad

El edificio fue terminado el 5 de marzo de 1959.

Compañía	:	Northridge Knitting Mills
Desde	:	21 de noviembre de 1956
Hasta	:	31 de diciembre de 1975
Producto	:	Ropa tejida

Compañía	:	Fashions Knitwear, Inc.
Desde	:	8 de junio de 1976
Hasta	:	28 de marzo de 1979
Producto	:	Ropa tejida

Compañía	:	Digital Equipment Corp.
Desde	:	19 de agosto de 1982
Hasta	:	31 de enero de 1992
Producto	:	Almacén de materia prima

Compañía	:	Baytex International Corp.
Desde	:	16 de abril de 1998
Hasta	:	31 de mayo de 2000
Producto	:	Ropa (camisetas)

COLINDANCIAS

Las colindancias del proyecto son las siguientes:

NORTE : Carretera Núm. 102

SUR : Calle B del Parque Industrial

ESTE : Propiedad privada (Sr. Ernesto Quiñones)

OESTE : Calle A del Parque Industrial

Información Específica del Proyecto/Solar

Durante la evaluación del proyecto consideramos las siguientes áreas.

Interior del Edificio
Patio delantero
Patio posterior
Zona de carga y descarga

En el momento de la inspección **NO** observamos:

Desperdicios sólidos almacenados o abandonados que pudieran estar en violación a la reglamentación estatal y federal (Reglamento para el Control de los Desperdicios Solidos Peligrosos y No Peligrosos, versión enmendada y Parte 261 del Código de Registro Federal Núm. 40).

Fuentes de Emisión Atmosférica (Reglamentación para el Control de Contaminación Atmosférica de la JCA).

Tanques sobre el terreno para almacenar materia prima (líquidos), (Parte 112 del Código de Registro Federal Núm. 40 para la prevención de Contaminación de Aceites).

Pozos de extracción de agua.

Desperdicios biomédicos (Código de Registro Federal Núm. 10, partes 22 y 259).

Tanques soterrados para almacenamiento (Reglamento de Tanques de Almacenamiento Soterrados).

Tanques sobre el terreno para almacenar materia prima (Reglamento del Departamento de Bomberos de Puerto Rico – Area de Prevención de Incendios).

Tanques sobre el terreno de gas (Comisión de Servicio Público).

Estructuras/planchas de material sospechoso que pudiesen contener asbesto.

OBSERVACIONES:

Interior del Edificio

El interior se observó ocupado por maquinaria industrial de coser. Esta maquinaria fue embargada por el Banco de Desarrollo.

En el interior se observaron mesas de madera. También se observaron cajas llenas de camisas terminadas.

No se observaron losetas de vinilo. En el área de oficina se observaron losetas de cerámica.

No se observaron manchas ni evidencia de derrame de sustancias químicas en el interior.

Exterior del Edificio

En el lado norte del edificio se observó una subestación eléctrica tipo cerrada ("transclosure"). La subestación consiste de tres transformadores con capacidad de 75 KVA cada uno. Los transformadores son No-PCB.

En la propiedad existe un sistema séptico pero el mismo no fue utilizado por la empresa Baytex.

Desde antes del año 1998 este edificio está conectado al sistema sanitario de la Autoridad de Acueductos y Alcantarillados (AAA). La empresa Baytex no utilizó este sistema séptico, ya que esta empresa ocupó la propiedad en el 1998, cuando el edificio ya estaba conectado al sistema sanitario de la AAA.

No se observaron manchas ni evidencia de derrame de sustancias químicas en el exterior.

En el lado norte del edificio existía un tanque soterrado con capacidad de 2,850 galones. Este tanque se utilizaba para almacenar destilado. Este tanque fue removido el 16 de diciembre de 1998.

En el área de este tanque se realizaron muestreos y se detectaron concentraciones altas de hidrocarburos (hasta 12,000 ppm).

Este caso esta siendo trabajado por la Ing. Margarita Maldonado, están pendientes de realizarse muestreos adicionales en el área y acciones correctivas.

Este tanque soterrado no fue instalado por la empresa Baytex.

CONCLUSION

Basándonos en la información recopilada para efectos de esta evaluación, entendemos que la condición ambiental de la propiedad no debería representar riesgos inaceptables para la disponibilidad de la misma.

RECOMENDACIONES

Notificarle a la Administración de Bienes Raíces sobre los hallazgos relacionados con la evaluación ambiental en esta propiedad.

ANEJO

1. **Copia del Plano de Localización y Sitio del Proyecto bajo consideración.**

INDUSTRIAL SITE

REV. ENERO/1989

DATE 2-3-78

MUN. SAN GERMAN

BARRIO RETIRO

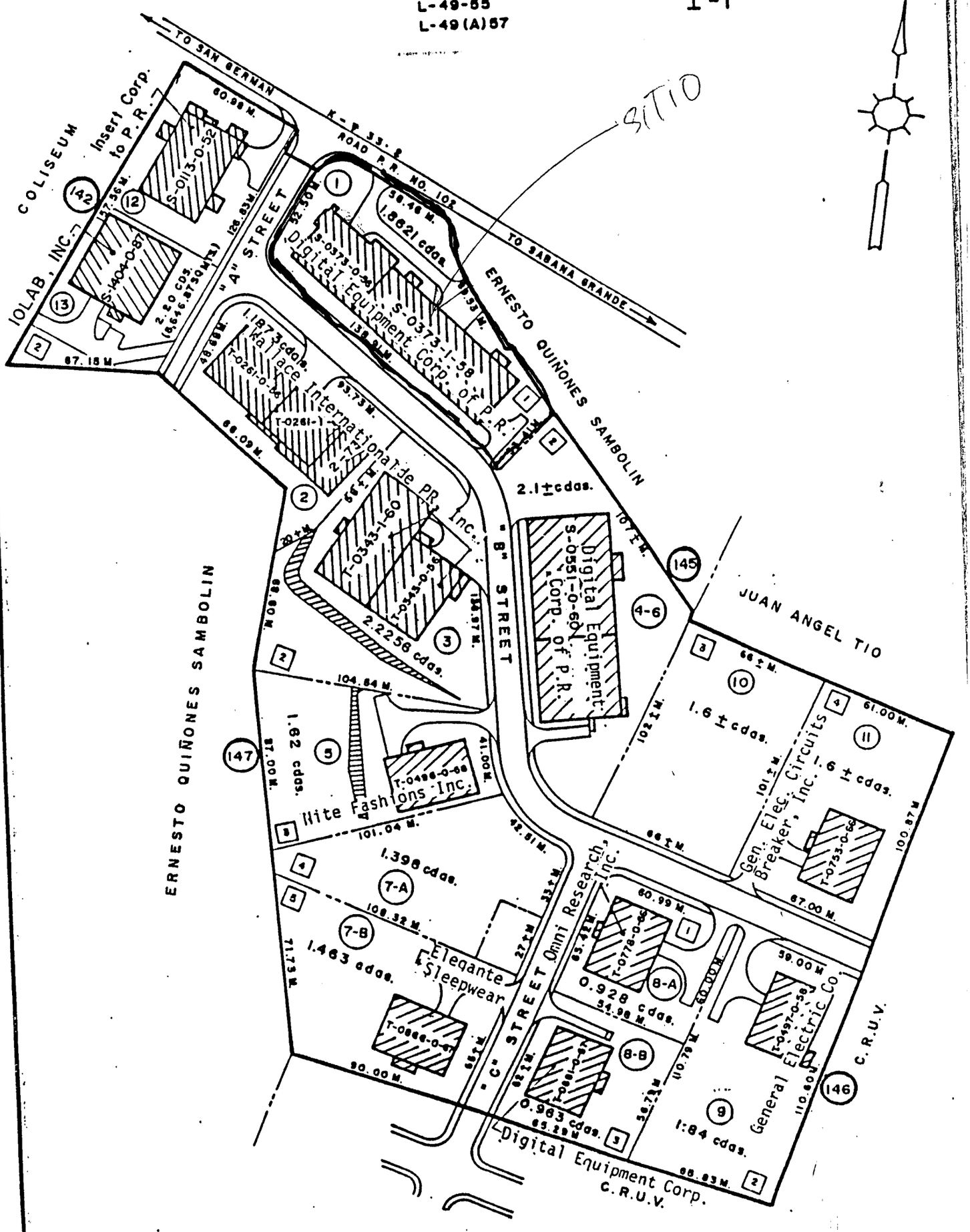
SITE PLAN

L-49-65

L-49(A)67

I-1 PRIDCO PROPERTY

REV. 30 SEPT. 1983



Arecibo #1

NUM. DE CATASTRO				
MUNICIPIO	MAPA		MANZANA	PARCELA
	110,000	111,000		

DRAWN A. B. CUEVAS

SCALE 1:2,000

FOMENTO

ESTADO LIBRE ASOCIADO DE PUERTO RICO
Compañía de Fomento Industrial

17 de marzo de 2009

Luis A. Rivera Justiniano

Karen W. Fornés Pérez

Rebecca Santiago García

INFORME DE LA SITUACION AMBIENTAL
BAY-TEX INTERNATIONAL CORP.
EDIFICIO: S-0373-0-56 & 1-58 / L-049-0-55
SAN GERMAN, PUERTO RICO
CASO: 09-019

A solicitud de la División de Bienes Raíces, visitamos la propiedad citada.

La solicitud obedece a la transacción de compra y venta entre Bay-Tex Internacional Corp. y la Compañía de Fomento Industrial.

En esta evaluación consideramos las siguientes reglamentaciones estatales y federales:

-Ley Federal de Conservación y Recuperación de los Recursos (RCRA).
*Reglamento para el Control de los Desperdicios Sólidos Peligrosos y No Peligrosos (Versión enmendada).
*Reglamento para el Control de la Inyección Subterránea.
*Reglamento para el Control de la Contaminación Atmosférica (versión enmendada).
*Prevención de Contaminación de Aceites, Código Registro Federal 40, Parte 112.
-"PCB bajo TSCA"
-Reglamento para el Aprovechamiento, Uso, Conservación y Administración de las Aguas de Puerto Rico del Departamento de Recursos Naturales de Puerto Rico.
-Reglamento del Departamento de Bomberos de Puerto Rico, Área de Prevención.
-Reglamento para el Manejo de los Desperdicios Biomédicos (JCA), agosto 1991.
-Reglamento para Tanques Soterrados.

***Promulgado por la Junta de Calidad Ambiental (JCA)**

Información General

La propiedad bajo estudio está localizada en el solar 1 Lote L-049-0-55 en la calle A en el Parque Industrial Retiro, en el Municipio de San Germán, P R.

Historial de Uso de la Propiedad

Propiedad: S-0373-0-56 & 1-58
El edificio fue terminado en 5 de marzo de 1959

Compañía	:	Northridge Knitting Mills
Desde	:	21 de noviembre de 1959
Hasta	:	31 de diciembre de 1975
Producto	:	Ropa tejida

Compañía	:	Fashions Knitwear, Inc.
Desde	:	8 de junio de 1976
Hasta	:	28 de marzo de 1979
Producto	:	Ropa tejida

Compañía	:	Digital Equipment Corp.
Desde	:	19 de agosto de 1982
Hasta	:	31 de enero de 1992
Producto	:	Almacén de materia prima

Compañía	:	Baytex Internacional Corp.
Desde	:	16 de abril de 1998
Hasta	:	31 de mayo de 2000
Producto	:	Ropa (camisetas)

COLINDANCIAS

Las colindancias del proyecto son las siguientes:

NORTE	:	Carretera PR #102
SUR	:	Calle B del Parque Industrial
ESTE	:	Propiedad Privada (Señor Ernesto Quiñones Sambolín)
OESTE	:	Calle A del Parque Industrial

Información Específica del Proyecto/Solar

Durante la evaluación del proyecto consideramos las siguientes áreas.

Interior del Edificio
Patio delantero
Patio posterior
Zona de carga y descarga

En el momento de la inspección realizada el 6 de marzo de 2009, en las áreas antes mencionadas **NO** observamos:

Desperdicios sólidos almacenados o abandonados que pudieran estar en violación a la reglamentación estatal y federal (Reglamento para el Control de los Desperdicios Sólidos Peligrosos y No Peligrosos, versión enmendada y Parte 261 del Código de Registro Federal Núm. 40).

Fuentes de Emisión Atmosférica (Reglamentación para el Control de Contaminación Atmosférica de la JCA).

Tanques sobre el terreno para almacenar materia prima (líquidos), (Parte 112 del Código de Registro Federal Núm. 40 para la prevención de Contaminación de Aceites)

Pozos de extracción de agua.

Desperdicios biomédicos (Código de Registro Federal Núm. 10, partes 22 y 259).

Tanques soterrados para almacenamiento (Reglamento de Tanques de Almacenamiento Soterrados).

Tanques sobre el terreno para almacenar materia prima (Reglamento del Dpto. de Bomberos de PR – Area de Preservación de Incendios).

Tanques sobre el terreno de gas (Comisión de Servicio Público).

Estructuras / planchas de material sospechoso que pudiesen contener asbesto.

OBSERVACIONES:

El 6 de marzo de 2009, visitamos la propiedad de referencia. La última industria en ocupar el edificio fue Bye-Tex y los mismos se dedicaban a la manufactura de ropa. Según el inspector de área el Sr. Alcides Álvarez, los sistemas sépticos de la propiedad fueron sellados.

Según informe de auditoria del 21 de diciembre de 2000, en la propiedad existía un tanque soterrado y el mismo fue removido el 16 de diciembre de 1998. El 14 de febrero de 2001, la División de Asuntos Ambientales sometió un informe de caracterización del área donde se encontraba el tanque soterrado a la Junta de Calidad Ambiental.

Posteriormente, el 24 de octubre de 2003, la División para el Manejo de Tanques de Almacenamiento Soterrado del Area de Calidad de Agua de la Junta de Calidad Ambiental, envió a CFI carta de relevo de cualquier estudio ambiental adicional en la propiedad en el asunto. Además indicó que la propiedad sería inactivada de la Lista de Facilidades de Acciones Correctivas (LUST List, por sus siglas en inglés).

Interior del Edificio:

- Limpio y desocupado.
- Divisiones de los baños en madera

Exterior del Edificio:

- Limpio y desherbado.
- Subestación "Transclosure" con 3 transformadores de 75kva cada uno, No-PCB, según certificación.

CONCLUSION

Basándonos en la información recopilada para efectos de esta evaluación, entendemos que la condición ambiental de la propiedad no debería representar riesgos inaceptables para la disponibilidad de la misma.

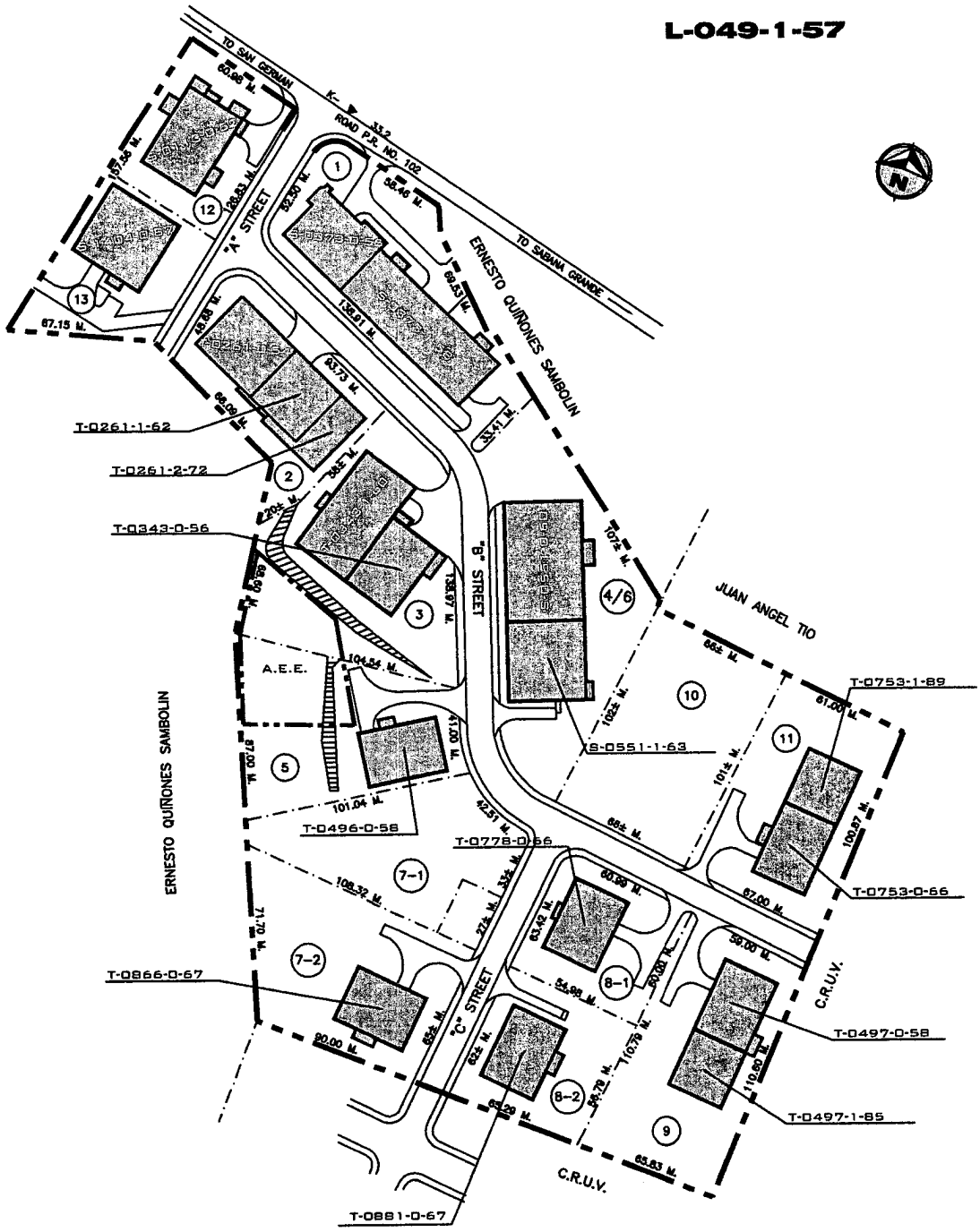
ANEJO

1. Copia del Plan de Localización y Sitio del Proyecto bajo consideración.
2. Copia carta de Relevo de Acciones Adicionales (Antigua Digital) de la Junta de Calidad Ambiental.
3. Copia de Certificación No-PCB de transformadores en la propiedad.

MUNICIPALITY OF SAN GERMAN
RETIRO WARD

L-049-0-55-00

L-049-1-57



LEGEND:	CADASTRE NUMBER				
LOT LIMIT	MUNICIPALITY	MAP 1:10,000	MAP 1:1,000	BLOCK	PARCEL
PRIDCO PROPERTY LIMIT	56	334	046	142-145	00
BUILDING					
ROADS OR CURB SIDE					

SCALE 1: 2,500 REV. DATE 8 - DECEMBER - 2008

DRAW DATE FEB/03/1978 ZONNING I - 1

PRIDCO
Puerto Rico Industrial Development Company

MUNICIPALITY OF SAN GERMAN

RETIRO WARD

L-049-0-55-00

L-049-1-57

L-049-2-52

	LOT NO.	AREA SQ. MTS.	AREA CUERDAS	BLDG. NO.	BLDG. AREA SQ. FEET	GENERAL INFORMATION
L-049-0-55	1	7,318.78	1.8621	S-0373-0-56-00	11,457.50	A.A.A.
				S-0373-1-58-00	23,462.68	BAY-TEX INT'L. CORP.
	2	4,666.55	1.1873	T-0261-0-54-00	11,497.67	WALLACE INT. DE PR
				T-0261-1-62-00	8,535.11	WALLACE INT. DE PR
				T-0261-2-72-00	6,492.97	WALLACE INT. DE PR
	3 *	8,747.48	2.2256	T-0343-0-56-00	11,478.08	WALLACE INT. DE PR
				T-0343-1-60-00	16,768.34	WALLACE INT. DE PR
	4/6	8,253.83	2.1000	S-0551-0-60-00	22,523.79	INSERT CORP. OF PR
				S-0551-1-63-00	15,368.14	INSERT CORP. OF PR
L-049-1-57	5 *	6,367.24	1.6200	T-0496-0-58-00	11,461.14	
	7-1	5,497.83	1.3988			
	7-2	5,753.31	1.4638	T-0866-0-67-00	11,335.00	
	8-1	3,650.55	0.9288	T-0778-0-66-00	11,497.43	PACE ANALYTICAL , INC.
	8-2	3,774.35	0.9603	T-0881-0-67-00	11,491.86	CARIBE GE DISTRIBUTION
	9	7,231.92	1.8400	T-0497-0-58-00	11,461.00	CARIBE GE PROD.
				T-0497-1-85-00	39,557.13	CARIBE GE PROD.
	10	6,288.63	1.6000			
	11	6,288.63	1.6000	T-0753-0-66-00	11,335.00	CARIBE GE PROD.
				T-0753-1-89-00	13,645.83	CARIBE GE PROD.
L-049-2-52	12	4,480.65	1.1400	S-0113-0-52-00	16,943.15	
	13	4,166.21	1.0600	S-1404-0-87-00	15,123.70	

* ENERGY ELECTRIC STATION

LEGEND:

- LOT LIMIT
- PRIDCO PROPERTY LIMIT
- BUILDING
- ROADS OR CURB SIDE

CADASTRE NUMBER				
MUNICIPALITY	MAP 1:10,000	MAP 1:1,000	BLOCK	PARCEL
56	334	046	142-145	00

SCALE 1: 2,500 REV. DATE 8 - DECEMBER - 2008

DRAW DATE FEB/03/1978 ZONNING I - 1

PRIDCO

Puerto Rico Industrial Development Company

PHASOR ENGINEERING, INC.
ENGINEERING, MAINTENANCE AND TESTING SERVICES, INC.
P.O. Box 3012 Ponce, P. R. 00732 • Ponce (809) 844-9166 • San Juan (809) 727-4655

December 1, 1995

WALLACE INTERNATIONAL
PO Box 1177
San German, PR 00753

Attn: Mr. Victor Santana

RE: PCB CONTENT ANALYSIS REPORT

Dear Mr. Santana

We are pleased to submit our report on the Analysis of Insulating Oil for PCB Content

We certify that the test employed were performed in accordance with recognized standards for such procedures. The attached report is accurate and true to the best of our knowledge and belief.

TRANSFORMER ID	PPM	CLASSIFICATION
Building No. 1		
1500 KVA 03259	ND	Non PCB
Building No. 2		
2000 KVA 6995198		Non PCB

We sincerely appreciate this opportunity to be of service to you. Please contact our office at any time if we may be of further assistance.

If you have additional questions, do not hesitate to call us.

Thank you for letting us serve you

Very truly yours,

Mr. José E. Camacho
Field Service Manager

dsa

Enclosure

Note: Non - Detectable

JACO A[illegible]

PHASOR ENGINEERING [illegible]
PO BOX 5017
PONCE, PR 00732
Attn: DIANA

JACO Analytical Laboratory
[illegible] North Cliff Avenue
[illegible] Falls, [illegible]
[illegible] Chemist

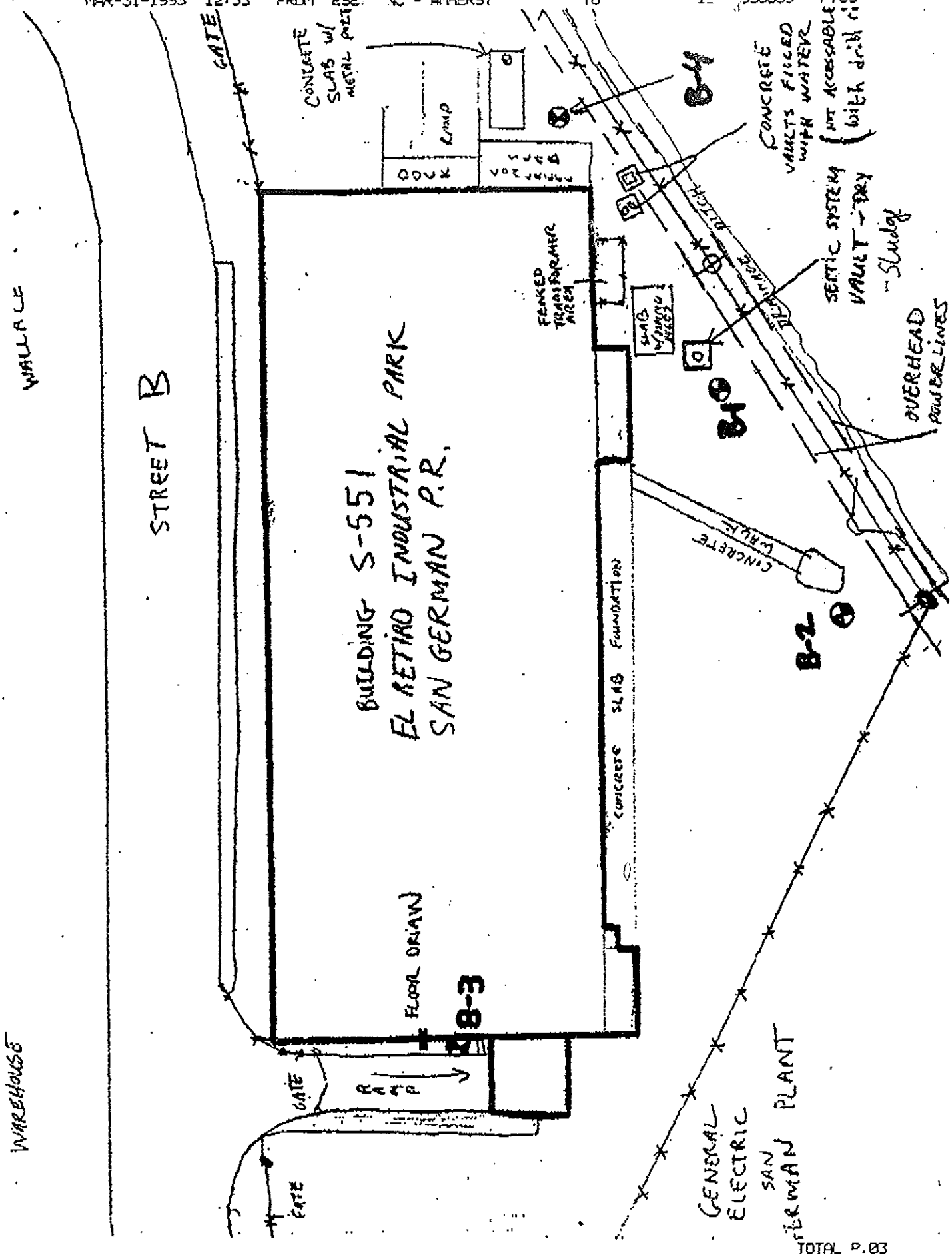
Invoice # 5112800 PO [illegible] [illegible] 200182

Below is a listing of the sam[illegible] [illegible] together with the laboratory results [illegible] PCB content. Please contact the lab at [illegible]-334-4[illegible] [illegible] questions regarding these sample results.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
03259	PLANTA [illegible]	[illegible]	[illegible]	[illegible]	5111
[illegible]	PLANTA NO [illegible]	[illegible]	2000KVA [illegible]	[illegible]	[illegible]

Invoice # [illegible]

TOTAL P.04


WALLACE
STREET B
GATE
CONCRETE SLAB w/ METAL POST
RAMP
DOCK
CONCRETE SLAB
FENCED TRANSFORMER AREA
SLAB w/ MANHOLES
B-4
CONCRETE VAULTS FILLED WITH WATER (NOT ACCESSABLE with drill rig)
SEPTIC SYSTEM VAULT - DRY - Sludge
DRAINAGE DITCH
OVERHEAD POWER LINES
B-1
CONCRETE VAULT
B-2
BUILDING S-551
EL RETIRO INDUSTRIAL PARK
SAN GERMAN P.R.
CONCRETE SLAB FOUNDATION
FLOOR DRAIN
B-3
RAMP
GATE
GATE
WAREHOUSE
GENERAL ELECTRIC SAN GERMAN PLANT

TOTAL P.03

(83T

Environmental Science & Engineering 04/18/95 STATUS :FINAL PAGE 1
PROJECT NUMBER 591-5110 PROJECT NAME ESE/AMHERST-MENASHA CORP/PHASE II
FIELD GROUP 20866 LAB COORDINATOR VICKIE WYNKOOP

CLIENT SAMPLE ID'S:			B-1	B-2	B-3	B-4	
ESE FIELD GROUP:			20866	20866	20866	20866	
ESE SEQUENCE #:			1	2	3	4	
DATE COLLECTED:			03/29/95	03/29/95	03/29/95	03/29/95	
TIME COLLECTED:			10:40	12:20	13:45	14:40	
PARAMETERS	UNITS	METHOD					
VOLATILE ORGANIC COMPOUNDS							
Chloromethane	UG/KG-DRY	8240	<17	<15	<12	<14	
Bromomethane	UG/KG-DRY	8240	<17	<15	<12	<14	
Vinyl Chloride	UG/KG-DRY	8240	89	<15	<12	<14	10
Chloroethane	UG/KG-DRY	8240	<17	<15	<12	<14	
Methylene Chloride	UG/KG-DRY	8240	12	13	<6	9	50
Acetone	UG/KG-DRY	8240	<17	<15	<12	<14	
Carbon Disulfide	UG/KG-DRY	8240	<8	<8	<6	<7	
1,1-Dichloroethene	UG/KG-DRY	8240	<8	<8	<6	<7	
1,1-Dichloroethane	UG/KG-DRY	8240	<8	<8	<6	<7	
trans-1,2-Dichloroethene	UG/KG-DRY	8240	35	<8	<6	<7	500
Chloroform	UG/KG-DRY	8240	<8	<8	<6	<7	
1,2-Dichloroethane	UG/KG-DRY	8240	<8	<8	<6	<7	
2-Butanone	UG/KG-DRY	8240	<17	<15	<12	<14	
1,1,1-Trichloroethane	UG/KG-DRY	8240	<8	<8	<6	<7	
Carbon Tetrachloride	UG/KG-DRY	8240	<8	<8	<6	<7	
Vinyl Acetate	UG/KG-DRY	8240	<17	<15	<12	<14	
Bromodichloromethane	UG/KG-DRY	8240	<8	<8	<6	<7	
1,2-Dichloropropane	UG/KG-DRY	8240	<8	<8	<6	<7	
cis-1,3-Dichloropropene	UG/KG-DRY	8240	<8	<8	<6	<7	
Trichloroethene	UG/KG-DRY	8240	1400	99	<6	<7	25
Dibromochloromethane	UG/KG-DRY	8240	<8	<8	<6	<7	
1,1,2-Trichloroethane	UG/KG-DRY	8240	<8	<8	<6	<7	
Benzene	UG/KG-DRY	8240	<8	<8	<6	<7	
trans-1,3-Dichloropropene	UG/KG-DRY	8240	<8	<8	<6	<7	
Bromoform	UG/KG-DRY	8240	<8	<8	<6	<7	
4-Methyl-2-pentanone	UG/KG-DRY	8240	<17	<15	<12	<14	
2-Hexanone	UG/KG-DRY	8240	<17	<15	<12	<14	
Tetrachloroethene	UG/KG-DRY	8240	<8	8	<6	<7	25
1,1,2,2-Tetrachloroethene	UG/KG-DRY	8240	<8	<8	<6	<7	
Toluene	UG/KG-DRY	8240	<8	<8	<6	<7	

A VALUE OF <7 MEANS THE LOWER LIMIT OF DETECTION WAS 7 PARTS PER BILLION AND SO THIS IS BASICALLY A "NON-DETECT." 5

8901 North Industrial Road Peoria, IL 61615 Phone (309) 692-4422 (800) 234-1239 Fax (309) 692-5232

Environmental Science & Engineering 04/18/95 STATUS :FINAL PAGE 2
PROJECT NUMBER 591-5110 PROJECT NAME ESE/AMHERST-MENASHA CORP/PHASE II
FIELD GROUP 20866 LAB COORDINATOR VICKIE WYNKOOP

PARAMETERS	UNITS	METHOD	B-1	B-2	B-3	B-4	
CLIENT SAMPLE ID'S:			B-1	B-2	B-3	B-4	
ESE FIELD GROUP:			20866	20866	20866	20866	
ESE SEQUENCE #:			1	2	3	4	
DATE COLLECTED:			03/29/95	03/29/95	03/29/95	03/29/95	
TIME COLLECTED:			10:40	12:20	13:45	14:40	
Chlorobenzene	UG/KG-DRY	8240	<8	<8	<6	<7	
Ethylbenzene	UG/KG-DRY	8240	<8	<8	<6	<7	
Styrene	UG/KG-DRY	8240	<8	<8	<6	<7	
Xylenes (total)	UG/KG-DRY	8240	<8	<8	<6	<7	
cis-1,2-Dichloroethene	UG/KG-DRY	8240	2200	110	10	16	200
TPH							
TPH, as diesel	MG/KG-DRY	8015/MOD	<17	<15	<12	<14	No Problem
TPH, as gasoline	MG/KG-DRY	8015/MOD	<17	<15	<12	<14	
TPH, as jet fuel	MG/KG-DRY	8015/MOD	<17	<15	<12	<14	
TPH, as unidentified hydrocarbon	MG/KG-DRY	8015/MOD	<17	<15	<12	<14	
PCBs							
Aroclor-1016	UG/KG-DRY	8080	<130	<120	<92	<110	No Problem
Aroclor-1221	UG/KG-DRY	8080	<130	<120	<92	<110	
Aroclor-1232	UG/KG-DRY	8080	<130	<120	<92	<110	
Aroclor-1242	UG/KG-DRY	8080	<130	<120	<92	<110	
Aroclor-1248	UG/KG-DRY	8080	<130	<120	<92	<110	
Aroclor-1254	UG/KG-DRY	8080	<270	<240	<180	<220	
Aroclor-1260	UG/KG-DRY	8080	<270	<240	<180	<220	
METALS			THESE VALUES ARE PARTS PER MILLION				
Arsenic	MG/KG-DRY	SW846	2.59	2.15	4.31	2.03	1-50
Barium	MG/KG-DRY	SW846	63.2	33.8	49.7	60.5	100-3,000
Cadmium	MG/KG-DRY	6010	<0.833	<0.762	<0.578	<0.691	—
Chromium	MG/KG-DRY	6010	2170	1720	99.2	1190	1-1,000
Lead	MG/KG-DRY	6010	8.47	<7.62	7.17	<6.91	2-200
Mercury	MG/KG-DRY	7471	<0.167	0.160	<0.116	0.217	0.01-0.3
Selenium	MG/KG-DRY	7740	<0.833	<0.762	<0.578	<0.691	—
Silver	MG/KG-DRY	7760	<1.67	<1.52	<1.16	<1.38	—
Moisture	%	160.3	40.0	34.4	13.5	27.6	

8901 North Industrial Road Peoria, IL 61615 Phone (309) 692-4422 (800) 234-1239 Fax (309) 692-5232

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PAGE.018
P.18

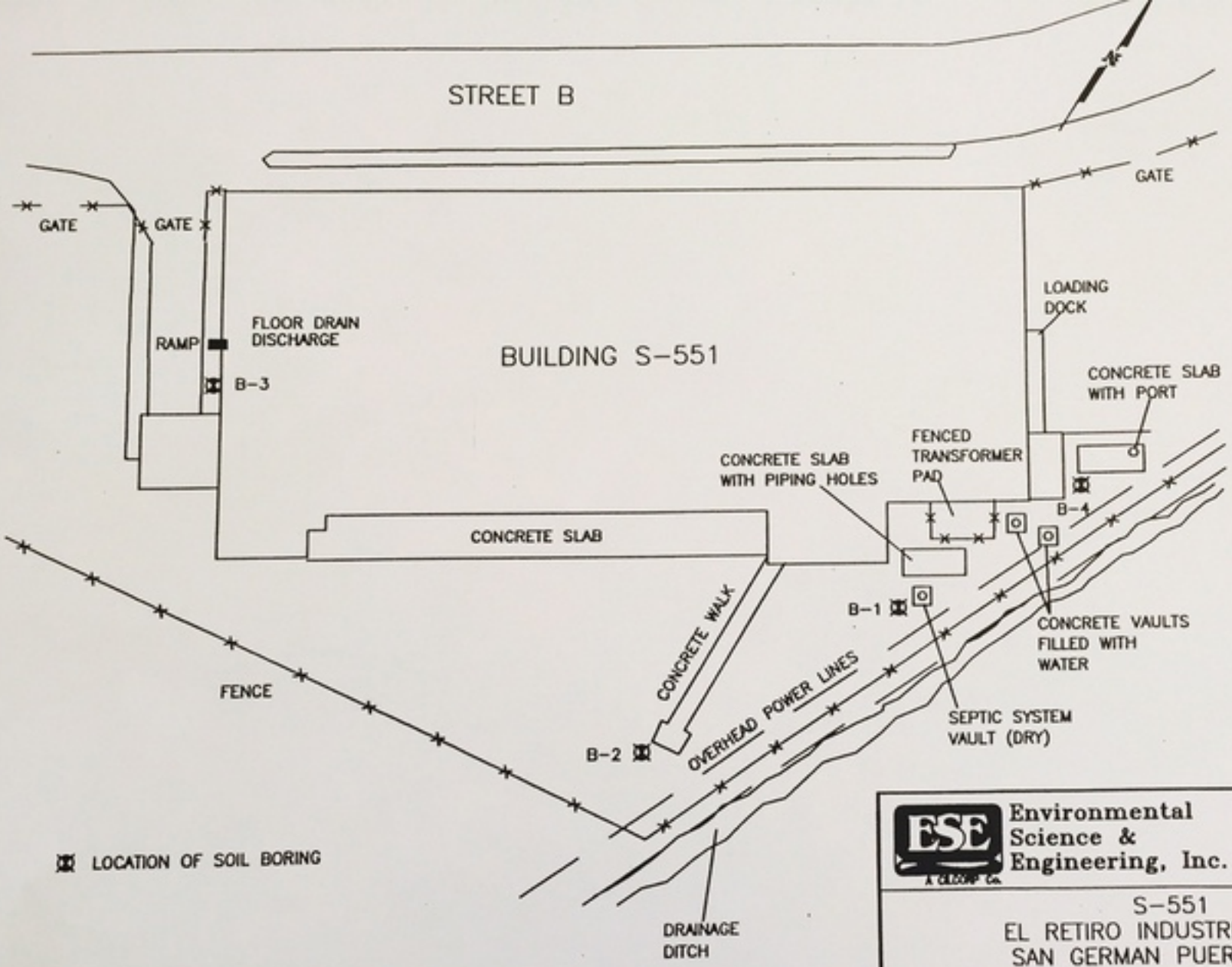
Table 1

SUMMARY OF SOIL SAMPLE RESULTS
BUILDING S-551 - PARQUE INDUSTRIAL EL RETIRO
SAN GERMAN, PUERTO RICO

Soil Boring No.	B-1	B-2	B-3	B-4	Maximum Contaminant Level (MCL)	Typical Concentrations in Natural Soils[1]
Parameter / Sample Interval (Ft.)	9-11	9-11	9-11	14-16		
VOLATILE ORGANIC COMPOUNDS	Micrograms per Kilogram (µg/kg)					
Vinyl Chloride	89	ND	ND	ND	2.0	
Methylene Chloride	12	13	ND	ND		
Trans-1,2-Dichloroethene	35	ND	ND	ND		
Trichloroethene	1,400	99	ND	ND	5	
Tetrachloroethene	ND	8	ND	ND	5	
Cis-1,2-Dichloroethene	2,200	110	10	16	70	
METALS	Milligrams per Kilograms (mg/kg)					
Arsenic	2.59	2.15	4.31	2.03	50	Range: 1 - 50; Average = 5
Barium	63.2	33.8	49.7	60.5	2,000	Range: 100 - 3,000 Average = 430
Chromium	2,170	1,720	99.2	1,190	100	Range: 1 - 1,000 Average = 100
Lead	8.47	ND	7.17	ND	15	Range: 2 - 200 Average = 10
Mercury	ND	0.160	ND	0.217	2	Range: 0.01 - 0.3 Average = 0.03

All SAMPLES COLLECTED ON 3/29/95
ND = Non Detect

[1]Adapted from Hazardous Waste Land Treatment, U.S. EPA, SW-874 (April, 1983).



ESE Environmental Science & Engineering, Inc.
5 Overlook Drive
Amherst, NH 03031
(603) 672-2511

S-551
EL RETIRO INDUSTRIAL PARK
SAN GERMAN PUERTO RICO

FIGURE 3

SITE PLAN

DRAWING NAME: SITEPLAN.DWG		FILE NUMBER: 559 5023	
SCALE: N.T.S.	REVISION: 0	DRAWN BY: CBG	DATE: 5/5/95

BENCHMARK SUBSURFACE INVESTIGATION
Building S-551
San German, Puerto Rico

Prepared for:
Mr. Peter E. DeRossi
Corporate Environmental Manager
Menasha Corporation
P.O. Box 367
Neenah, WI 54957

Prepared by:
Environmental Science & Engineering, Inc.
5440 N. Cumberland Avenue, Suite 111
Chicago, Illinois 60656

May 1995

ESE Proposal No. 55-95999-0138

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1.0 Introduction

Environmental Science & Engineering, Inc. (ESE) is pleased to submit this proposal to perform a subsurface environmental investigation at the Building S-551 property, Parque Industrial El Retiro, San German, Puerto Rico. This proposal is submitted in response to your verbal request of May 8, 1995 and is intended to follow up on the limited Phase II Environmental Site Assessment performed by ESE at the site in March 1995.

2.0 Scope of Services

ESE proposes to complete the following scope of services to assess soil and groundwater conditions at the site.

2.1 Project Management and On-site Supervision

2.1.1 ESE will retain a local drilling firm to drill environmental soil borings and install monitoring wells. Drilling costs are based on quotations received from Caribbean Soil Testing Co. Inc., San Juan, Puerto Rico.

2.1.2 Prior to commencing work on the site, a Health and Safety Plan will be developed for ESE personnel to address personal protection, decontamination, and other health and safety issues. The plan will consider conditions relevant to the site and will be reviewed by ESE's Health and Safety Officer. ESE employees working on the site will have completed the OSHA 40-hour hazardous materials operations and safety training required by 29 CFR 1910.120.

2.1.3 ESE will provide technical oversight during the drilling of the soil borings. Technical oversight will consist of collecting samples, monitoring drilling returns with a photoionization detector (PID), classifying soils, and providing oversight to the driller. The PID meter is used to provide on-site field screening for volatile organic vapors.

2.2 Soil Borings

2.2.1 ESE will direct driller to drill a total of ten to twelve soil borings. The estimated depth of each boring is 15 to 20 feet. Borings will be located across the approximate 80,000 square foot parcel to obtain data relative to the overall environmental condition of subsurface soils and groundwater. A slightly higher concentration of borings will be positioned along the drainage ditch to the rear of the facility based on the results of the limited Phase II investigation.

2.2.2 ESE will collect headspace samples for on-site field screening of volatile organic compounds in the soils. The headspace procedure will consist of placing a small volume of the sample in a "clean" sample jar. The jar will be sealed by placing a piece of aluminum foil over the mouth and placing the lid on the jar. The headspace sample will then remain undisturbed for approximately 30 minutes to allow the compound vapors to come to equilibrium with the air in the jar. The sample will be screened by inserting the tip of the PID through the aluminum foil and recording the highest PID response.

2.2.3 ESE will direct driller to decontaminate the auger and sampling equipment between each boring to assist in preventing cross contamination of borings. ESE will also direct driller to decontaminate the split-barrel sampler prior to collection of each sample. ESE will decontaminate its own sampling equipment prior to collection of each sample. The decontamination procedure used for sampling equipment will consist of Alconox wash, tap water rinse and final distilled water rinse.

2.3 Monitoring Wells

2.3.1 Monitoring Well Installation and Development

ESE will direct driller to convert four of the soil borings to monitoring wells to a depth between approximately 10 to 15 feet below ground surface. Actual depth of the monitoring wells will be determined in the field based on field observations.

Monitoring wells will be constructed with 2-inch outside diameter PVC well screens, sand filter packs surrounding the well screen, bentonite seals above the screened interval, and PVC riser pipe, grouted to the surface and flush mounted with cement.

After allowing the grout seals to set overnight, each well will be developed by purging a minimum of five well volumes from the wells. The wells will then be allowed to set for short period prior to sampling to allow a minimum amount of time for groundwater to reach equilibrium within the wells.

2.3.2 Groundwater Sampling

ESE will collect one groundwater sample from each monitoring well to assess groundwater conditions. Prior to the collection of the groundwater samples, the wells will be purged to remove a minimum of three well volumes of water to ensure that the samples collected are representative of the actual conditions. The groundwater samples will be collected immediately after the wells have recharged with a sufficient volume of water to allow for the collection of the samples.

3.0 Laboratory Analysis

3.1 Soil Sample Analysis

Two samples from each soil boring will be submitted for laboratory analysis. The soil sample from each boring exhibiting the highest PID headspace response will be analyzed for volatile organic compounds (VOCs), Total Petroleum Hydrocarbons (TPH), PCBs and 8 RCRA Metals. In addition, at each boring location the second sample will be collected from the surficial soils (0-2 foot interval) and will be analyzed for PCBs and 8 RCRA metals. The soil samples will be placed in a cooler on ice until they can be shipped via overnight service to ESE's laboratory in Peoria, Illinois for analysis. Proper Chain-of-Custody procedures will be followed.

3.2 Groundwater Sample Analysis

One groundwater sample from each monitoring well will be submitted for laboratory analysis. Groundwater samples will be analyzed for volatile organic compounds (VOCs), Total Petroleum Hydrocarbons (TPH), PCBs and 8 RCRA Metals. The groundwater samples will be shipped via overnight courier to ESE's laboratory in Peoria, Illinois.

4.0 Data Interpretation and Letter Report

Upon completion of the subsurface investigation, ESE will prepare a letter report. The report will include an overview of the work performed, field observations, analytical results, conclusions, and recommendations. ESE will submit three copies of the subsurface investigation report to Menasha Corporation.

5.0 Cost Proposal

ESE will perform the soil assessment program in accordance with the following estimated costs:

5.1 Project Management

Includes preparation of Health and Safety Plan, planning of field efforts, subcontractor coordination and project management services.

$1,900.00

5.2 Field Investigation Services

Includes sample collection, field oversight, drilling services (subcontracted), equipment and supplies, travel and lodging expenses.

$17,300.00

5.3 Analytical Services

Soil Samples (12)	$8,800.00
Groundwater Samples (4)	$1,760.00

5.4 Data Interpretation and Report

$4,650.00

TOTAL NOT TO EXCEED COST **$34,410.00**

Any estimates furnished by ESE of the cost of providing professional services under this Agreement are its judgement based upon conditions known at the time the estimated was prepared. The final cost of such work will be dependent on when the work commences, the receipt of timely decisions from Menasha Corporation actual field conditions uncovered, the ability of any contractor to perform its work in a proper and timely fashion and other factors over which ESE has no control.

In the event that concealed conditions are encountered by ESE which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement, the Basic Fee shall be equitably adjusted.

6.0 Basis for Proposal

The proposed scope of work, schedule and cost estimate are based on information provided by the Menasha Corporation and the following assumptions:

- Menasha Corporation will identify a primary facility contact to furnish logistical support.
- ESE assumes that Menasha Corporation will obtain authorization to conduct soil borings on the SITE.
- Costs associated with liaison with regulatory agency personnel and/or consultation beyond the preparation of the report are beyond the scope of services presented herein. Such services can be provided at additional cost if necessary and authorized by Menasha Corporation.
- Analytical costs are based on standard two week turnaround time.
- Menasha Corporation will provide ESE with the necessary information, i.e. drawings, specification, blueprints, etc. to construct an accurate base map.
- Soil investigation estimates are based on normal soil conditions. In the event any underground structures, poles, cables, conduit, catch basins, manholes, rock, sludge, water, running sand, sewers, drain tiles, etc. are encountered, removed or destroyed during the normal performance of a contract, ESE shall not be held responsible for such damage. Restoration of this damage will be made by ESE at Menasha Corporation expense if ESE is so directed. Any additional cost incurred by the appearance of abnormal soil conditions or subsurface installation of the sort above mentioned, including rock or slag formations, shall be paid by Menasha Corporation in addition to the price quoted.
- If it becomes necessary for ESE to abandon the site of excavation for reasons beyond the control of ESE, any expenses incurred for work performed and additional work necessary to complete the contract if performed by others shall be borne by Quality Control Corporation. Such expense shall be based on the existing rate scale for labor and materials plus customary mark-up on cost plus contracts.

- Proposal costs do not include any asphalt, concrete, sod or shrubbery replacement.

- Proposal costs are based on a maximum of four days of field effort for drilling of soil borings and installation of monitoring wells. It is assumed that groundwater samples can be collected within approximately 24 hours after completion of well development.

- Menasha Corporation will be responsible for any reporting of the results of the soil assessment efforts to appropriate government agencies. importante

- A Level D Health and Safety Program will be adhered to by all ESE personnel and subcontractors. If Level C or other conditions are determined necessary by ESE personnel, additional charges will apply to the field efforts.

- The development of a remedial action plan, cost estimates for remediation of impacted soils or other services associated with the potential clean up of the area of concern is beyond the scope of this proposal.

→ de acceder al estudio PRIDCO

de [illegible] confidencialidad

(1) Se le [illegible]

7.0 Terms and Conditions

ESE will perform the services described herein in accordance with the terms and conditions of the attached Site Assessment Short Form Contract. Compensation will be on a time and expense basis in accordance with ESE's standard rate schedule E-8.

ESE will proceed with the work upon receipt of an executed copy of the short form contract.

This cost proposal is valid for a period of 30 days.

ENVIRONMENTAL RESOURCES MANAGEMENT GROUP

A member of the Environmental Resources Management Group

S-0373-0-56 / Son Germán

INFORME

161099
9-8-99
HM

Compañía de Fomento Industrial de Puerto Rico
FM Industrial (S-0373-0-56)
San Germán, Puerto Rico

Informe de Cierre de Tanques de Almacenamiento Soterrado PR-02-98-0032

Agosto 1999

PERM Project 99606.03

Panzardi-ERM, Inc.
PO Box 192291
San Juan, P.R. 00919-2291

ERM®

INFORME

Compañía de Fomento Industrial de Puerto Rico
FM Industrial (S-0373-0-56)
San Germán, Puerto Rico

Informe de Cierre de Tanques de Almacenamiento Soterrado PR-02-98-0032

Agosto 1999

Nelson Reyes Ortíz, PE
Director de Proyecto

Ernesto Rosa Bigio, PE
Gerente de Proyecto

Astrid Hernández
Asistente de Proyecto

PERM Project 99606.03

Panzardi-ERM, Inc.
PO Box 192291
San Juan, PR 00919-2291

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1.0 INTRODUCCION

La Compañía de Fomento Industrial de Puerto Rico (PRIDCO, por sus siglas en inglés) fue creada y constituida como una corporación pública mediante la Ley Núm. 188 del 11 de mayo de 1942 con el propósito de estimular el desarrollo y uso más completo de los recursos económicos y humanos de la Isla. Se organizó para conducir un programa de desarrollo industrial para Puerto Rico que estimulara el crecimiento de nuestra economía. De esta manera, se le confirió a PRIDCO la función de proveer las instalaciones físicas requeridas por la empresa privada para el establecimiento de operaciones industriales y comerciales.

PRIDCO evalúa sus facilidades conforme a la Ley sobre Política Pública Ambiental (Ley número 9 del 18 de junio de 1970, según enmendada) y al Reglamento para el Control de Tanques de Almacenamiento Soterrado promulgado mediante Resolución R-90-42-1 del 7 de noviembre de 1990.

Durante los pasados años PRIDCO detectó unos tanques soterrados en sus instalaciones. Respondiendo a la reglamentación federal y local, que establecía la fecha del 22 de diciembre de 1998 para remover los tanques que no estuvieran en cumplimiento con los nuevos estándares para tanques de almacenamiento soterrado, PRIDCO contrató los servicios de Onsite Environmental para llevar a cabo el cierre de 24 tanques que se habían detectado en sus instalaciones.

El Plan de Cierre fue preparado por la compañía de consultoría Panzardi-ERM, la cual designó personal para observar las actividades de cierre y asegurar que las mismas se efectuasen en cumplimiento con el Plan de Cierre aprobado por la Junta de Calidad Ambiental (JCA).

El Tanque de Almacenamiento Soterrado removido y descrito en este informe está registrado en el Programa para el Control de Tanques Soterrados de la JCA bajo el número PR-02-98-0032.

Según los resultados de laboratorio, se encontró que existe contaminación con hidrocarburos de petróleo en la fosa. La mayor concentración de hidrocarburos de petróleo alcanzó niveles de hasta 12,000 ppm en el punto de muestreo Núm.7. PRIDCO está en planes de efectuar una evaluación del área para determinar la extensión de la contaminación y luego proceder con un plan de acción correctiva.

1.1 Descripción del Proyecto

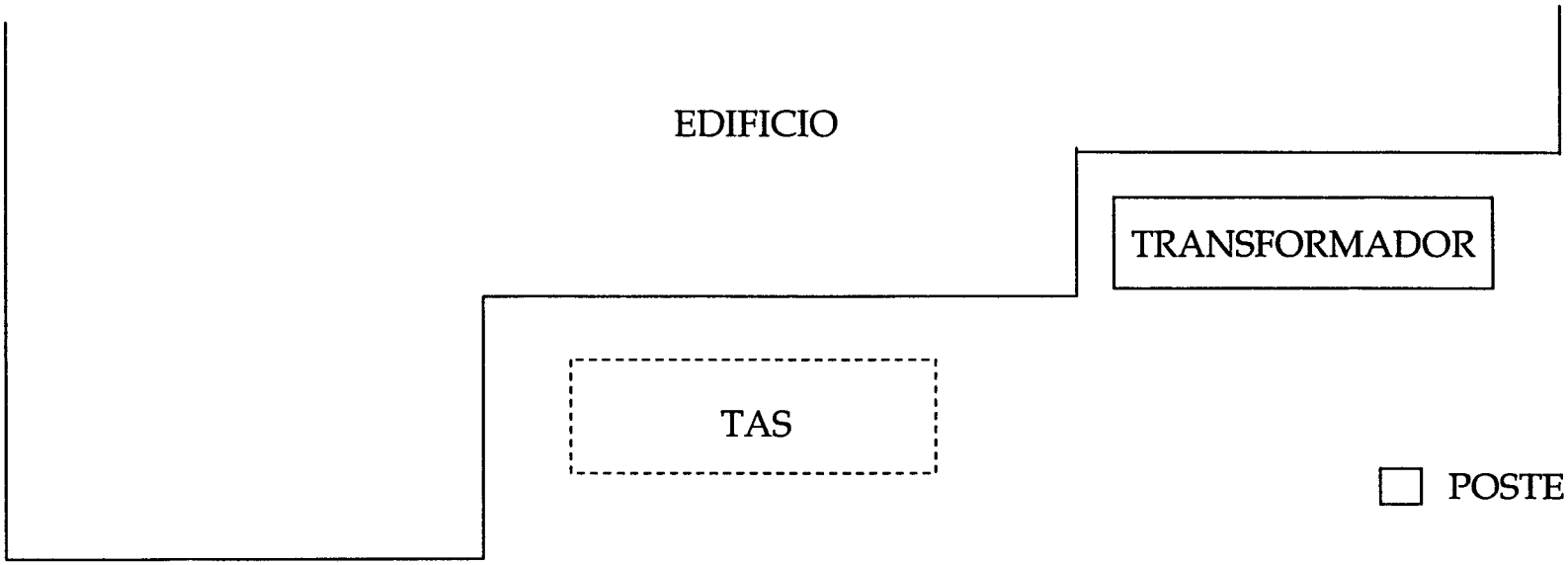
PRIDCO contrató a la Compañía Onsite Environmental, Inc. para realizar el cierre de un tanque de almacenamiento soterrado instalado en las instalaciones de FM Industrial en el Municipio de San Germán, Puerto Rico. El Apéndice A muestra mapas de localización de la instalación donde se encontraba el tanque. Las actividades de cierre del tanque se realizaron durante los días 15 y 16 de diciembre de 1998 bajo la autorización de cierre PR-02-98-0032 emitida por la JCA.

1.2 Localización y Descripción del Tanque

El tanque de almacenamiento soterrado (TAS) estaba localizado frente al edificio de FM Industrial, instalación número S-0373-0-56 de PRIDCO, en la Calle A Parque Industrial Ernesto Quiñones Sambolia en el Municipio de San Germán. La Figura 1.1 muestra la localización del tanque. El tanque estuvo fuera de servicio por muchos años y lo utilizaban para almacenar destilado. Como parte de las actividades de cierre, el tanque fue removido según el Plan de Cierre sometido y aprobado por la JCA.

Según el Plan de Cierre sometido a la JCA se estimaba que el tanque tenía una capacidad de 3,000 galones. Una vez removido el tanque, se determinó que éste tenía una capacidad de 2,850 galones. Al momento del cierre, el tanque contenía agua y destilado. La Tabla 1.1 es un resumen de la descripción del tanque de almacenamiento soterrado localizado en esta instalación.

Figura 1.1
Localización del Tanque



NO A ESCALA

LOCALIZACION DEL TANQUE (PR-02-98-0032)

FM INDUSTRIAL - SAN GERMAN

FIG. 1.1

Tabla 1.1
Descripción del Tanque de Almacenamiento Soterrado

Número de Identificación de JCA	PR-02-98-0032
Capacidad (galones) según Plan de Cierre	3,000
Capacidad Real (galones)	3,000
Forma del Tanque	Cilíndrica
Dimensiones del Tanque	Largo = 18' Diámetro = 5'4"
Material del Tanque	Acero
Contenido Según el Plan de Cierre	Destilado / Agua
Contenido Real del Tanque	Destilado / Agua

1.3 Propósito del Informe de Cierre

El propósito del Informe de Cierre es describir las actividades de cierre del tanque PR-02-98-0032 localizado en la instalación de FM Industrial en el Municipio de San Germán. Estos procedimientos están descritos en el Plan de Cierre sometido y aprobado por la JCA de acuerdo al Reglamento para el Control de Tanques Soterrados. Las actividades de cierre se realizaron bajo la autorización PR-02-98-0032 de la JCA (Apéndice B).

2.0 ACTIVIDADES DE CIERRE DE TANQUE

2.1 Remoción del Contenido del Tanque

Aproximadamente 3,000 galones de producto del tanque fueron removidos el 15 de diciembre de 1998. La remoción y disposición del contenido del tanque fueron realizadas por la compañía Caribe Hydroblasting Environmental Division (CHED). El producto del tanque fue dispuesto en las instalaciones de USA Waste en el Municipio de Peñuelas. El manifiesto de disposición del contenido del tanque está incluido en el Apéndice C. La Tabla 2.1 muestra el contenido y el volumen de producto removido del tanque.

Tabla 2.1
Contenido del Tanque de Almacenamiento Soterrado

Volumen Removido (galones)	Contenido del Tanque
3,000	Destilado / Agua

2.2 Remoción del Tanque

Las actividades remoción del tanque comenzaron el 15 de diciembre de 1998. Se tomaron lecturas de explosividad en el interior del tanque utilizando un explosímetro. Las lecturas indicaron 5% de explosividad (% de LEL). Se echó hielo seco dentro del tanque para proseguir con las actividades de remoción del tanque. Se removió la loza de cemento que estaba sobre el tanque. La remoción del tanque se realizó el 16 de diciembre de 1998. Durante el proceso de remoción del tanque, se observó que parte del terreno en el área estaba era de color gris. También, se pudo percibir un fuerte olor a destilado. Una vez removido el tanque, se observó que éste tenía varias perforaciones. El tanque tenía unas dimensiones de 18 pies de largo y cinco pies con cuatro pulgadas de diámetro.

2.3 Disposición del Tanque Removido

El tanque fue removido y transportado a la facilidad de Fomento Industrial en Isabela donde fue limpiado y cortado. El traslado se realizó para facilitar la limpieza, la cual se hacía difícil por los inicios de un contrato en dicha facilidad. Se dispuso del tanque en las instalaciones de Scorpio en el Municipio de Vega Alta. El manifiesto de disposición del tanque está incluido en el Apéndice D.

2.4 *Disposición del Terreno Removido*

No se dispuso de terreno fuera de las instalaciones. Todo el terreno removido durante la excavación fue depositado nuevamente en la fosa del tanque de almacenamiento soterrado.

2.5 *Restauración del Area*

Como parte de las actividades de cierre y restauración del área, el terreno removido durante la excavación fue depositado nuevamente en la fosa del tanque. Fue necesario adquirir terreno para terminar de rellenar la fosa.

Las fotografías de las tareas realizadas durante la actividad de cierre aparecen en el Apéndice F.

3.0 MUESTREO DE TERRENO

3.1 Actividades de Muestreo

Las certificaciones de los contratistas para el Recibo del Plan de Muestreo están incluidas junto con el reporte del Laboratorio y aparecen en el Apéndice E.

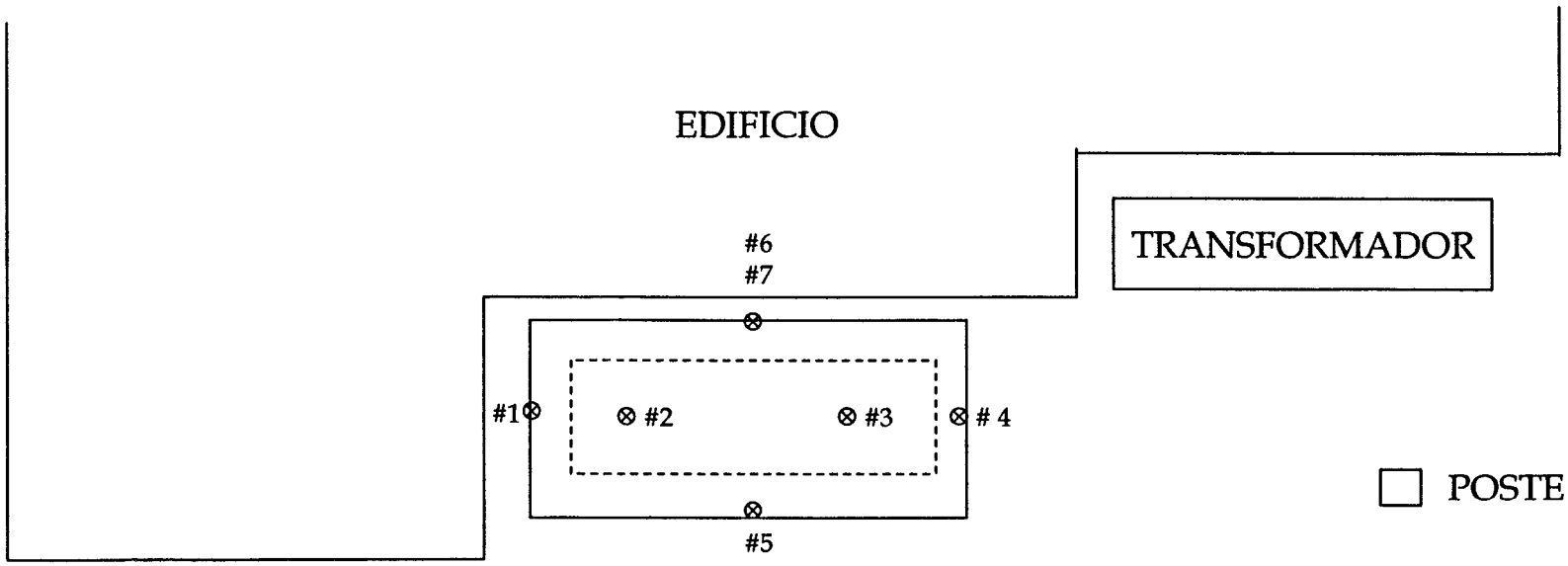
Durante el proceso de remoción del tanque, se tomaron lecturas para detectar la presencia de compuestos orgánicos volátiles utilizando un analizador de vapores orgánicos Foxboro OVA 108 (OVA). Las lecturas se tomaron en la pila de terreno removido durante la excavación y estuvieron entre 50 y 100 ppm.

El 16 de diciembre, luego de removido el tanque, se tomaron las muestras de terreno. Se tomaron muestras en las paredes a una profundidad estimada de 5 pies y en el fondo de la fosa a una profundidad de nueve pies. También, se tomaron de la pila de terreno removida durante la excavación. Ver Figura 3.1 para localización e identificación de las muestras de terreno. Las muestras de terreno fueron analizadas para hidrocarburos de petróleo totales (TRPH) y para benceno, tolueno, etilbenceno y xileno (BTEX) por los métodos 418.1 y 8020 aprobados por la Agencia de Protección Ambiental (EPA, por sus siglas en inglés). Transglobal Environmental Geochemistry (TEG) analizó las muestras.

3.2 Resultados de las Muestras de Terreno

Los resultados del laboratorio muestran la presencia de hidrocarburos de petróleo totales (TRPH) en todos los puntos de muestreo. Los niveles de TRPH están entre 180 y 12,000 ppm. Los resultados indican la presencia de hidrocarburos de petróleo a niveles que sobrepasan el límite de 100 ppm establecido por la JCA para clasificar el terreno como terreno contaminado con hidrocarburos de petróleo. Los resultados de los análisis de laboratorio no indican la presencia de BTEX en el terreno. Los resultados de las muestras de terreno se muestran en las Tablas 3.1 y 3.2. Los resultados de laboratorio y el reporte QA/QC están incluidos en el Apéndice E.

Figura 3.1
Localización de los Puntos de Muestreo Terreno



NO A ESCALA

ERM

LOCALIZACION DE MUESTRAS DE TERRENO

FM INDUSTRIAL - SAN GERMAN

FIG. 3.1

Tabla 3.1
Resultados de las Muestras de Terreno para TRPH (418.1)

Muestra de Terreno	Descripción de la Muestra	Profundidad (Pies)	TRPH (mg/kg.) Método 418.1
1	Pared de la fosa	5′	290
2	Fondo de la fosa	9′	2,300
3	Fondo de la fosa	9′	180
4	Pared de la fosa	5′	370
5	Pared de la fosa	5′	320
6	Pared de la fosa	5′	4,000
7	Duplicado de 6	5′	12,000
8	Pila de terreno	N/A	2,300
Límite de Detección			10

Muestra de Agua	TRPH (mg/L) Método 418.1
Blanco de Viaje	ND
Blanco de Campo	ND
Blanco de Equipo	ND
Límite de Detección	10

Tabla 3.2
Resultados de las Muestras de Terreno para BTEX (8020)

Muestra De Terreno	Descripción de la Muestra	Benceno (mg/kg.)	Tolueno (mg/kg.)	Etil Benceno (mg/kg.)	Xilenos Totales (mg/kg.)
1	Pared de la fosa	ND	ND	ND	ND
2	Fondo de la fosa	ND	ND	ND	ND
3	Fondo de la fosa	ND	ND	ND	ND
4	Pared de la fosa	ND	ND	ND	ND
5	Pared de la fosa	ND	ND	ND	ND
6	Pared de la fosa	ND	ND	ND	ND
7	Duplicado de 6	ND	ND	ND	ND
8	Pila de terreno	ND	ND	ND	ND
Límite de Detección		0.05	0.05	0.05	0.15

Muestra de Agua	Benceno (mg/L)	Tolueno (mg/L)	Etil Benceno (mg/L)	Xilenos Totales (mg/L)
Blanco de Viaje	ND	ND	ND	ND
Blanco de Campo	ND	ND	ND	ND
Blanco de Equipo	ND	ND	ND	ND
Límite de Detección	0.05	0.05	0.05	0.15

4.0 PLAN DE ACCION

PRIDCO planea efectuar un estudio en el área de donde se removió el tanque para determinar la extensión de la contaminación tanto horizontal como vertical. Una vez se tengan los resultados, se determinará la acción a seguir para cumplir con el Programa de Control de Tanque de Almacenamiento Soterrado de Area de Calidad de Agua de la Junta de Calidad Ambiental.

5.0 CERTIFICACION

Yo, Ernesto Rosa Bigio, ingeniero licenciado en Puerto Rico, certifico que, a mi mejor entendimiento, las Actividades de Cierre del tanque de almacenamiento soterrado en las instalaciones de FM Industrial, Edificio S-0373-0-56 de Fomento, localizado en San Germán, fueron realizadas de acuerdo al Plan de Cierre aprobado por la Junta de Calidad Ambiental bajo la autorización PR-02-98-0030.

Certificado hoy 31 de Agosto de 1999.

APENDICES

APENDICE A
Mapa de Localización de la Instalación
(S-0373-0-56)

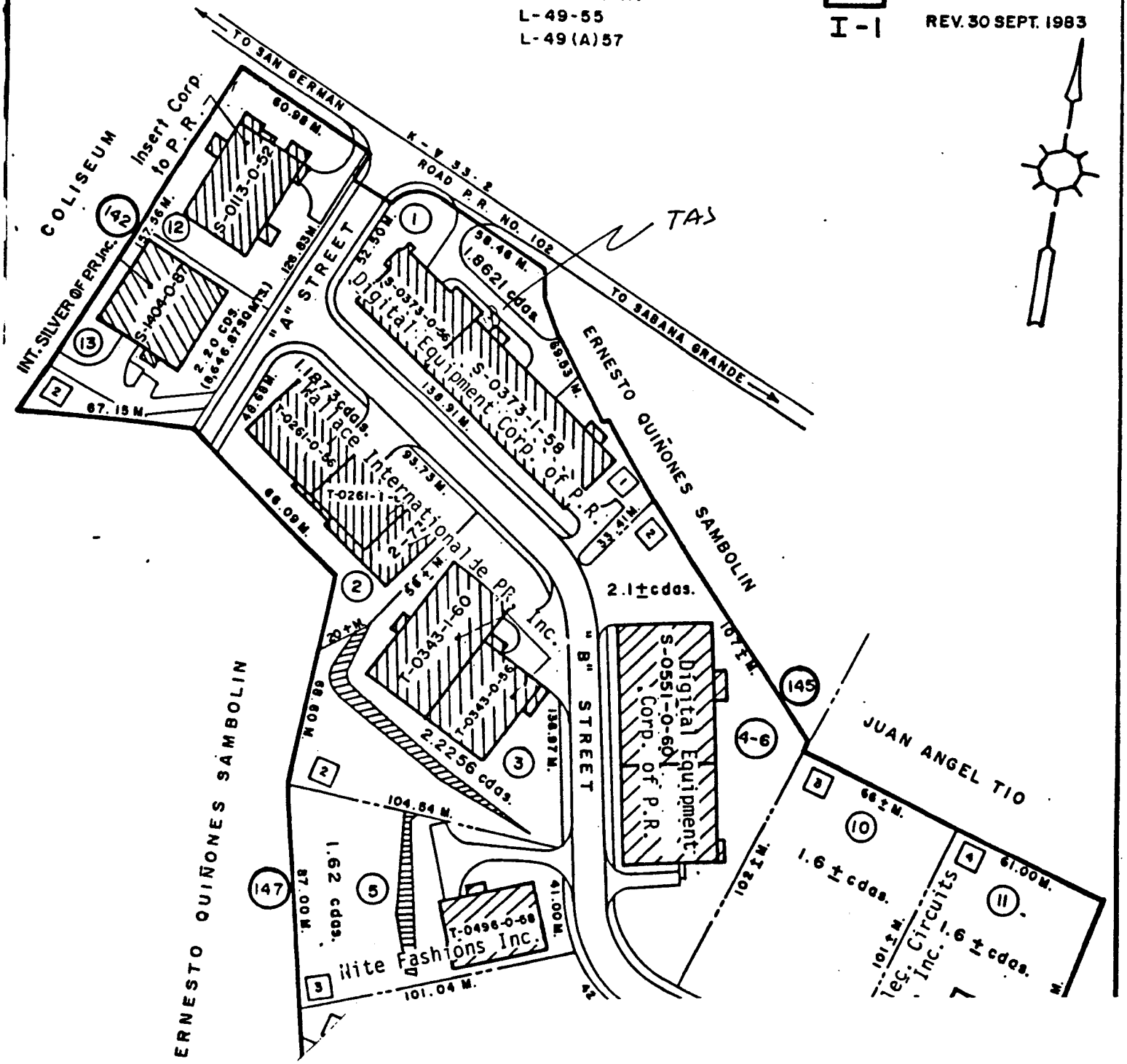
BARRIO RETIRO

REV. OCT./90
DATE 2-3-78

SITE PLAN

L-49-55
L-49(A)57

PRIDCO PROPERTY
I-1
REV. 30 SEPT. 1983



DRAWN A.R.CUE
CHECKED

APENDICE B
Autorización de Cierre de la Junta de Calidad Ambiental
(PR-02-98-0032)

GOBIERN DE PUERTO RICO/OFICIN/)EL GOBERNADOR
Junta de Calidad Ambiental

15 de junio de 1998

1998 JUN 22 PM 2:27

Ing. Margarita Maldonado
Gerente de Proyecto
Compañía de Fomento Industrial
Apartado 362350
San Juan, Puerto Rico 00936-2350

RE: AUTORIZACION DE CIERRE
COMPAÑIA DE FOMENTO INDUSTRIAL
FM INDUSTRIAL
CALLE A PARQUE INDUSTRIAL
ERNESTO QUIÑONES SAMBOLIA
SAN GERMAN, P.R.
PR #02-98-0032

Estimada ingeniero Maldonado:

El Programa para el Control de Tanques de Almacenamiento Soterrados (PCTAS) del Area de Calidad de Agua de la Junta de Calidad Ambiental (JCA) recibió una solicitud de autorización de cierre para un (1) tanque con fecha del 13 de mayo de 1998 de la facilidad en referencia.

El Area de Calidad de Agua, luego de haber aprobado el 13 de mayo de 1998 el Plan de Cierre Genérico radicado el 14 de abril de 1998 para las facilidades de la Compañia de Fomento Industrial y evaluado todos los documentos radicados por el peticionario, aprueba la solicitud de cierre de este tanque. Personal de la JCA deberá estar presente al momento en que se tomen las muestras.

Adjunto la Autorización de Cierre conforme a la Regla 703 del Reglamento para el Control de Tanques de Almacenamiento Soterrados. El peticionario es responsable de retener una copia de esta autorización en la facilidad donde se cierre el tanque y de cumplir con los requerimientos estipulados en esta autorización.

Aunque esta Autorización es efectiva hasta el 19 de junio de 1999, le recordamos que de no haberse completado antes del 22 de diciembre de 1998, este tanque deberá vaciarse y ponerse fuera de servicio.

De tener alguna duda o pregunta, favor de comunicarse con el Sr. Jorge Crespo al teléfono 767-8181 Ext. 2609. También nos puede visitar en nuestras oficinas localizadas en la Ave. Ponce de León #431, Edificio Nacional Plaza, Sexto Piso, Hato Rey, Puerto Rico.

Cordialmente,

Roberto Ayala
Director
Area Calidad de Agua

98-0031cie/mgo

AUTORIZACION SISTEMA NUM: 02-98-0032

AUTORIZACION PARA CIERRE DE TANQUES CONFORME AL REGLAMENTO PARA EL CONTROL DE TANQUES DE ALMACENAMIENTO SOTERRADO

Conforme a la Ley Sobre Política Pública Ambiental (Ley Número 9 del 18 de junio de 1970, según enmendada) y al Reglamento para el Control de Tanques de Almacenamiento Soterrado promulgado mediante Resolución R-90-42-1 del 7 de noviembre de 1990.

COMPAÑIA DE FOMENTO INDUSTRIAL
FM INDUSTRIAL
CALLE A PARQUE INDUSTRIAL
ERNESTO QUIÑONES
SAN GERMAN, P.R.

referido más adelante como el "PETICIONARIO" es autorizado por el Area de Calidad de Agua de la Junta de Calidad Ambiental a remover un sistema de tanques de almacenamiento soterrado consistente de:

Tipo de tanque	Capacidad	Substancia Almacenada
– Desconocido	5,000	Mezcla (Agua con Hidrocarburos)

El Peticionario deberá:

1. Cerrar el sistema de tanques de acuerdo a las especificaciones aprobadas por el Programa para el Control de Tanques de Almacenamiento Soterrados (PCTAS) del Area de Calidad de Agua de la Junta de Calidad Ambiental (JCA).

2. Someter al PCTAS con diez (10) días a la fecha en que comenzarán las labores de cierre en la facilidad, la Certificación de Recibo del Plan de Muestreo (ACA-1 y ACA 2). Deberá notificar con cinco (5) días de antelación a la fecha en que comenzarán las labores de cierre en la facilidad.

3. Someter dentro de los 30 días de haber cerrado el sistema de tanques, los análisis, pruebas e informes en cumplimiento con la Regla 1002 (B), (C) y (D) del Reglamento para el Control de Tanques de Almacenamiento Soterrados (RCTAS). Deberán tomar dos (2) muestras del suelo de la fosa y una (1) muestra en el punto medio de cada una de las paredes de la fosa donde se encontraban los tanques.

4. Los documentos relacionados con los resultados analíticos deberán cumplir con los requisitos de control de calidad y aseguramiento del Area de Calidad de Agua. Como requisito deberán contener resultados de muestras controles, tales como: blanco de laboratorio, blanco de campo, blanco de viaje, blanco de equipo, duplicados de campo y laboratorio, entre otros.

5. Radicar el Formulario de Notificación incluido en el Apéndice I del RCTAS y el Informe Final del Cierre, el cual debe incluir la Certificación de las Actividades de Muestreo (ACA-1B y ACA-2B).

6. Notificar al PCTAS del Area de Calidad de Agua si se descubre (Según Regla 703 (A) o por algún otro método o manera) la presencia de terreno y/o agua subterránea conteniendo producto libre, ya sea como líquido o vapor; e iniciar la acción correctiva de acuerdo a lo establecido en la Parte VI del RCTAS.

7. Asegurarse de que el contratista autorizado a remover el tanque realice una adecuada disposición del mismo.

8. De encontrarse terrenos contaminados con producto, realizar muestreo, análisis y disposición de éstos en conformidad con el Reglamento para el Control de los Desperdicios Peligrosos y No-Peligrosos promulgado por esta Junta.

Esta autorización será efectiva a partir del 19 de junio de 1998 y expirará a la media noche del 19 de junio de 1999.

Si el cierre del sistema de tanques no ha sido finalizado antes de la fecha de expiración, el peticionario deberá radicar en la JCA un nuevo formulario de solicitud de cierre del sistema de tanques.

La Junta de Calidad Ambiental se reserva el derecho a intervenir con esta facilidad en cualquier otro aspecto ambiental que no esté cubierto por esta autorización.

Firmado el día 18 de junio de 1998.

Roberto Ayala
Director
Area Calidad de Agua

APENDICE C
Manifiesto de Disposición del Contenido del Tanque

PROTECO

PROTECCION TECNICA ECOLOGICA

SEGURIDAD Y EFICIENCIA SON NUESTRO COMPROMISO

ACKNOWLEDGEMENT OF RECEIPT OF NONHAZARDOUS WASTE

DATE: 12/15/98

COMPANY AND LOCATION: FOMENTO INDUSTRIAL
SAN GERMAN

NAME OF WASTE MATERIAL: WASTE OIL

AMOUNT OF WASTE MATERIAL: 3000 GALLONS

WPS CODE NUMBER:

HANDLING METHOD: LANDFILL

FACILITY AREA: UNIT 14 LANDFILL

THIS IS TO CERTIFY THAT THE ABOVE NAMED WASTE MATERIAL WAS HANDLED AND DISPOSED SAFELY ACCORDING TO INTERNAL PRACTICES AND ENVIRONMENTAL REGULATIONS.

REPORTED BY COMPLIANCE DEPARTMENT

RELEASED BY: Luis E Rodriguez
AUTHORIZED SIGNATURE

PROTECO
DEPARTAMENTO
CUMPLIMIENTO
PUERTO RICO

Daily Report Reference number : 24061
Contractor:

Box 850
Peñuelas
Puerto Rico
00624

Carr. #385
Km. 4.5
Peñuelas
Puerto Rico
00624

Tel. (787) 836-2058
Fax (787) 836-5184

NON - HAZARDOUS WASTE TRANSPORTATION/ACCEPTANCE DOCUMENT

DATE Dic. 15, 1998

TO:	FROM:
PROTECO	Fomento Industrial
Road 385, Km. 3.5	Pos Gen. S-0373-0-56
Peñuelas, Puerto Rico	San Sebastián, P.R.
836-2058 / 836-2123 — FACILITY PERMIT NO. SR-92-0007	P.O. NO.

No. of Units & Container Type	DESCRIPTION AND CLASSIFICATION OF WASTE MATERIAL	Waste Profile Sheet Code	TOTAL QUANTITY (Weight, Volume, Gallons, etc.)	WEIGHT (Subject to Correction)	RATE	CHARGES (For Carrier Use Only)
1	Waste Oil		2500 G			
	3000 JAL					

PROTECO Aprobado Por: DEPARTAMENTO DE CUMPLIMIENTO PUERTO RICO

GENERATOR'S CERTIFICATION: This is to certify that the above named materials are properly classified, described, marked and labeled and are in proper condition transportation according to the applicable regulations of the Department of Transportation, U.S. EPA and the Commonwealth of P.R. The waste described above were consigned to the Transporter named. The Treatment, Storage or Disposal Facility can and will accept the shipment of waste, and has a valid permit to do so. I certify that the foregoing is true and correct to the best of my knowledge.

GENERATOR'S SIGNATURE	TITLE	DATE SHIPPED (MO. DAY YR.)	EXPECTED ARRIVAL DATE (MO. DAY YR.)
[signature]	Env. Unit Supervisor	12	
TRANSPORTE SIGNATURE	COMPANY NAME	VEHICLE ID. NO.	DATE RECEIVED (MO. DAY YR.)
[signature]	[illegible]	HD 2052	
FACILITY SIGNATURE			DATE RECEIVED (MO. DAY YR.) 12 15 98
[signature]			

NON - HAZARDOUS WASTE TRANSPORTATION/ACCEPTANCE DOCUMENT

DATE DEC 15, 1998

TO:	FROM:
PROTECO	Tomato Industrial
Road 385, Km. 3.5	[illegible] 373-0-50
Peñuelas, Puerto Rico	San Germán P.R.
836-2058 / 836-2123 — FACILITY PERMIT NO. [illegible]	P.O. NO.

No. of Units & Container Type	DESCRIPTION AND CLASSIFICATION OF WASTE MATERIAL	Waste Profile Sheet Code	TOTAL QUANTITY (Weight, Volume, Gallons, etc.)	WEIGHT (Subject to Correction)	RATE	CHARGES (For Carrier Use Only)
1 10	500 G (WASTE-IN)		500 G			

PROTECO Aprobado Por: DEPARTAMENTO DE CUMPLIMIENTO PUERTO RICO

ENERATOR'S CERTIFICATION: This is to certify that the above named materials are properly classified, described, marked and labeled and are in proper condition r transportation according to the applicable regulations of the Department of Transportation, U.S. EPA and the Commonwealth of P.R. The waste described above were consigned to the Transporter named. The Treatment, Storage or Disposal Facility can and will accept the shipment of waste, and has a valid permit to do so. I certify that the foregoing is true and correct to the best of my knowledge.

ENERATOR'S SIGNATURE	TITLE	DATE SHIPPED (MO. DAY YR.)	EXPECTED ARRIVAL DATE (MO. DAY YR.)
[signature]	Env. Unit [illegible]	12 13 98	
TRANSPORTE SIGNATURE	**COMPANY NAME**	**VEHICLE ID. NO.**	**DATE RECEIVED** (MO. DAY YR.)
[signature]	CHED	HP 2052	
FACILITY SIGNATURE			**DATE RECEIVED** (MO. DAY YR.)
Luis E Rodríguez			12 15 98

Apéndice D
Manifiesto de Disposición del Tanque Removido

SCORPIO RECYCLING, INC.

Customer Name Pedro Tejada

Date 12/19/98

Commodity Hierro (Tanques)

License Plates:

Van No.

Shipper

Weigher

Driver

LBS. GROSS 23040 LB

LBS. TARE 15780 LB

7260

LBS. NET 3 24 TM

No. 1022982

SAM GERMAN

APENDICE D
Resultados de Muestreo de Terreno Incluyendo Reporte QA/QC

teg

The World Leader In On-Site Sampling and Analysis

December 29, 1998
TEG Project #98I1216PERM

Mr. Ernesto Rosa
PERM
P.O. Box 192291
San Juan, P.R. 00919-2291

SUBJECT: DATA REPORT - SAN GERMAN, PR

Dear Mr. Rosa:

Please find enclosed the analytical report for the samples collected by PERM personnel from the above-referenced site and delivered to TEG's laboratory under the proper chain-of-custody protocol. TEG's certified chemist performed the following analyses:

- 8 soil samples analyzed for TRPH by modified EPA test method 418.1.
- 8 soil samples analyzed for BTEX by modified EPA test method 8020.
- 1 trip,1 field and 1 equipment blank water sample analyzed for TRPH.
- 1 trip, 1 field and 1 equipment blank water sample analyzed for BTEX.
- Laboratory QA/QC analyses for TRPH and BTEX.

The analytical results are summarized in the attached table. Applicable detection limits, QA/QC data, chromatograms, a chain-of-custody and an invoice are attached.

TEG appreciates the opportunity to provide analytical services for this project. If you have any questions relating to the data or report, please do not hesitate to contact us.

Sincerely,
TEG

Jamie Shelburne
Principal

Attachments

The World Leader In On-Site Sampling and Analysis

PANZARDI - ERM PROJECT NO. 98439.06
SAN GERMÁN, P.R.

TEG Project #98I1216PERM

TRPH (EPA Method 418.1) ANALYSES OF SOILS

SAMPLE NUMBER	DATE ANALYZED	TRPH (mg/Kg)
METHOD BLANK	12/18/98	ND
1	12/18/98	**290**
2	12/18/98	**2300**
3	12/18/98	**180**
4	12/18/98	**370**
5	12/18/98	**320**
6	12/18/98	**4000**
7	12/18/98	**12000**
8	12/18/98	**2300**
DETECTION LIMIT (mg/Kg)		10

TRPH (EPA Method 418.1) ANALYSES OF WATER

SAMPLE NUMBER	DATE ANALYZED	TRPH (mg/L)
METHOD BLANK	12/18/98	ND
SAMPLE BLANK	12/18/98	ND
TRIP BLANK	12/18/98	ND
INSTRUMENT BLANK	12/18/98	ND
DETECTION LIMIT (mg/L)		10

SAMPLING PERFORMED BY ON-SITE PERSONNEL
"ND" INDICATES NOT DETECTED AT LISTED DETECTION LIMIT
mg/L = MILLIGRAMS PER LITER
mg/Kg = MILLIGRAMS PER KILOGRAM
ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

TEG-PUERTO RICO • PMB 627, HC-01 Box 29030, Caguas, PR 00725 • Phone (787) 720-0329 • Fax (787) 789-3858 • Pager 759-1255 Unit 217-4053

PANZARDI - ERM PROJECT NO. 98439.06
SAN GERMÁN, P.R.

TEG Project #98I1216PERM

BTEX (Mod. EPA Method 8020) ANALYSES OF SOIL

SAMPLE NUMBER	DATE ANALYZED	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL-BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
METHOD BLANK	12/21/98	ND	ND	ND	ND
1	12/21/98	ND	ND	ND	ND
2	12/21/98	ND	ND	ND	ND
3	12/21/98	ND	ND	ND	ND
4	12/21/98	ND	ND	ND	ND
5	12/21/98	ND	ND	ND	ND
6	12/21/98	ND	ND	ND	ND
7	12/21/98	ND	ND	ND	ND
8	12/21/98	ND	ND	ND	ND
DETECTION LIMIT (mg/Kg)		0.05	0.05	0.05	0.15

BTEX (Mod. EPA Method 8020) ANALYSES OF WATER

SAMPLE NUMBER	DATE ANALYZED	BENZENE (mg/L)	TOLUENE (mg/L)	ETHYL-BENZENE (mg/L)	TOTAL XYLENES (mg/L)
METHOD BLANK	12/21/98	ND	ND	ND	ND
TRIP BLANK	12/21/98	ND	ND	ND	ND
INSTRUMENT BLANK	12/21/98	ND	ND	ND	ND
FIELD BLANK	12/21/98	ND	ND	ND	ND
DETECTION LIMIT (mg/L)		0.05	0.05	0.05	0.15

SAMPLING PERFORMED BY ON-SITE PERSONNEL
mg/Kg = MILLIGRAMS PER KILOGRAM
mg/L = MILLIGRAMS PER LITER

ANALYSES PERFORMED BY: JOSÉ MIGUEL PÉREZ
DATA REVIEWED BY: KEVIN SHELBURNE
"ND" INDICATES NOT DETECTED AT LISTED DETECTION LIMIT

Marco A. Pedraza
Laboratory Manager

Jamie Shelburne
Principal

MARCO A. PEDRAZA RUIZ
Químico Licenciado
560371
Estado Libre Asociado de Puerto Rico
LICENCIA NUM. 3393

TEG-PUERTO RICO • PMB 627, HC-01 Box 29030, Caguas, PR 00725 • Phone (787) 720-0329 • Fax (787) 789-3858 • Pager 759-1255 Unit 217-4053

LABORATORY QA/QC

PANZARDI - ERM,

TEG Project #98I1216PERM

BTEX (Mod. EPA Method 8020) ANALYSES OF SOIL

SAMPLE NUMBER	DATE ANALYZED	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL-BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
7	12/21/98	ND	ND	ND	ND
7 REP	12/21/98	ND	ND	ND	ND
DETECTION LIMIT (mg/kg)		0.05	0.05	0.05	0.15

"ND" INDICATES NOT DETECTED AT LISTED DETECTION LIMIT
mg/kg = MILLIGRAMS PER KILOGRAM
ANALYSES PERFORMED BY: JOSÉMIGUEL PÉREZ
DATA REVIEWED BY: KEVIN SHELBURNE

QA/QC REPORT - CALIBRATION DATA

TEG Project #98I1216PERM
DAILY CALIBRATION DATE: 12/18/98

PANZARDI - ERM PROJECT NO. 98439.06
PROJECT NAME: SAN GERMÁN

			INITIAL		OPENING			CLOSING		
COMPOUND	DETECTOR	CALIB RANGE	RF	%RSD	ABS	RF	%DIFF	ABS	RF	%DIFF
TRPH	IR	10 - 1,000	576.51	15.7%	0.893	582.0	1.0%	0.897	579.4	0.5%

CALIB RANGE - RANGE OF CALIBRATION CURVE IN ppm
INITIAL RF - AVERAGE RESPONSE FACTOR FROM MULTIPOINT CALIBRATION CURVE
% RSD - LINEARITY OF MULTIPOINT CALIBRATION CURVE (+/- 20% ACCEPTABLE LIMITS)
AREA - AREA COUNTS FROM DAILY CALIBRATION STANDARD
RF - DETECTOR RESPONSE FACTOR FROM MID-POINT CALIBRATION STANDARD
% DIFF - DIFFERENCE, IN PERCENT, BETWEEN THE AVERAGE RF AND THE OPENING OR CLOSING RF (+/- 15% ACCEPTABLE LIMITS)
OPENING - MID-POINT CALIBRATION STANDARD ANALYZED BEFORE SAMPLE ANALYSES BEGIN
CLOSING - MID-POINT CALIBRATION STANDARD ANALYZED AFTER SAMPLES ANALYSES ARE COMPLETE

ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R. 00725
TELEPHONE (787) 720-0329 FAX 789-3858

QA/QC REPORT - MS/MSD DATA

MATRIX SPIKE (MS)/MATRIX SPIKE DUPLICATE (MSD)

TEG Project #98I1216PERM — PANZARDI - ERM 98439.06

DATE: 12/18/98 — PROJECT NAME: SAN GERMÁN

COMPOUND	SPK CONC (ppm)	MS CONC (ppm)	%REC MS	MSD CONC (ppm)	%REC MSD	RPD	ACCEPTABLE RPD	ACCEPTABLE RECOVERY
TRPH	519	498	96%	494	95%	1%	15%	80% - 120%

ppm = PARTS PER MILLION

MS CONC - ANALYZED CONCENTRATION OF SPIKED SAMPLE

% REC - PERCENT RECOVERY OF SPIKE FROM MATRIX

RPD - RELATIVE PERCENT DIFFERENCE BETWEEN MATRIX SPIKE AND MATRIX SPIKE DUPLICATE RECOVERIES

ANALYSES PERFORMED BY: MARCO A. PEDRAZA

DATA REVIEWED BY: KEVIN SHELBURNE

TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R. 00725
TELEPHONE (787) 720-0329 FAX 789-3858

QA/QC REPORT - CALIBRATION DATA

TEG Project #98I1216PERM
DAILY CALIBRATION DATE: 12/21/98

PANZARDI - ERM PROJECT NO. 98439.06
PROJECT NAME: SAN GERMÁN

			INITIAL		OPENING			CLOSING		
COMPOUND	DETECTOR	CALIB RANGE	RF	%RSD	AREA	RF	%DIFF	AREA	RF	%DIFF
BENZENE	PID #1	0.100 - 10.000	1.66	13.4%	35.90	1.80	8.1%	32.29	1.61	2.8%
TOLUENE	PID #1	0.100 - 10.000	1.86	8.6%	39.03	1.95	4.9%	36.62	1.83	1.6%
ETHYLBENZENE	PID #1	0.100 - 10.000	1.76	17.7%	31.69	1.58	10.0%	30.63	1.53	13.0%
m&p-XYLENES	PID #1	0.100 - 10.000	2.51	16.8%	97.69	2.44	2.7%	90.56	2.26	9.8%
o-XYLENES	PID #1	0.100 - 10.000	2.08	14.4%	38.98	1.95	6.3%	36.81	1.84	11.5%
BENZENE	PID #2	0.100 - 10.000	8.92	18.1%	175.18	8.76	1.8%	178.78	8.94	0.2%
TOLUENE	PID #2	0.100 - 10.000	10.11	12.3%	187.04	9.35	7.5%	197.18	9.86	2.5%
ETHYLBENZENE	PID #2	0.100 - 10.000	8.60	13.5%	147.28	7.36	14.4%	156.30	7.81	9.1%
m&p-XYLENES	PID #2	0.100 - 10.000	13.26	9.4%	465.84	11.65	12.2%	499.89	12.50	5.8%
o-XYLENES	PID #2	0.100 - 10.000	10.68	10.2%	187.18	9.36	12.4%	199.92	10.00	6.4%

CALIB RANGE - RANGE OF CALIBRATION CURVE IN ppm
INITIAL RF - AVERAGE RESPONSE FACTOR FROM MULTIPOINT CALIBRATION CURVE
% RSD - LINEARITY OF MULTIPOINT CALIBRATION CURVE (+/- 20% ACCEPTABLE LIMITS)
AREA - AREA COUNTS FROM DAILY CALIBRATION STANDARD
RF - DETECTOR RESPONSE FACTOR FROM MID-POINT CALIBRATION STANDARD
% DIFF - DIFFERENCE, IN PERCENT, BETWEEN THE AVERAGE RF AND THE OPENING OR CLOSING RF (+/- 15% ACCEPTABLE LIMITS)
OPENING - MID-POINT CALIBRATION STANDARD ANALYZED BEFORE SAMPLE ANALYSES BEGIN
CLOSING - MID-POINT CALIBRATION STANDARD ANALYZED AFTER SAMPLES ANALYSES ARE COMPLETE

ANALYSES PERFORMED BY: JOSÉ MIGUEL PÉREZ
DATA REVIEWED BY: KEVIN SHELBURNE

TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R. 00725
TELEPHONE (787) 720-0329 FAX 789-3858

QA/QC REPORT - MS/MSD DATA

MATRIX SPIKE (MS)/MATRIX SPIKE DUPLICATE (MSD)

TEG Project #98I1216PERM — PANZARDI - ERM 98439.06

DATE: 12/21/98 — PROJECT NAME: SAN GERMÁN

COMPOUND	SPK CON (ppm)	MS CONC (ppm)	%REC MS	MSD CONC (ppm)	%REC MSD	RPD	ACCEPTABLE RPD	ACCEPTABLE RECOVERY
BENZENE	5.0	5.2	104%	5.0	100%	4%	15%	76% - 120%
TOLUENE	5.0	4.9	98%	4.8	95%	4%	15%	75% - 120%
ETHYLBENZENE	5.0	4.5	90%	4.5	90%	0%	15%	65% - 125%
TOTAL XYLENES	15.0	14.1	94%	13.6	93%	3%	15%	72% - 120%

ppm = PARTS PER MILLION

MS CONC - ANALYZED CONCENTRATION OF SPIKED SAMPLE

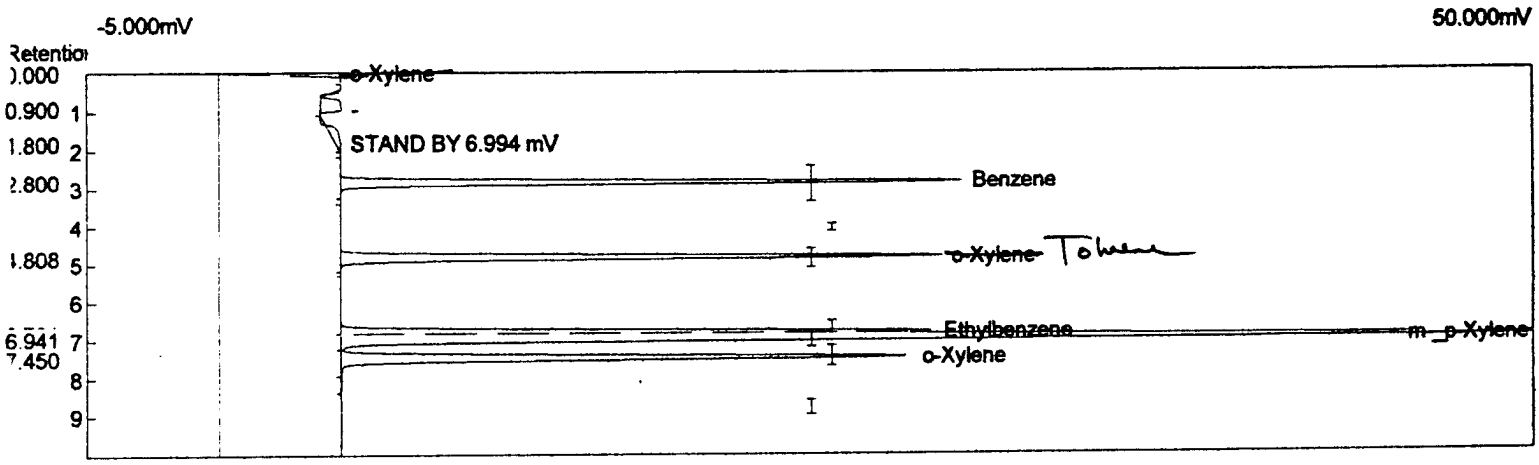
% REC - PERCENT RECOVERY OF SPIKE FROM MATRIX

RPD - RELATIVE PERCENT DIFFERENCE BETWEEN MATRIX SPIKE AND MATRIX SPIKE DUPLICATE RECOVERIES

ANALYSES PERFORMED BY: JOSÉ MIGUEL PÉREZ
DATA REVIEWED BY: KEVIN SHELBURNE

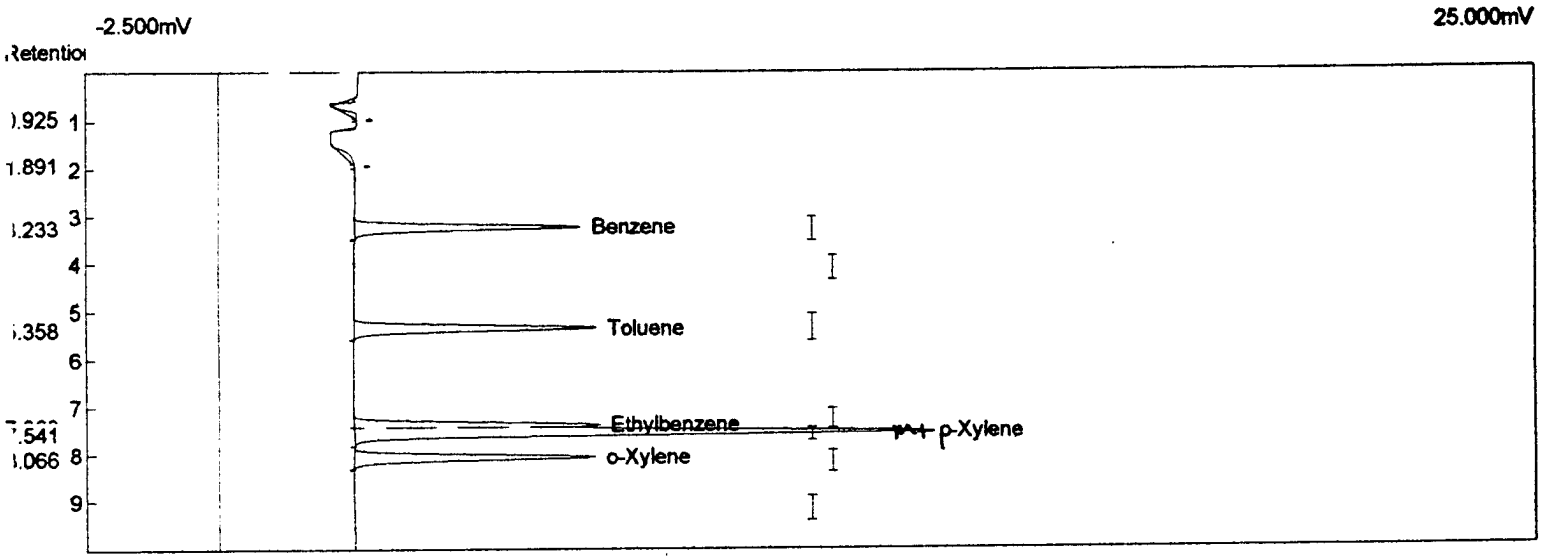
TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R. 00725
TELEPHONE (787) 720-0329 FAX 789-3858

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 11:06:28
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB1.CHR ()
Sample: 5 ppm BTEX Opening
Operator: JMP



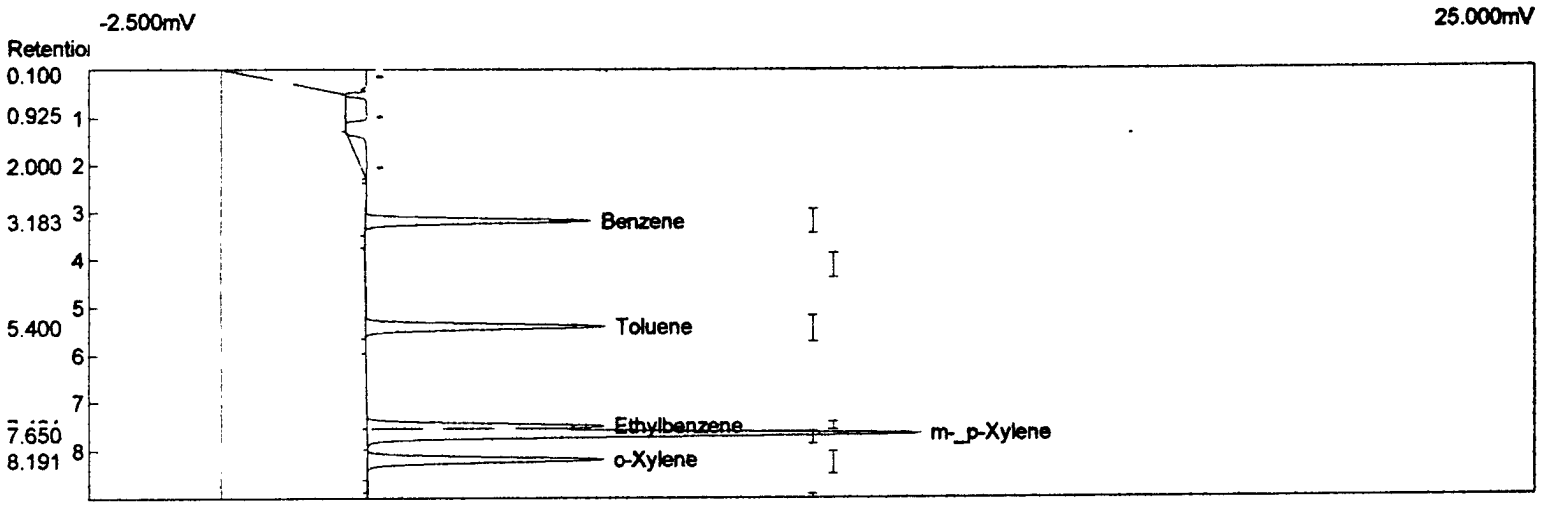
Component	Retention	Area	External	Internal	Units
Benzene	2.800	175.184	4.91	4.9099	ppm
Toluene	4.808	187.044	4.63	4.6252	ppm
Ethylbenzene	6.791	147.284	4.28	4.2815	ppm
m-_p-Xylene	6.941	465.836	8.88	8.8832	ppm
o-Xylene	7.450	187.184	4.38	4.3816	ppm
		1162.533	27.08	27.0815	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 11:29:05
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA2.CHR ()
Sample: 5 ppm BTEX Opening
Operator: JMP



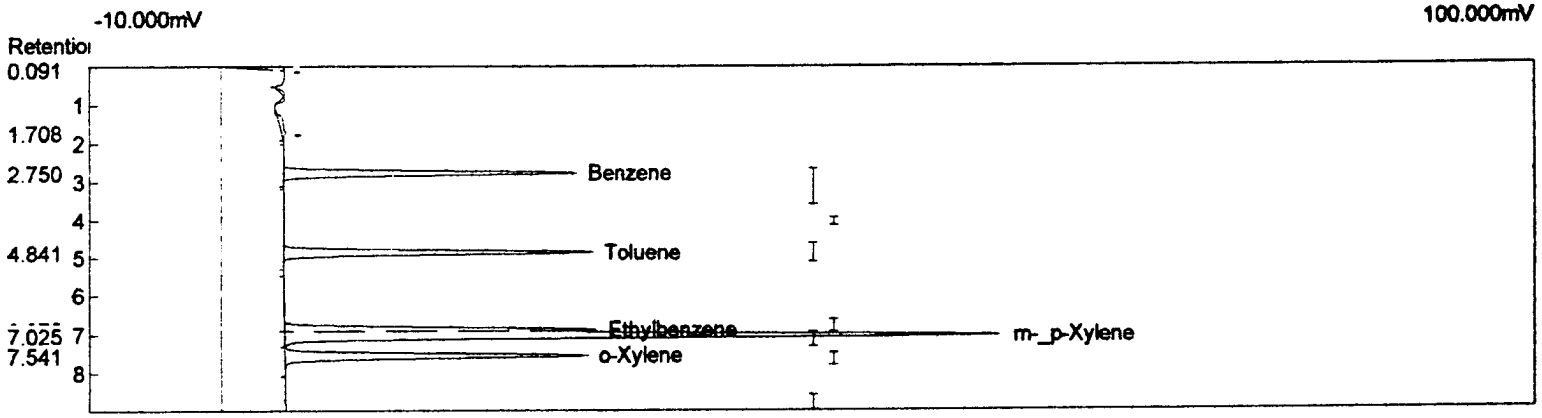
Component	Retention	Area	External	Internal	Units
Benzene	3.233	35.902	5.41	5.4069	ppm
Toluene	5.358	39.033	5.25	5.2464	ppm
Ethylbenzene	7.383	31.694	4.50	4.5020	ppm
m-_p-Xylene	7.541	97.691	9.73	9.7302	ppm
o-Xylene	8.066	38.979	4.68	4.6850	ppm
		243.299	29.57	29.5705	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 19:48:21
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA22.CHR ()
Sample: 5 ppm BTEX Closing
Operator: JMP



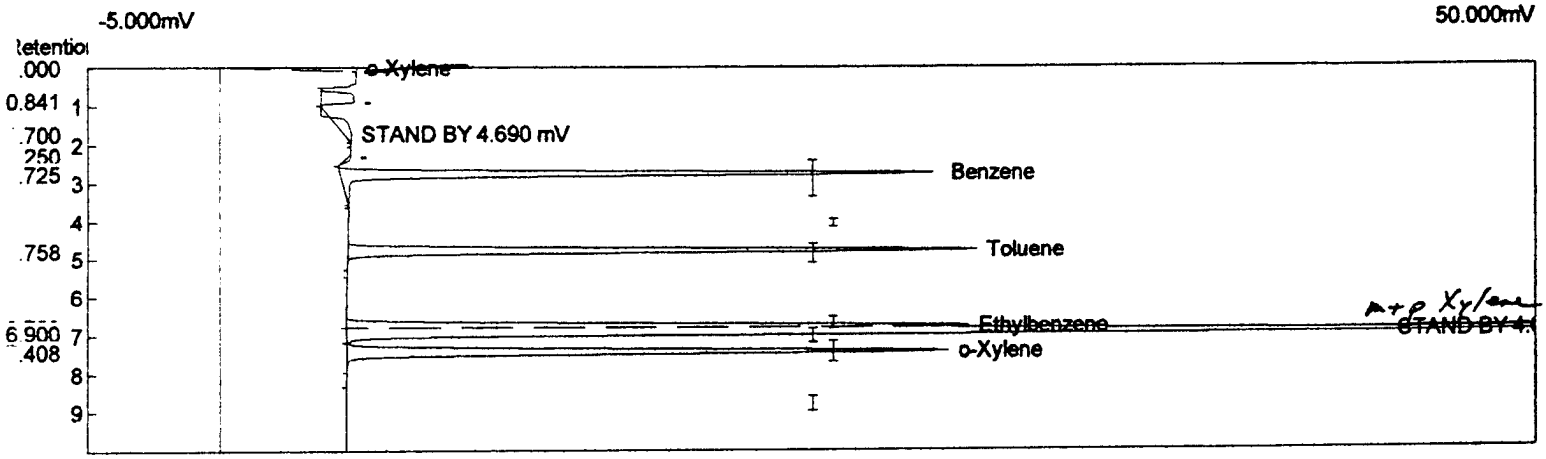
Component	Retention	Area	External	Internal	Units
Benzene	3.183	32.285	4.86	4.8622	ppm
Toluene	5.400	36.615	4.92	4.9214	ppm
Ethylbenzene	7.491	30.625	4.35	4.3501	ppm
m-_p-Xylene	7.650	90.555	9.02	9.0194	ppm
o-Xylene	8.191	36.811	4.42	4.4244	ppm
		226.891	27.58	27.5776	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 19:48:21
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\1212PB22.CHR ()
Sample: 5 ppm BTEX Closing
Operator: JMP



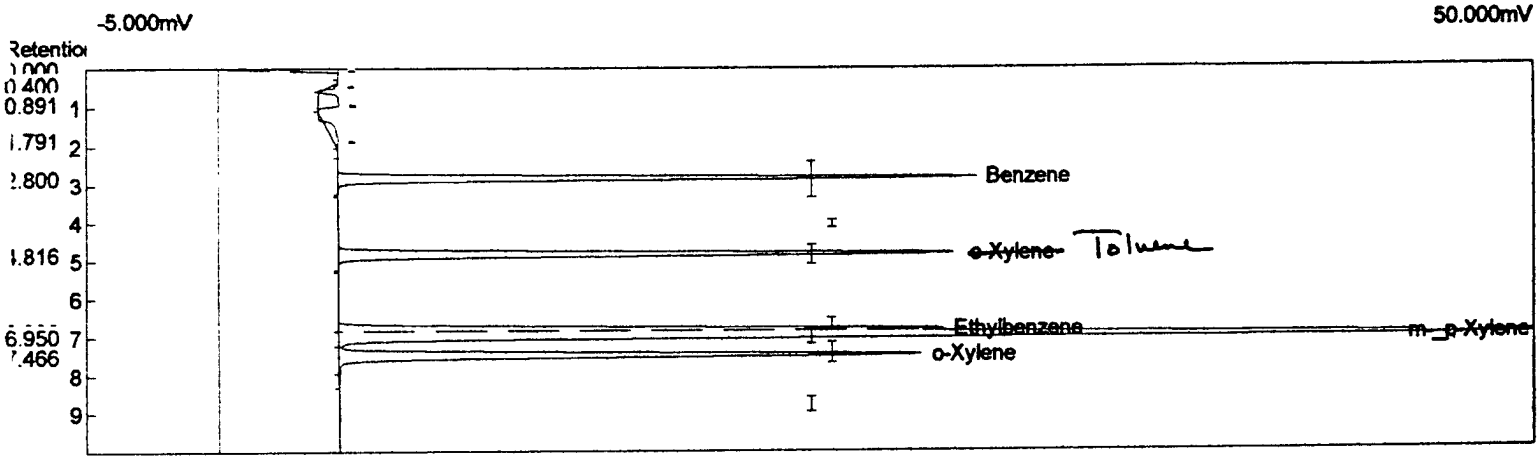
Component	Retention	Area	External	Internal	Units
Benzene	2.750	178.780	5.01	5.0107	ppm
Toluene	4.841	197.175	4.88	4.8757	ppm
Ethylbenzene	6.875	156.298	4.54	4.5435	ppm
m-_p-Xylene	7.025	499.887	9.53	9.5326	ppm
o-Xylene	7.541	199.924	4.68	4.6799	ppm
		1232.064	28.64	28.6424	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 11:29:05
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB2.CHR ()
Sample: Matrix Spike
Operator: JMP



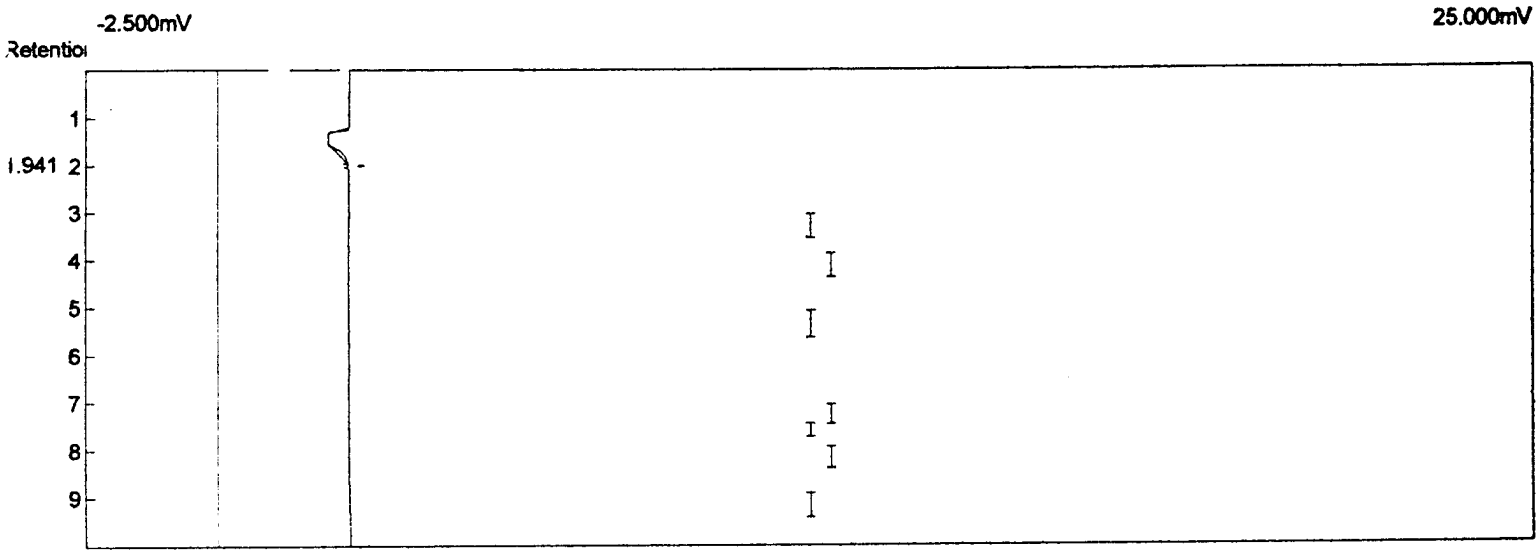
Component	Retention	Area	External	Internal	Units
Benzene	2.725	186.423	5.22	5.2249	ppm
Toluene	4.758	199.025	4.92	4.9215	ppm
Ethylbenzene	6.750	154.763	4.50	4.4989	ppm
m-_p-Xylene	6.900	494.608	9.43	9.4319	ppm
o-Xylene	7.408	197.773	4.63	4.6295	ppm
		1232.592	28.71	28.7067	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 11:45:38
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB3.CHR ()
Sample: Matrix Spike Duplicate
Operator: JMP



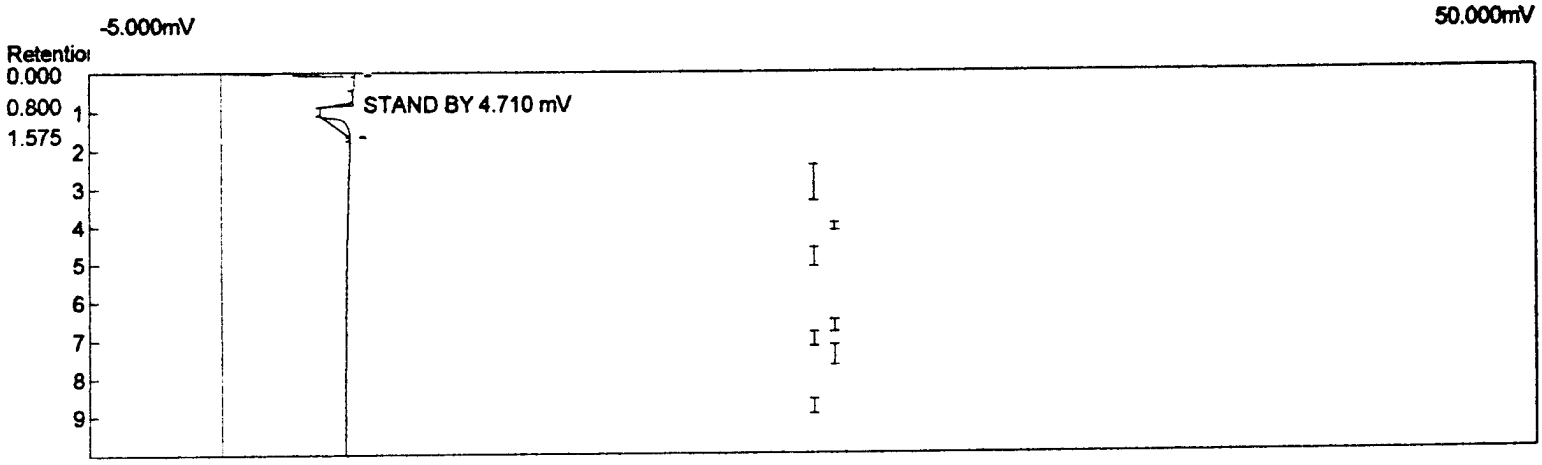
Component	Retention	Area	External	Internal	Units
Benzene	2.800	178.331	5.00	4.9981	ppm
Toluene	4.816	192.192	4.75	4.7525	ppm
Ethylbenzene	6.800	154.942	4.50	4.5041	ppm
m-_p-Xylene	6.950	475.399	9.07	9.0656	ppm
o-Xylene	7.466	192.901	4.52	4.5155	ppm
		1193.765	27.84	27.8358	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 11:45:38
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA3.CHR ()
Sample: Method Blank
Operator: JMP



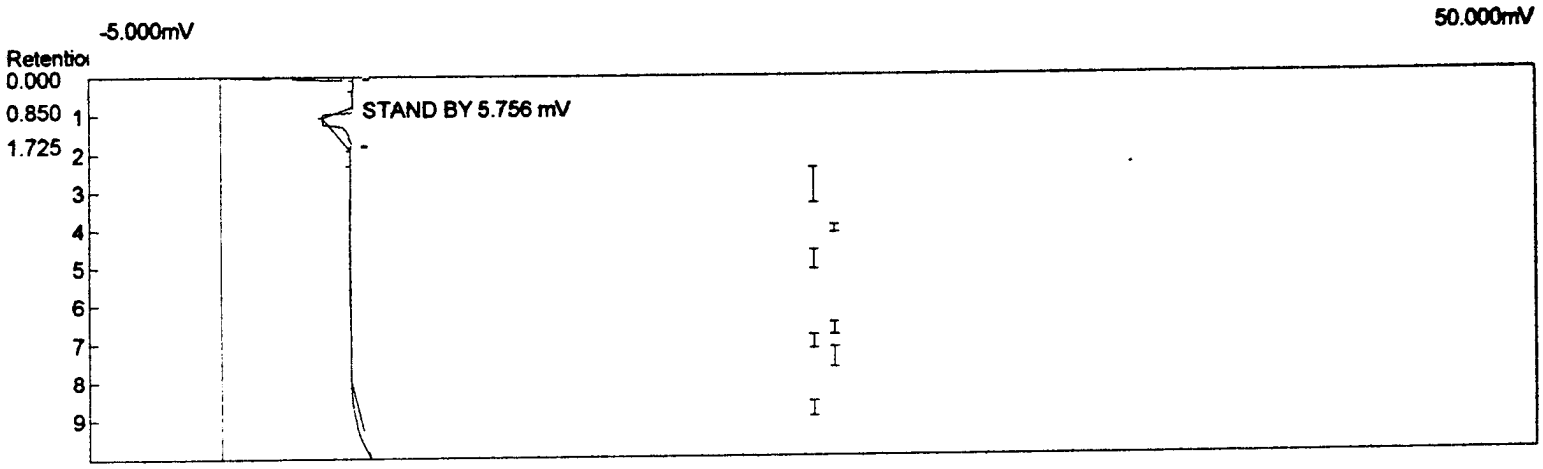
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:10:44
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB4.CHR ()
Sample: Method Blank
Operator: JMP



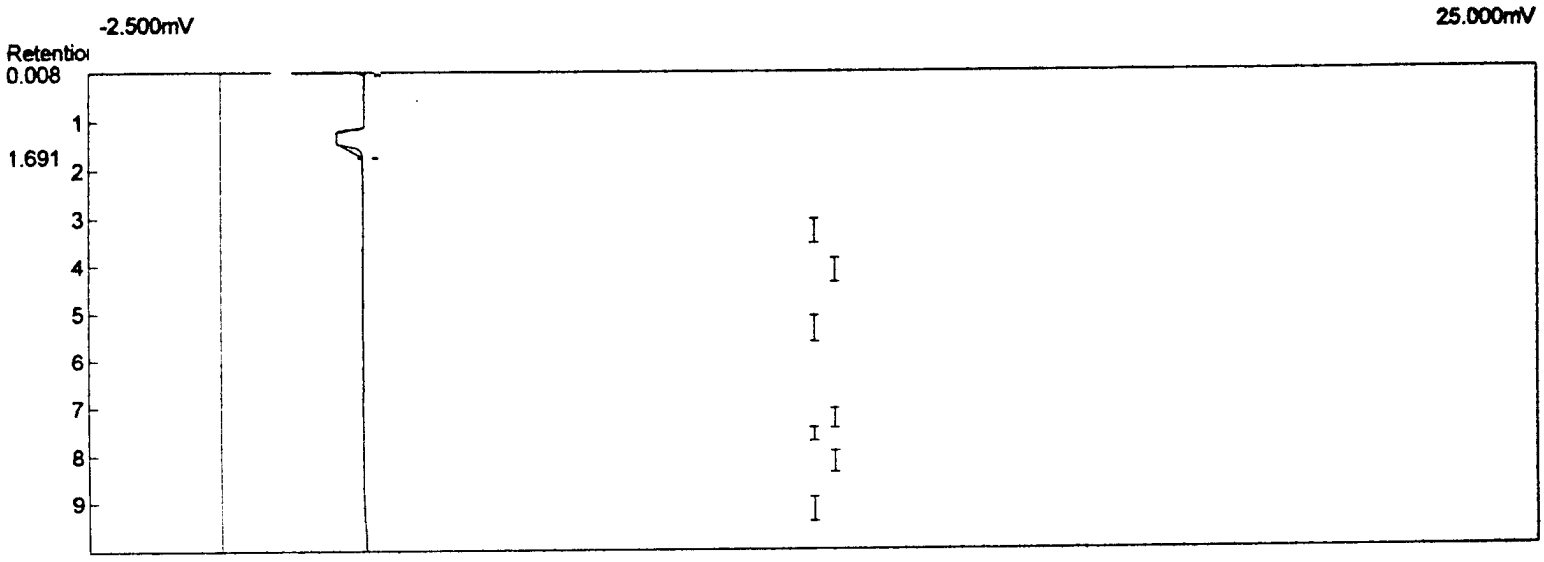
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 16:16:27
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB13.CHR ()
Sample: BLANK
Operator: JMP



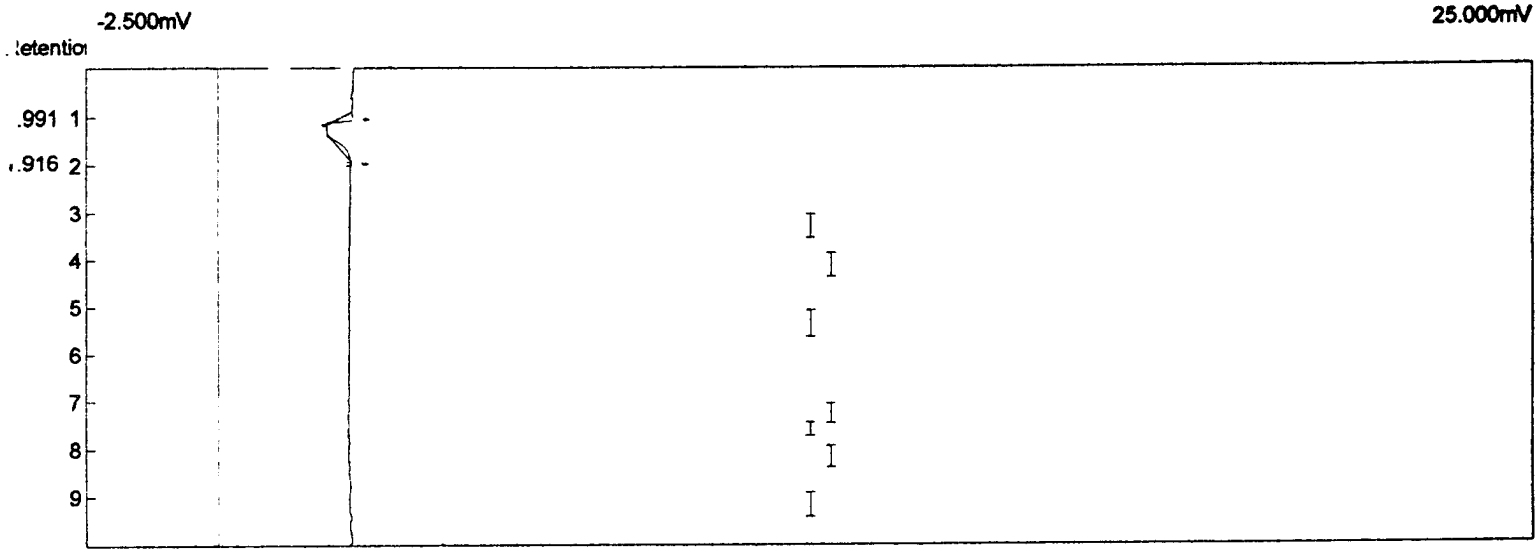
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 16:16:27
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA13.CHR ()
Sample: BLANK
Operator: JMP



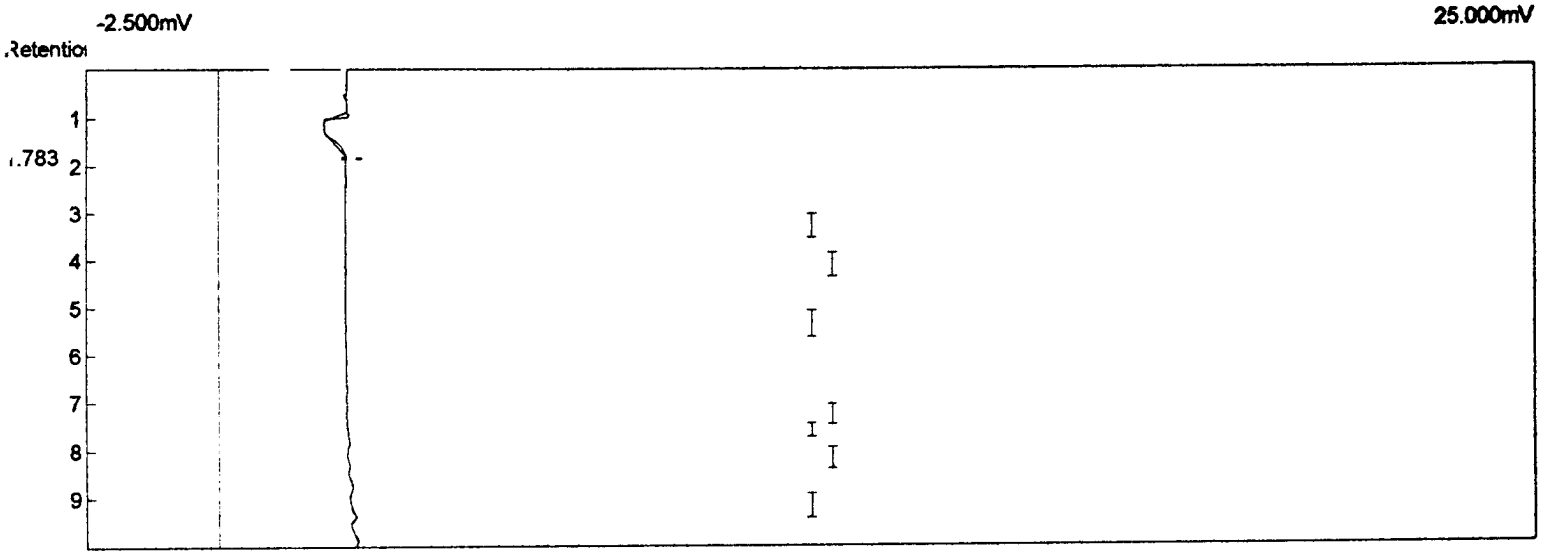
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:10:44
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA4.CHR ()
Sample: 1 /1216PERM
Operator: JMP



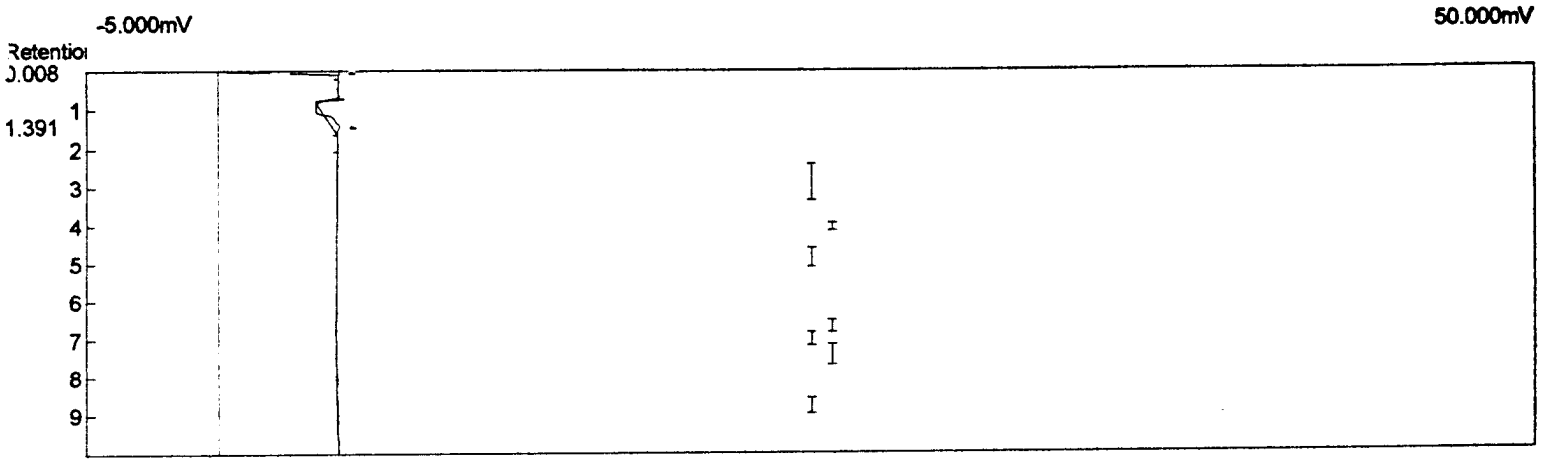
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:23:33
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA5.CHR ()
Sample: 2 /1216PERM
Operator: JMP



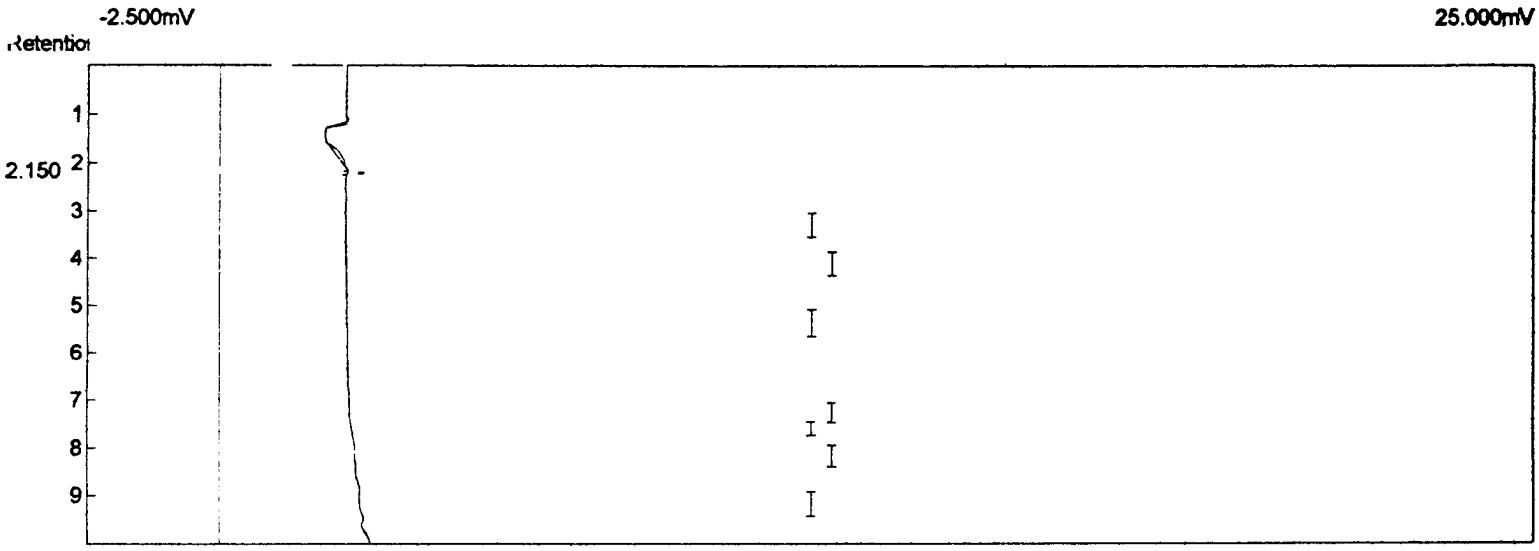
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:23:33
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB5.CHR ()
Sample: 3 /1216PERM
Operator: JMP



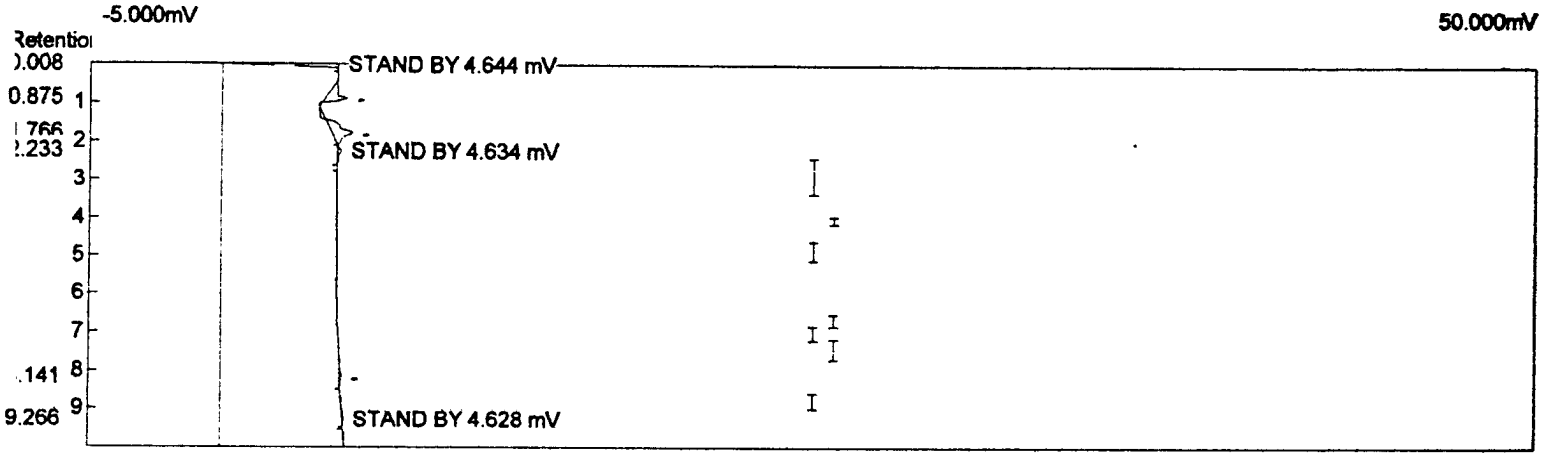
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:42:29
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA6.CHR ()
Sample: 4 /1216PERM
Operator: JMP



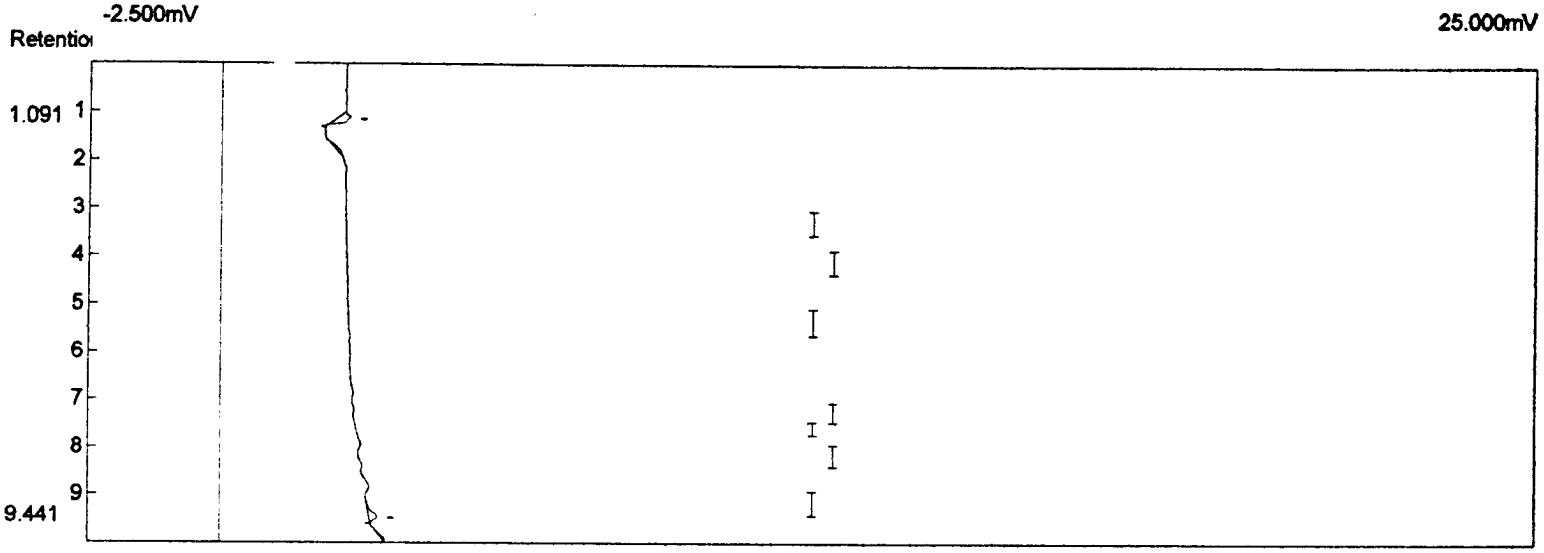
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:42:29
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB6.CHR ()
Sample: 5 /1216PERM
Operator: JMP



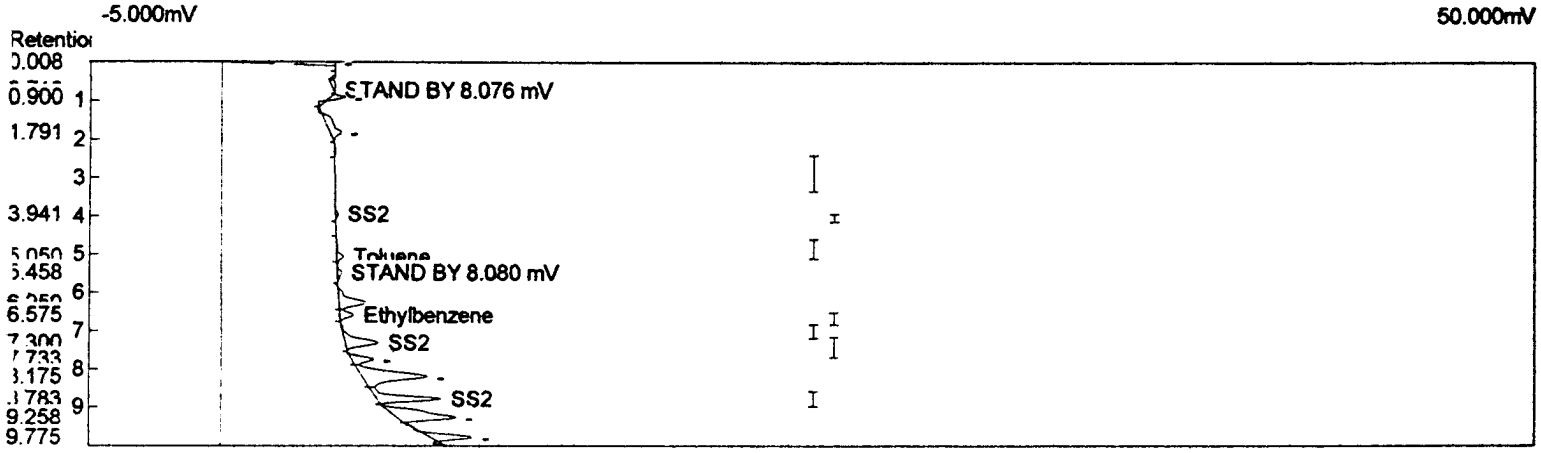
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:57:28
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA7.CHR ()
Sample: 6 /1216PERM
Operator: JMP



Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

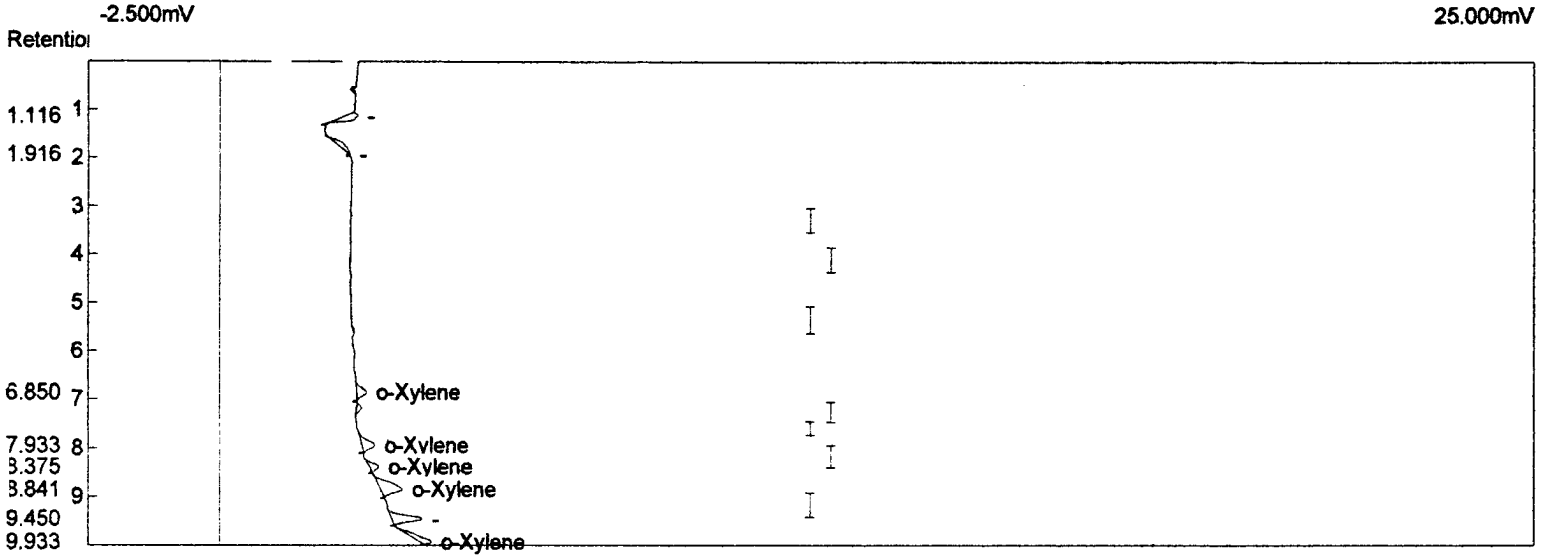
Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 12:57:28
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB7.CHR ()
Sample: 7 /1216PERM
Operator: JMP



Component	Retention	Area	External	Internal	Units
SS1	3.941	1.025	0.28	0.2824	ppm
Toluene	5.050	3.246	0.08	0.0803	ppm
Ethylbenzene	6.575	5.442	0.16	0.1582	ppm
o-Xylene	7.300	17.128	0.40	0.4009	ppm
SS2	8.783	24.599	2.25	2.2504	ppm
		51.440	3.17	3.1722	

ND Carry over from Diesel
JMP

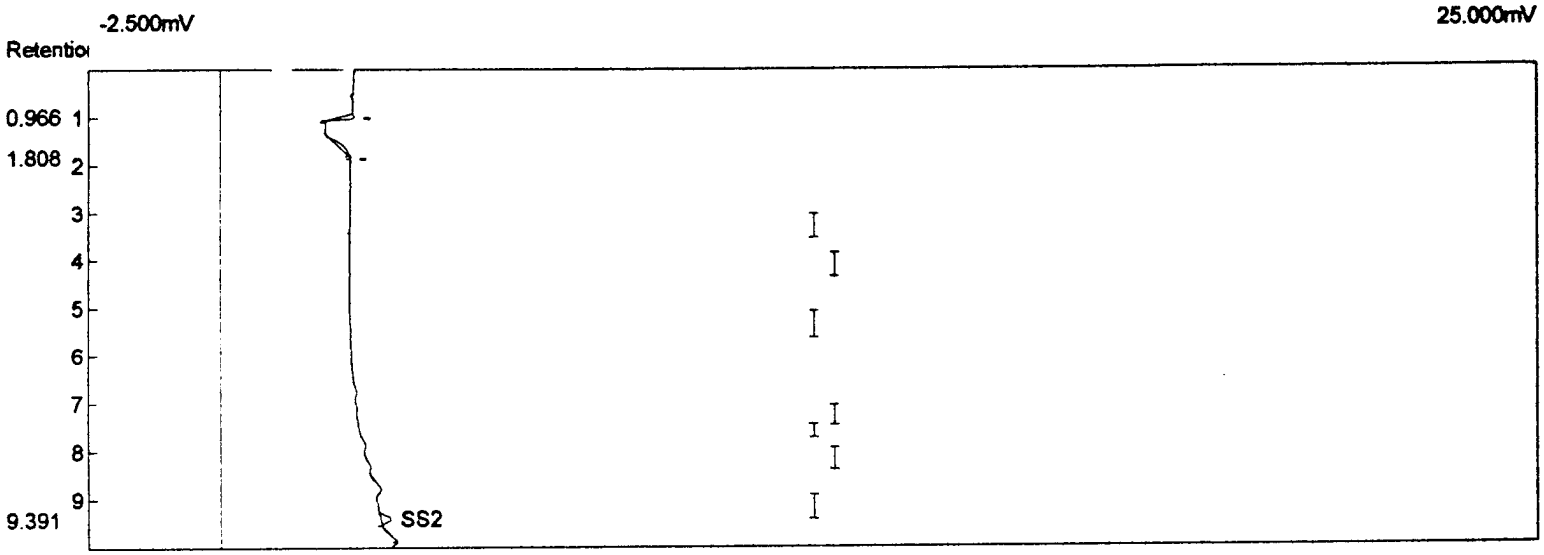
Analysis date: 12/21/1998 13:53:49
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA9.CHR ()
Sample: 7 /1216PERM mp dup
Operator: JMP



Component	Retention	Area	External	Internal	Units
o-Xylene	8.375	1.525	0.18	0.1833	ppm
		1.525	0.18	0.1833	

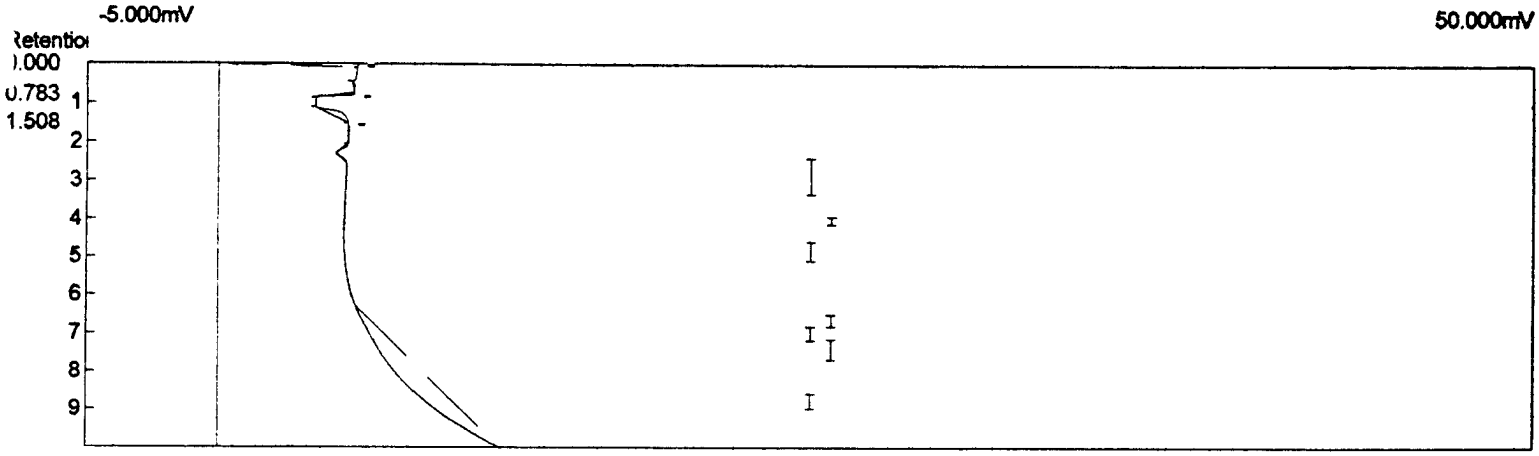
ND carry over from Diesel
dup

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 13:32:11
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA8.CHR ()
Sample: 8 /1216PERM
Operator: JMP



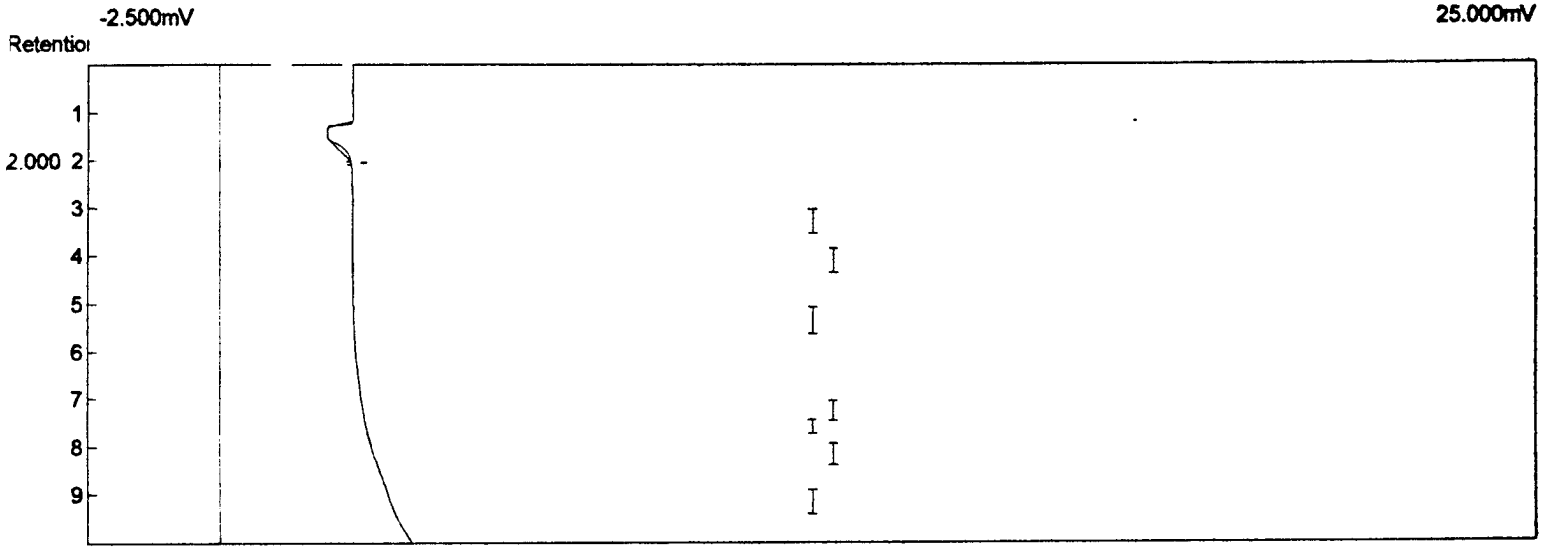
Component	Retention	Area	External	Internal	Units
SS2	9.391	1.770	0.12	0.1160	ppm
		1.770	0.12	0.1160	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 13:32:11
Method: EPA 602/8020
Description: PID 2
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1212PB8.CHR ()
Sample: INST. BLANK /1216PERM
Operator: JMP



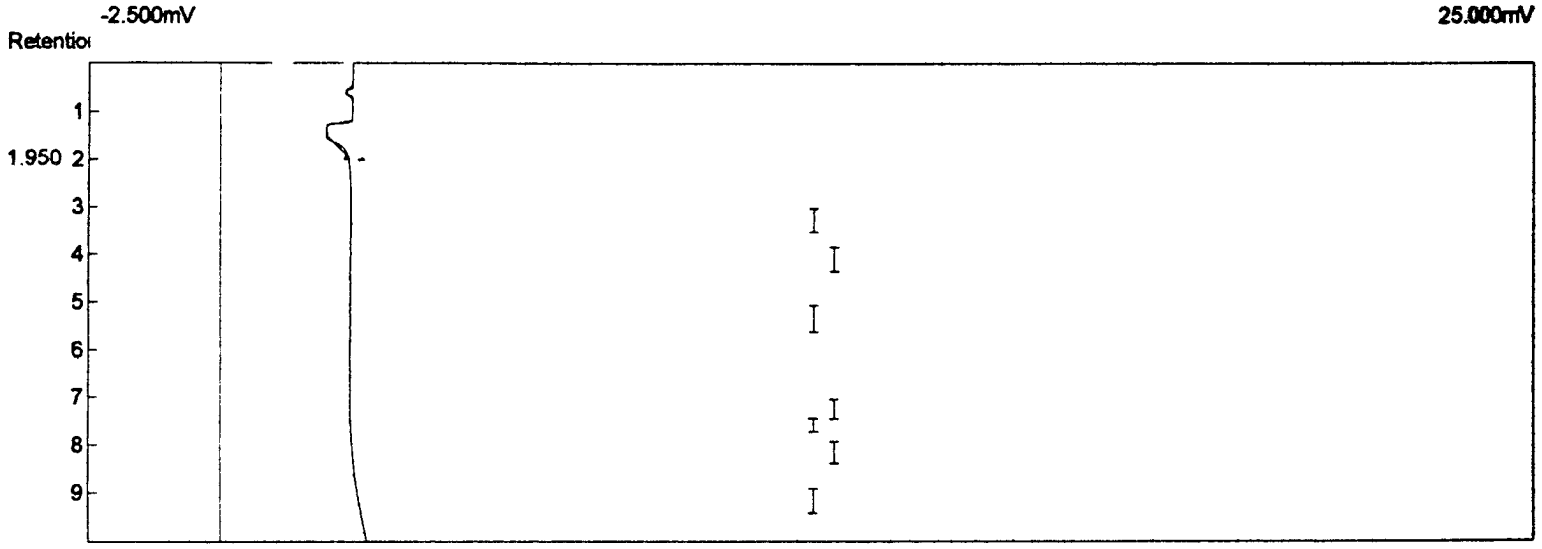
Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 14:31:50
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA10.CHR ()
Sample: SAMP. BLANK/1216PERM
Operator: JMP



Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

Lab name: TEG Puerto Rico
Analysis date: 12/21/1998 15:03:59
Method: EPA 602/8020
Lab ID: GC-2
Description: PID 1
Column: RXT-5 (30x.53x5.0)
Carrier: N2 1.1 kg/cm2
Data file: 1221PA11.CHR ()
Sample: TRIP BLANK/1216PERM
Operator: JMP



Component	Retention	Area	External	Internal	Units
		0.000	0.00	0.0000	

CERTIFICACION ACTIVIDADES DE MUESTREO

Esta certificación deberá ser completada y ser sometida junto con los resultados, información de control de calidad y certeza de calidad y cualquier otro documento referente a las actividades efectuadas bajo el Plan de Muestreo

Por la presente, yo KEVIN SHELBURNE en mi carácter de PRINCIPAL del
(Nombre y apellidos) (Titulo o posición)

laboratorio TEG-PR certifico que he efectuado todas las actividades en las cuales
(Nombre del laboratorio)

tenemos inherencia, incluídas en el Plan de Muestreo aprobado por la Junta de Calidad Ambiental para el proyecto PR-02-98-0032 S-0373-0-56 FM Industrial ubicado en Calle A Parque Industrial Ernesto Quiñones Sambolia, San German, P.R.
(Número-Identificación) (Nombre empresa) (Dirección fisica)

y que dichas actividades se hicieron en conformidad con el Plan de Muestreo aprobado.

Firma

Sello/Número licencia (Si aplica)

(En caso de que la toma de muestras y los análisis de laboratorio sean realizados por diferentes entidades, cada una de las mismas deberá cumplimentar esta certificación).

ACA-1B

CERTIFICACION RECIBO PLAN DE MUESTREO

(Certificación a ser sometida para actividades de muestreo relacionado con cierres, rastreos y remediación, entre otros).

Esta certificación debe ser sometida a la unidad del Area de Calidad de Agua que tenga inherencia en el proyecto diez (10) días antes de efectuarse la actividad.

Por la presente, yo KEVIN SHELBURNE en mi carácter de PRINCIPAL del
(Nombre y apellidos) (Titulo o posición)

laboratorio TEG - PR certifico que he recibido copia fiel y exacta del Plan de Muestreo
(Nombre laboratario)

aprobado por la Junta de Calidad Ambiental para el proyecto S-0373-0-56 / PR-02-98-0032
(Número-Identificación)

FM Industrial, ubicado en Calle A Parque Industrial Ernesto Quiñones Sambolin, San German, P.R.
(Nombre de empresa) (Dirección fisica)

Que las actividades incluídas en dicho Plan de Muestreo en las cuales TEG-P.R. tenga
(Nombre laboratorio)

inherencia, serán efectuadas acorde con lo establecido en el mismo.

Kevin Shelburne
Firma

Sello/Número licencia (Si aplica)

(En caso de que la toma de muestras y los análisis de laboratorio sean realizados por diferentes entidades, cada una de las mismas deberá cumplimentar esta certificación).

ACA-1A

CERTIFICACION RECIBO PLAN DE MUESTREO

(Certificación a ser sometida para actividades de muestreo relacionado con cierres, rastreos y remediación, entre otros).

Esta certificación debe ser sometida a la unidad del Area de Calidad de Agua que tenga inherencia en el proyecto diez (10) días antes de efectuarse la actividad.

Por la presente, yo RICARDO OLIVER en mi carácter de Gerente Proyecto de
(Nombre y apellidos) (Titulo o posición)

Onsite Environmental certifico que he recibido copia fiel y exacta del Plan de Muestreo
(Nombre empresa)

aprobado por la Junta de Calidad Ambiental para el proyecto S-0373-0-56 / PR-02-98-0032
(Número-Identificación)

FM Industrial, ubicado en Calle A Parque Industrial Ernesto Quiñones Sambali, San German. Que las actividades
(Nombre de empresa) (Dirección física)

incluídas en dicho Plan de Muestreo en las cuales Onsite Environmental tenga
(Nombre empresa)

inherencia, serán efectuadas acorde con lo establecido en el mismo.

Firma
Sello/Número licencia (Si aplica)

(En caso de que la toma de muestras y los análisis de laboratorio sean realizados por diferentes entidades, cada una de las mismas deberá cumplimentar esta certificación).

ACA-2A

CERTIFICACION ACTIVIDADES DE MUESTREO

Esta certificación deberá ser completada y ser sometida junto con los resultados, información de control de calidad y certeza de calidad y cualquier otro documento referente a las actividades efectuadas bajo el Plan de Muestreo

Por la presente, yo Ricardo Oliver en mi carácter de Gerente Proyecto de
(Nombre y apellidos) (Título o posición)

Onsite Environmental certifico que he efectuado todas las actividades en las cuales
(Nombre de la empresa)

tenemos inherencia, incluídas en el Plan de Muestreo aprobado por la Junta de Calidad Ambiental para el proyecto PR-02-98-0032 S-0373-0-56, FM Industrial ubicado en Calle A Parque Industrial Ernesto Quiñones Sambolia, San Germán P.R.
(Número-Identificación) (Nombre empresa) (Dirección física)

y que dichas actividades se hicieron en conformidad con el Plan de Muestreo aprobado.

Firma

Sello/Número licencia (Si aplica)

(En caso de que la toma de muestras y los análisis de laboratorio sean realizados por diferentes entidades, cada una de las mismas deberá cumplimentar esta certificación).

ACA-2B

teg Transglobal Environmental Geochemistry

Chain of Custody Record

PO # _____

Client: Panzardi - ERM

Address PO Box 192291 San Juan PR 00919-2291

Phone 787-765-0800 FAX 787-765-1262

Client Project # 181139.66 Project Manager _____

Date 12/16/98 Page 1 of 1

TEG Project # 98I1716 PERM Outside Lab.# _____

Location San German

Collector Ricardo Oliver Date of Collection 12/16/98

Sample #	Depth	Time	Sample Type	Container Type	VOA 8010	VOA 8020 (BTEX)	VOA 8260	SEMI VOL 8270	TRPH 418.1	TPH 8015 (gasoline)	TPH 8015 (diesel)	TPH 8015 (gas & diesel)	TPH 8015 (oil)	PNA 610/8100	TOTAL LEAD	pH	METALS	RCI						FIELD NOTES / PRESERVATION	Total # of Containers
1		12:20	soil	40 ml		✓			✓																1
2		12:25	soil	40 ml		✓			✓																1
3		12:30	soil	40 ml		✓			✓																1
4		12:35	soil	40 ml		✓			✓																1
5		12:40	soil	40 ml		✓			✓																1
6		12:42	soil	40 ml		✓			✓																1
7		12:42	soil	40 ml		✓			✓																1
Ricardo Blank		1:00	water	2 ml		✓			✓																1
Trip Blank		1:00	water	2 ml		✓			✓																1
Instrument Blank		1:00	water	2 ml		✓			✓																1
8		12:45	soil	40ml		✓			✓																1

RELINQUISHED BY (signature) Date/Time

RECEIVED BY (signature) Date/Time

RELINQUISHED BY (signature) Date/Time

RECEIVED BY (signature) Date/Time

Jamie K Shelburne 12/16/98 6:40 PM

Astrid H 12/16/98 6:40 PM

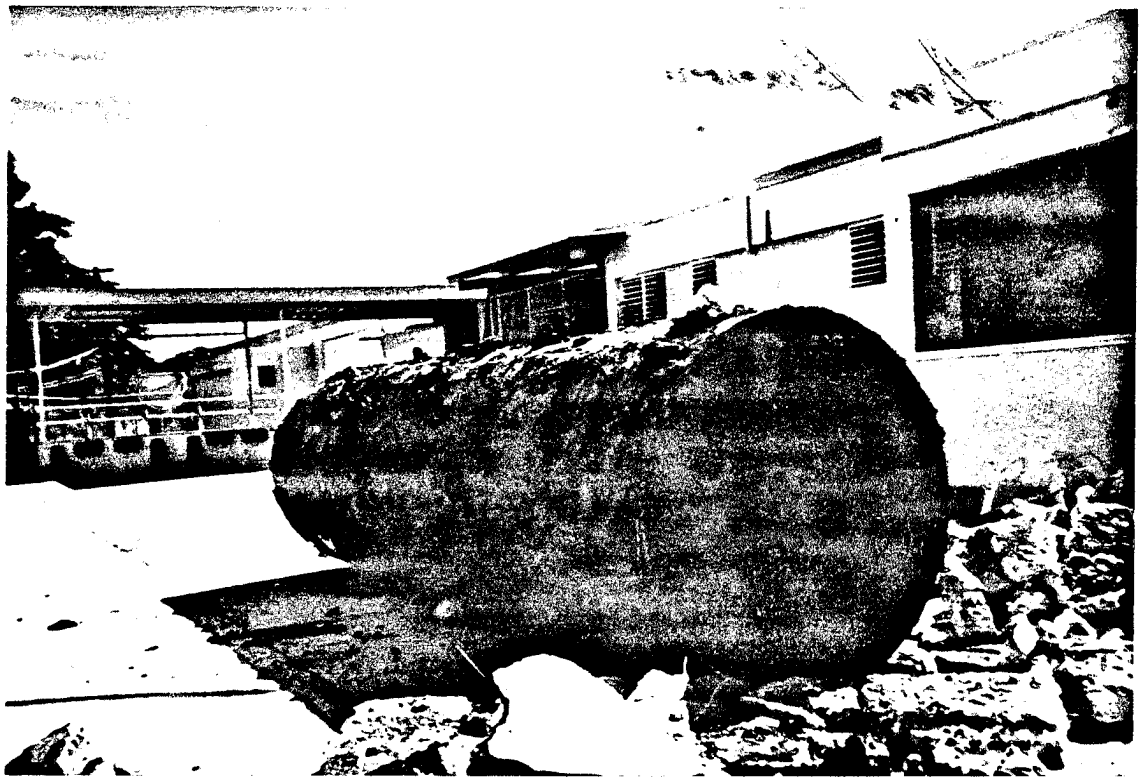
Total # of containers	10	TEMPERATURE
Chain of Custody seals Y / N / NA		
Seals intact? Y / N / NA	/	
Received good conditions / cold	yes	4°C

Sample disposal instructions: _____TEG Disposal @ $2.00 each _____ Return to client _____Pickup

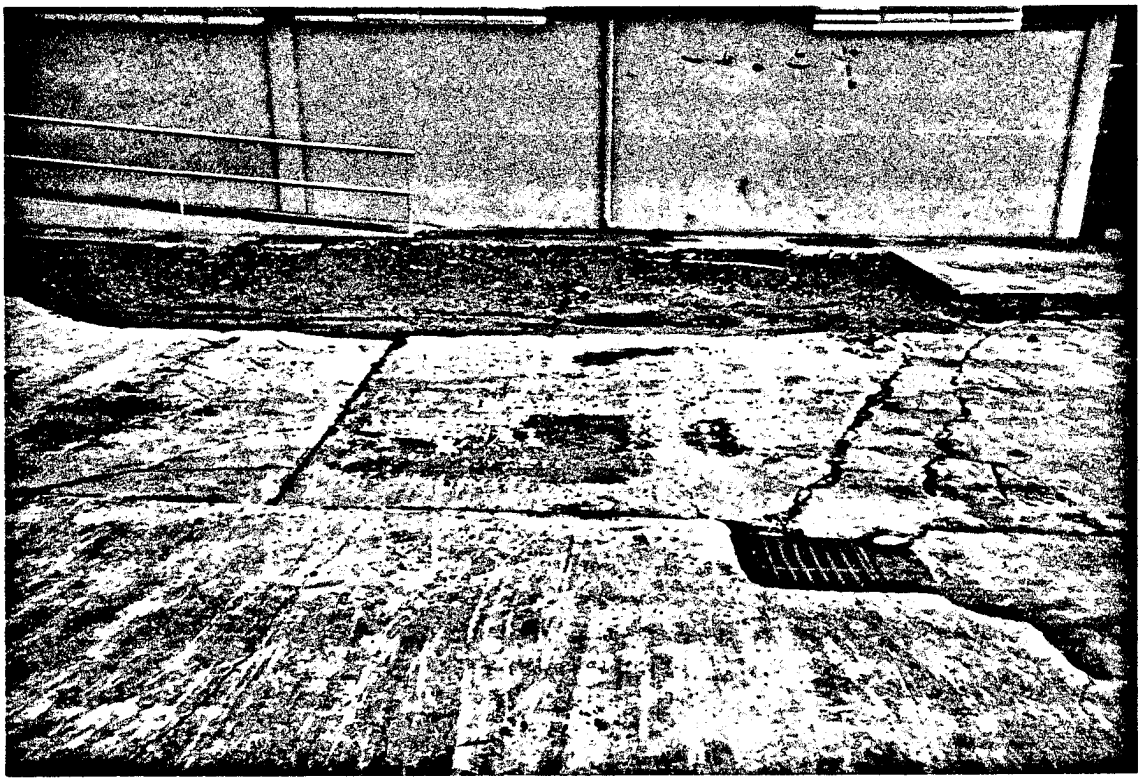
APENDICE E
Fotografías de Actividades de Cierre

Remoción de Terreno

Excavando para Remoción de Tanques



Tanque Removido



Area Despues de Remoción de Tanques

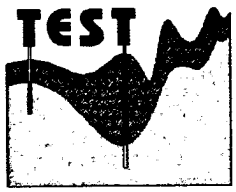
REPORT PREPARED FOR
PR INDUSTRIAL DEVELOPMENT CORP.

20-03-286
MM

SITE CHARACTERIZATION AT
PRIDCO FACILITY - FM INDUSTRIAL (S-0373-0-56)
ROAD A, ERNESTO QUIÑONES INDUSTRIAL PARK
SAN GERMAN, PUERTO RICO

UST NO. PR-02-98-0032

PREPARED BY



TEST Environmental, Inc.
P.O. Box 9300021
San Juan, P.R. 00930

DI-01-03

TEST Environmental, Inc.
P.O. Box 9300021
San Juan, P.R. 00930-0021
Ph.& Fax. (787) 766-1042

October 3, 2000

Eng. Margarita Maldonado
PRIDCO
#355 Roosevelt Ave., Office 303,
San Juan, P.R. 00918

RE: "Site Characterization at the PRIDCO Facility - FM Industrial"
FM Industrial (S-0373-0-56)
Road A, Ernesto Quiñones Sambolia Industrial Park, San Germán, P.R.
UST NO. 02-98-0032

Dear Eng. Maldonado:

Please find enclosed the report of the soil sampling activities at the PRIDCO facility - Control Specialties. The report covers the sampling activities and laboratory results of the area, located at Road A, Ernesto Quiñones Sambolia Industrial Park, in San Germán, Puerto Rico.

If you have any questions regarding this report, please contact us at your convenience at (787) 766-1042 or at 499-9542.

Cordially,

Alvaro Morales, PG, REM
Environmental Manager/Geologist

REGISTERED ENVIRONMENTAL MANAGER
ALVARO MORALES
REM 5449
NREP

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Attachment B. Boring Logs

Attachment C. Laboratory Data Report - Soil Samples Analysis

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EXECUTIVE SUMMARY

At the request of the Puerto Rico Industrial Development Corporation (PRIDCO), the company TEST Environmental, Inc. (TEST), conducted Site Characterization activities at the PRIDCO facility, former FM Industrial (S-0373-0-56), located in Road A, Ernesto Quiñones Sambolia Industrial Park, in San Germán, Puerto Rico.

During June 6, 2000, TEST conducted soil sampling activities by performing several soil bores, in the area were a 2,850 gallons capacity tank was removed and closed. All soil samples collected were analyzed for Total Petroleum Hydrocarbons (TPH - Diesel) parameter. Concentration of TPH was detected in only one of the soil samples collected in the area, on June 6, 2000, and coded as SG-1.

1.0 GENERAL INFORMATION

1.1 INTRODUCTION

TEST Environmental, Inc. (TEST), was contracted by the Puerto Rico Industrial Development Corporation (PRIDCO), to perform a limited Site Characterization in the previous location area of the underground storage tank (UST), as requested by PRIDCO, and according to all requirements of the Environmental Quality Board (EQB). This former UST area consist of a 35 x 12 feet area in front of a building structure and adjacent to a transformer area. This study also is according to EPA 40 CFR Part 280 and to the EQB Underground Storage Tank Regulation: Part VI, Rule 603. The Site Characterization was to conduct soil sampling activities regarding the underground storage tank (UST) system removed and closed on December 1998. The PRIDCO facility, former FM Industrial, is located within the municipality of San Germán, at Road A, in the Ernesto Quiñones Sambolia Industrial Park, P.R. Field activities were conducted at the site during June 6, 2000.

This report includes findings and discusses the results of the soil sampling activities conducted by TEST. All field work was conducted following TEST Environmental standard operating procedures.

1.2 SITE DESCRIPTION

The site characterization study, was performed in the area were used to be located the 3,000

gallons capacity underground storage tank removed during the closure activities performed on December 1998. The property had one main building, once used as the operation area of the FM Industrial company. The UST system was located at the north section of the main building property. The Figure 1 shows the Location Map area of the site.

In general, the local topography of the area is characterized by generally flat terrain to some moderated steep hills areas to the south. The surrounding land area is an industrial zone occupied by several commercial and industrial companies.

1.3 HISTORICAL EVENTS

The site characterization was conducted in the north area of the underground storage tank (UST) area. This site was identified with the Environmental Quality Board, UST notification number 02-98-0032. Before the site characterization study, the FM Industrial site was subject to a closure activity of the UST system on December, 1998. The results of theses activities were reported by others contractors and submitted to EQB-UST Program. As a response of the results obtained during the closure of the tanks, the EQB submitted an action letter on June 23, 2000 (See Attachment A), requesting a site characterization of the affected area.

1.3 OBJECTIVE OF PROJECT

This site investigation was designed to evaluate the possible extension of hydrocarbons impacted soil into the surrounding environment, associated with the UST operation system, as requested by PRIDCO.

The evaluation included the following:

- Soil bores perforations next to the accessible areas of the UST (surrounding zones of the tank pit area).
- Field screening monitoring using a portable field Gastech Hydrocarbon Detector.
- Collection of soil samples and its QA/QC samples.

All soil samples were analyzed for Total Petroleum Hydrocarbons, TPH (8015B) parameters.

2.0 GEOLOGY AND TOPOGRAPHY OF THE AREA

2.1 GENERAL GEOLOGY

The area of the study is located mainly in a zone of Alluvium (Qal), from Holocene to Pleistocene Epoch. This Alluvium deposits are composed principally of compacted fine grained clay, silt, sand, and gravel mainly in the major stream valleys. Also this deposits area found merging with coluviums along the valleys walls. These deposits are characteristic of the area of Guanajibo River and the Lajas Valley, in which this last one consist mainly of silts and clays with fine sand lenses which grade into sand and gravel fan deposits on the north and south sides of the valley.

The Ponce Limestone and the Juana Díaz Formation lies underneath the alluvium, although limited in the San Germán Quadrangle to three small hills. Other feathers of the geology of the area are the Altered Volcanic Rocks (Kva) which (located at the north section of the study site) shows abundant plagioclase and pyroxene crystals, as well as, abundant mineral like: epidote, chlorite, serpentine, calcite, magnetite and matrix quartz among others.

To the south the Mariquita Chert (KJm) out crops, this Chert typically consist of interlocking mosaic of microcrystalline quartz, which in many areas has been partially or completed re-crystallized, according to the USGS Map: Geology Map of the San Germán Quadrangle, Puerto Rico (Richard P. Volckmann, 1984).

The Alluvium deposits yield large supplies of water which depending in the location can be suitable for most purposes, according with the USGS Map: Hydrogeologic Map of Puerto Rico

And Adjacent Island (R.P. Briggs and J.P. Akers, 1965). See Figure 2 for the geologic map of the area.

2.2 GENERAL TOPOGRAPHY

The study area is located in the local Road No. 2 (at latitude 18° 04' 37" and longitude 67° 01' 44"). The area has moderately to high relief with elevations that are typically between 50 meters to 224 meters in maximum elevations in the area. To the north at a approximately 0.68 kilometers is the Río Guanajibo. A very close creek cross to the north section of the property at approximately 0.05 kilometers and joins with the Río Guanajibo to the north area. The surface land elevation of the terrain in the area of study is at approximately 50 meters above the mean sea level (Reference: Topographic Map of the San German Quadrangle, photo-revised 1982).

3.0 SOIL BORING ACTIVITIES

During June 6, 2000, four (4) soil boring points were performed, at a maximum depth of approximately 16 feet, at the surrounding area of the closed underground storage tank. All activities were conducted under the direct supervision of TEST's professional geologist. Drilling activities during the project were conducted by TEST Environmental's direct push sampling equipment: SIMCO - Earthprobe. Refer to Figure 3 (Sample Location Map) for location of the sampling point location.

3.1 DIRECT PUSH SAMPLING (EARTHPROBE)

All boring activities were conducted under the direct supervision of TEST's professional geologist. During the project duration, soil samples were collected utilizing the direct push sampling method equipment.

The perforation was approximately 2 inches in diameter. The external driven tool rods sections were 2 feet long, with a nominal diameter of 2 inches. Auger sections have keyed, box and pin connections that do not required lubricants. All boreholes were drilled approximately 16 feet in depth. No soil cutting from samples was generated during the use of this method. This efficient methodology eliminates the soil cutting generated during the use of conventional rig drilling equipment. Soil grain-size and other required physical observations were performed by TEST's professional geologist. The grain size, color, humidity and other pertinent information was logged in the Boring Logs, included in Attachment A.

4.0 SAMPLING

4.1 SAMPLING REQUIREMENTS

Field activities were performed according to US EPA recommended sampling protocols and in accordance with PRIDCO requirements for this project. Samples were preserved following the EPA protocols, delivered to the laboratory within 24 hours of collection, and maintained at 4°C until the analysis were performed. Strict Chain-of-Custody control was maintained.

Samples were collected in pre-cleaned laboratory glass jars provided by the laboratory, of appropriate volume and packed and shipped according to the SW-846 guidelines. Chain of custody records, sample labels, and custody seals were filled out as specified in SW-846.

4.1.1 Sample Labels

Samples were labeled identifying the particular sample and including the following information:

- A unique sample I.D. number.
- Date and time of collection.
- Analysis requested and sample preservation (if any).
- Initial of collector.
- Additional comments as necessary.

Sample labels were securely affixed to the sample containers.

4.1.2 Chain of Custody Record

A Chain of Custody Record was maintained from the time the sample was taken to its final destination. Every transfer of custody was noted and signed for, and a copy of the record kept by each individual who had signed.

The Chain of Custody Record included the following:

- Sample identification number.
- Sample location.
- Collection date and time.
- Number of sample containers.
- Type of sample: grab or composite.
- Type of analysis.
- Name(s) and signature of sampler(s).
- Signature(s) of any individual(s) with control over samples.

4.1.3 Boring Log

All boring and sampling activities were recorded in a Boring Log. It is essentially a descriptive log detailing boring activities and observations so that an accurate account of field procedures and findings can be reconstructed in the geologist's absence.

All entries were dated and logged by a TEST's geologist. Strictly, all data were conducted by a

TEST's certified and registered professional geologist in Puerto Rico, which included the following:

- Site name and project number.
- Name and registration number of the geologist collecting the information.
- Company and drilling method.
- Date and time of sample collection.
- Sample withdrawal equipment.
- Identification and description of samples and location.
- Lithologic description of soil at certain depth intervals.
- Type of sample and depth at which the sample is collected.
- Readings with field instruments.
- Water level, if any.
- Site sketches.
- Comments and observations.

Attachment B includes the Boring Log for each sample point.

4.2 QUALITY CONTROL

Field sampling procedures followed the preparation and laboratory analysis of the following quality control samples:

4.2.1 Field Blank

The Field Blank is a distilled, deionized, analyte-free water that is exposed to the sampling environment area field work, then sealed in a sample jar. It is used to determine if any on-site atmospheric contaminants are seeping into the sample vials. Glass vial (40 ml) with septum cap (Teflon) was used. A Field Blank was prepared prior to the initiation of the soil sampling activities. It was identified in the label and Chain of Custody record as Field Blank and analyzed for TPH parameter.

4.2.2 Equipment Blank

An Equipment Blanks was taken to evaluate any potential cross contamination of samples from sampling equipment in the event of reuse after decontamination. During soil sampling activities, an Equipment Blank was obtained by pouring distilled, deionized, analyte free water over the split spoon sampler and into the sample container. Sample was identified as Equipment Blank in the label and Chain of Custody record and analyzed for TPH parameter.

4.2.3 Trip Blank

Trip Blank is a distilled, Deionized, analyte-free water, obtained from the laboratory, that is sealed in a sample jar and placed in the samples cooler. The Trip Blank is used to determine if any cross contamination occurs between samples before and during shipment to the laboratory. A glass vial (40 ml) with septum cap was used and placed into the samples cooler. Sample was identified as

Trip Blank and analyzed for TPH parameter.

4.2.4 Duplicate Sample

The field duplicate sample is collected to demonstrate the reproducibility of the sampling technique. An environmental duplicate is collected at a frequency of one (1) sample for every day event. One Duplicate Sample was collected and analyze for TPH parameter.

4.3 SAMPLING METHODOLOGY

Soil samples were collected according to the PRIDCO accepted scope of work, to determined where the soil may be impacted with hydrocarbons. The equipment method used for field detection of hydrocarbons in the collected soil samples was: Gastech GT-105. With this method, split spoon barrels were used to collect the soil samples. The field instrument was used for the field screening evaluation for hydrocarbons vapor content in soil.

4.3.1 Field Screening Samples

All soil samples were screened on the field to determine the presence of hydrocarbons using a direct reading vapor monitoring instrument. This enabled rapid decision making in selecting samples to be analyzed by the laboratory. The screening was done using a direct reading organic vapor monitoring instrument: a Gastech GT-105.

- The Gastech GT-105 instrument detects concentrations of hydrocarbons in air utilizing a combustible-sensing platinum type catalyst, with a stainless steel protective header guard and flame arrestor. A sample is drawn by the suction action of the GT's internal pump. This creates a flow through the monitor from the inlet fitting, into the flow block and pump, then out of the pump under pressure back into the flow block. As the sample passes through the flow block, any gas components of the sample are detected by the sensor before being exhausted from the monitor.

  For the instrument to function properly in the field, it was calibrated prior to use. Calibration involved checking the instrument results with a known concentration of gas to see that the instrument gives the proper response. This instrument was calibrated with 40% LEL Hexane in air gas.

4.3.2 Direct Push Soil Sampling Method

By using the Earthprobe, a total of four (4) perforations were made using the direct push method at a maximum depth of 16 feet. In some borings, more than one (1) soil sample was collected. In these perforations, one inch split spoon barrels were used for sampling the soil. All equipment was cleaned before each borehole to remove debris or sediment and to minimize cross contamination. Tools were covered with plastic sheeting and kept from making contact with the ground. Before collecting the soil samples, the top portion of the split spoon samples was discarded as a normal procedure, in case of non representative soil sample conditions.

By using the Gastech GT-105 instrument, total hydrocarbon readings were obtained. In each perforation the split spoon sample yielding the higher instrument reading or the deepest sample

was collected for laboratory analysis. Sample collection was designed to be approximately five (5) feet intervals, depending of the soil conditions in the area. Refer to Table 1 for instrument readings and to Table 2 for samples description.

In each sampling location, the samples were handled carefully and efficiently to avoid losing volatile components. Samples were placed in pre-cleaned glass jars provided by the laboratory. Completed labels were affixed to the sampling container and all the information recorded in the drilling logs. Samples were placed in a cooler and preserved with ice to 4°C.

Selected samples were transported to the laboratory for analysis. A Chain of Custody Record was signed before the samples were relinquished to the laboratory.

TABLE 1

FIELD INSTRUMENT READINGS
PRIDCO - SAN GERMAN, P.R. (S-0373-0-56)

SAMPLE NO.	APPROX. DEPTH IN FEET	DATE m/d/yr	GASTECH (PPM)	TYPE OF SAMPLE
SG-1	8' - 10'	06/06/2000	20	Soil sample at boring no. 1 collected for laboratory analysis.
SG-2	14' - 16'	06/06/2000	20	Soil sample at boring no. 1 collected for laboratory analysis.
Field Sample	8' - 10'	06/06/2000	0	Soil sample at boring no. 2 collected for field screening.
SG-3	14' - 16'	06/06/2000	20	Soil sample at boring no. 2 collected for laboratory analysis.
Field Sample	8' - 10'	06/06/2000	0	Soil sample at boring no. 3 collected for field screening.
SG-4	14' - 16'	06/06/2000	0	Soil sample at boring no. 3 collected for laboratory analysis.
SG-5	10' - 12'	06/06/2000	60	Soil sample at boring no. 4 collected for laboratory analysis.
SG-6 / SG-7	14' - 16'	06/06/2000	40	Soil sample and duplicate at boring no. 4 collected for laboratory analysis.

Note: ppm = Parts Per Million

TABLE 2

DESCRIPTION OF SOIL SAMPLES FOR LABORATORY ANALYSIS PRIDCO - SAN GERMAN, P.R. (S-0373-0-56)

SAMPLE NUMBER	MATRIX	COLLECTION DATE (m/d/yr)	COLLECTION TIME (24HR)	SAMPLE DESCRIPTION
Trip Blank	Aqueous	06/06/2000	0935	Trip Blank
Field Blank	Aqueous	06/06/2000	0937	Field Blank
Equipment Blank	Aqueous	06/06/2000	0955	Equipment Blank from the split spoon sampler with plastic liner.
SG-1	Soil	06/06/2000	1016	Grab soil sample collected in boring no. 1 at a depth of 8' - 10'. Dark gray clayey, moist material.
SG-2	Soil	06/06/2000	1033	Grab soil sample collected in boring no. 1 at a depth of 14' - 16'. Clayey sandy material with some fragments of rocks, moist.
SG-3	Soil	06/06/2000	1117	Grab soil sample collected in boring no. 2 at a depth of 14' - 16'. Clayey sandy material with some fragments of rocks, moist
SG-4	Soil	06/06/2000	1156	Grab soil sample collected in boring no. 3 at a depth of 14' - 16'. Gray-brown clayey, moist material with many rocks fragments.

TABLE 2
(Continued)

DESCRIPTION OF SOIL SAMPLES FOR LABORATORY ANALYSIS
PRIDCO - SAN GERMAN, P.R. (S-0373-0-56)

SAMPLE NUMBER	MATRIX	COLLECTION DATE (m/d/yr)	COLLECTION TIME (24HR)	SAMPLE DESCRIPTION
SG-5	Soil	06/06/2000	1236	Grab soil sample collected in boring no. 4 at a depth of 10' - 12'. Clayey material with some fragments of rocks, moist.
SG-6	Soil	06/06/2000	1247	Grab soil sample collected in boring no. 4 at a depth of 14' - 16'. Clayey sandy material with some fragments of rocks, moist
SG-7	Soil	06/06/2000	1247	Soil sample duplicate from sample SG-6.

5.0 METHODS OF ANALYZES

5.1 LABORATORY ANALYSIS

Soil samples collected from the boreholes were analyzed for TPH parameters, by Transglobal Environmental Geochemistry - Puerto Rico (TEG-PR) laboratory, located in Caguas, P.R. All analysis were conducted by a TEG's certified chemist.

5.1.1 TPH

Soil samples were subject to the protocols established by the "EPA SW 846 Methods". All samples were analyzed for:

- TPH by modified EPA test method 8015B - Diesel

6.0 FINDINGS

6.1 PHYSICAL FINDINGS

6.1.1 Lithology

As part of the site characterization, lithology or soil description of the area of study was evaluated by observing the physical characteristics of the soil samples collected during the drilling activities.

Soil in the area of study is characterized by a dark gray clayey material from 8 to 10 feet depth, often below the 14 to 16 feet depth a more clayey sand to hard clay material with fragments of rocks is found. Moist soil conditions predominated in the perforation area, with no indication of ground water. Field data was generally collected to a maximum depth of 16.0 feet. For more details on soil description, refer to Attachment B - Boring Logs.

6.2 CHEMICAL FINDINGS

6.2.1 Soil Samples Laboratory Results

TPH

Concentration for TPH parameter was detected only in sample codified as sample no. SG-1, collected in boring no. 1, during June 6, 2000. This concentration was found in

the 14-16 feet depth zone. No TPH concentrations were detected in the QA/QC samples. Table no. 3 summarizes the laboratory results. In Attachment C is included the Laboratory Data Report.

TABLE 3

SOIL SAMPLES LABORATORY RESULTS
PRIDCO - SAN GERMAN, P.R. (S-0373-0-56)

June 6, 2000

PARAMETERS	Boring No.1	Boring No.1	Boring No.2	Boring No.3	Boring No.4	Boring No.4	Boring No.4			
	SG-1 mg/kg	**SG-2** mg/kg	**SG-3** mg/kg	**SG-4** mg/kg	**SG--5** mg/kg	**SG-6** mg/kg	**SG-7** mg/kg	**TB** mg/L	**FB** mg/L	**EB** mg/L
TPH (8015B) - Diesel	**460**	ND	ND	ND	ND	ND	ND	ND	ND	ND

Notes:
- TB = Trip Blank
- FB = Field Blank
- EB = Equipment Blank
- ND = Indicates Not Detected
- mg/kg = Milligrams Per Kilogram
- mg/L = Milligrams Per Liter
- Dup. = Duplicate Sample SG-7, collected from sample no. SG-6.
- TEG = Lab. Code No. 00I0606TES

7.0 GENERAL DISCUSSION AND RECOMMENDATIONS

7.1 Report Limitation

This report is in no way to be taken as a declaration of the legal status of the property herein mentioned. The information contained in this report has been gathered from field work and evaluation of the available data at the compilation time. Although, every reasonable attempt has been made to ensure the accuracy of the information contained herein, it is understood that we cannot guarantee any data or results of erroneous nature obtained from laboratory personnel and/or other sources. This evaluation was prepared in accordance with the information provided by the Client, as well as, on the requirements, parameters and restrictions presented to TEST Environmental, Inc.

The interpretations and judgments made based on the evaluated data are the result of the best professional practice, in accordance with obtained field data.

7.2 General Discussion

PRIDCO requested a Site Characterization (soil sampling activities) in the PRIDCO facility FM Industrial (S-0373-0-56), located in Road A, Ernesto Quiñones Sambolia Park, in the municipality of San Germán, Puerto Rico, in order to comply with the EQB requirements (Underground Storage Tank Regulation: Part VI, Rule 603, and the EPA 40 CFR Part 280). The area was subject to a series of soil sampling activities to evaluate the possibility of soil impacted with

hydrocarbons, as indicated in this report.

The following are the main findings:

- In general, the native soil conditions of the areas, is typically a clayey moist material to a clayey sand with fragments of rocks, with increasing clayey deposits material below the 14 to 16 feet deep.

- Laboratory concentration (for TPH - Diesel) was detected in only one (1) of the sampling points (concentration of 460 mg/kg) collected during June 6, 2000. No TPH concentrations were detected in any other sample collected that day or the QA/QC samples.

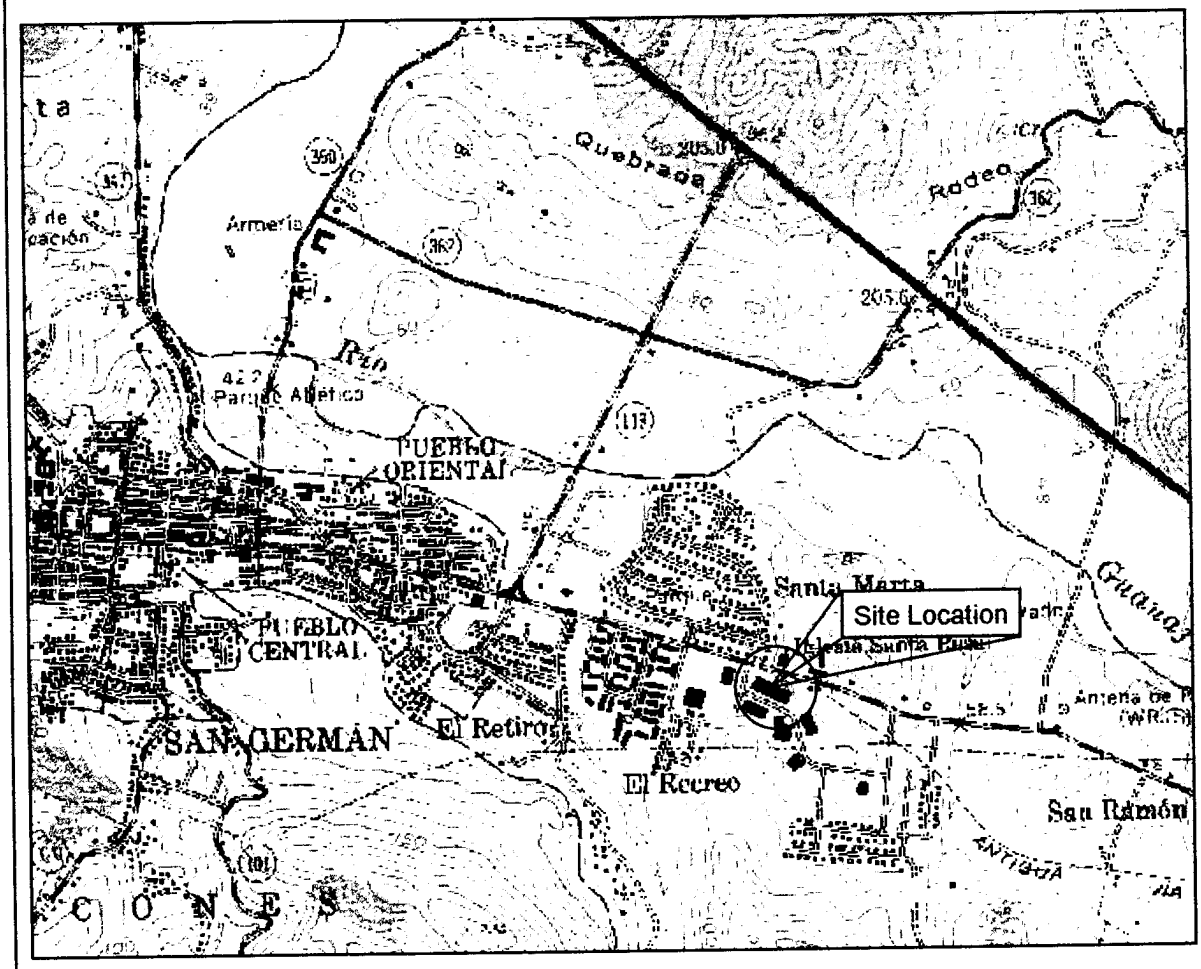
- Concentration of TPH (8015 - Diesel) parameter, was detected in bore no. 1, at a depth of 14 to 16 feet (refer to the Site Location Map).

7.3 Recommendation

Soil sample analysis for TPH (8015B - Diesel) parameter was performed by TEG-PR Laboratory, at six (6) soil samples points collected in the area of the PRIDCO property (Former FM Industrial). In only one locations it was found concentrations of hydrocarbon (TPH - Diesel) of 460 ppm. This concentrations were found to be at a approximately from 14 to 16 feet deep, and appeared to be residual of low impacted material.

Based on the data evaluation, we recommend no further action to be taken in the area. This area will no longer be used as a UST system and will be closed with a concrete slab. All this will be done in accordance with the Environmental Quality Board of P.R., and the requirements of the Underground Storage Tank Program final determination.

FIGURES



References: P.R. Department of Transportation
U.S. Geological Survey

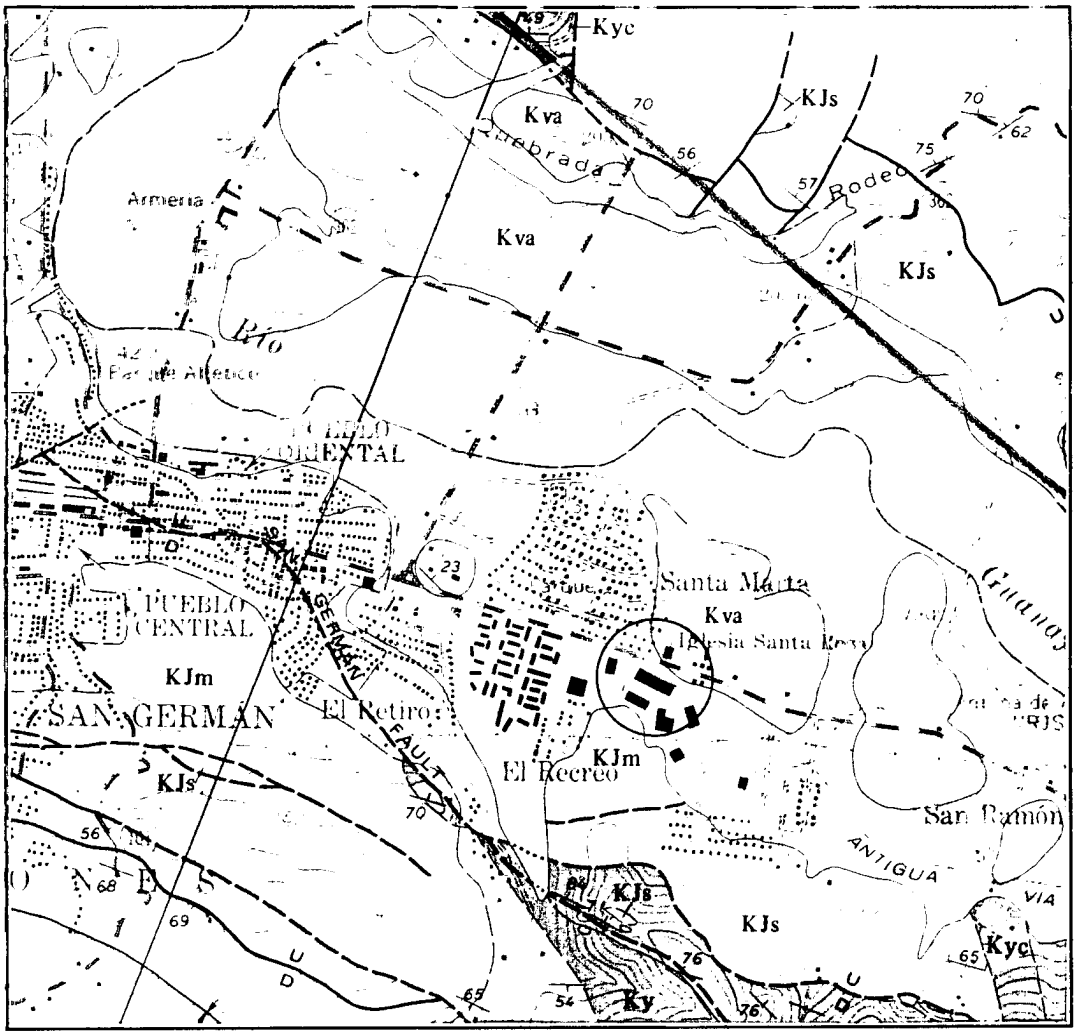
Scale = 1:20,000

0 0.5 1.0 Mile

TEST

TEST Environmental, Inc.
P.O. Box 9300021
San Juan, P.R. 00930
Tel. 766-1042

LOCATION MAP
PRIDCO-FM Industrial
Road A, E. Quiñones Ind. Pk.
San Gremán, P.R.
FIGURE 1



References: P.R. Department of Transportation
U.S. Geological Survey

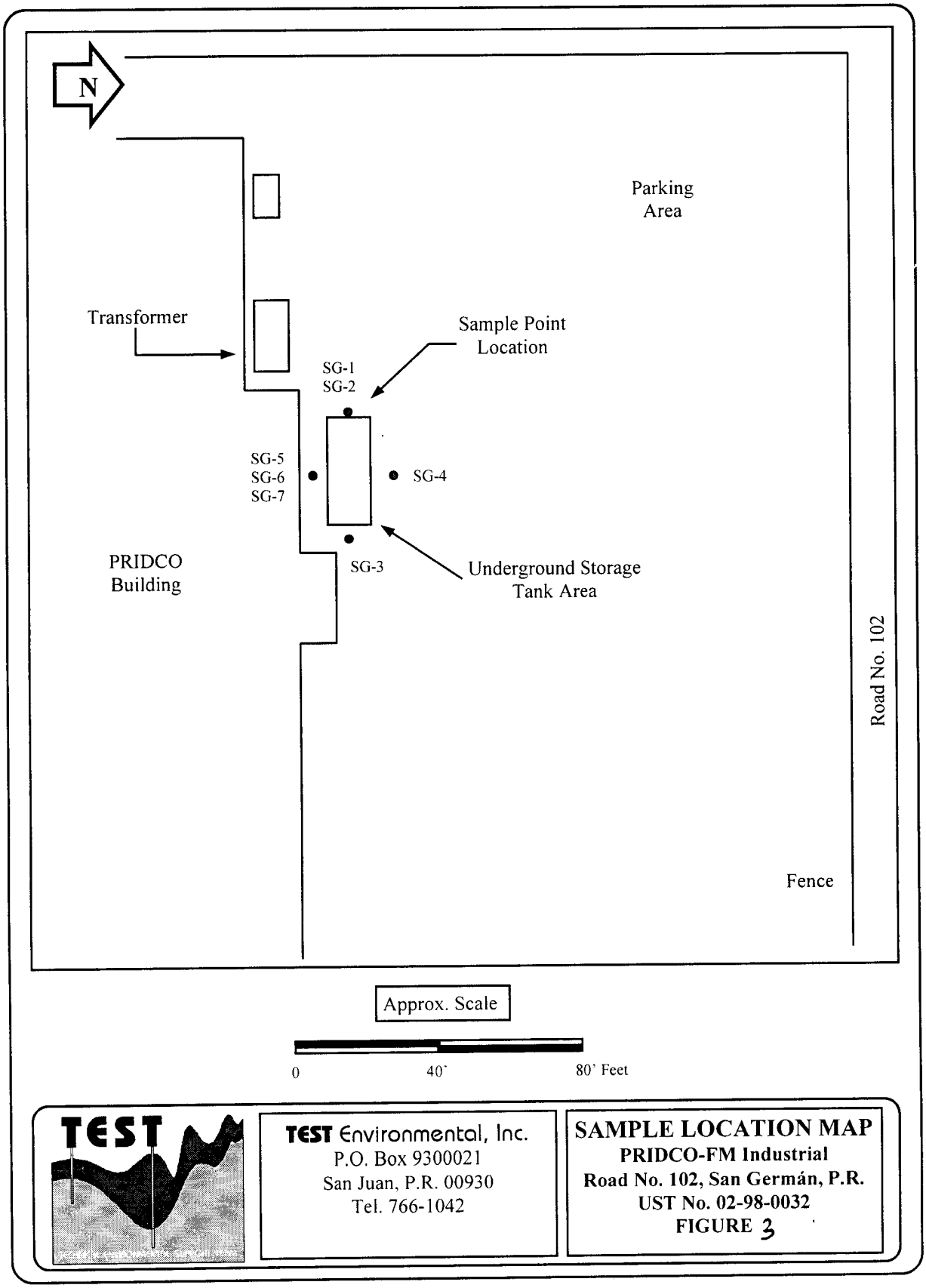
Scale = 1:20,000

0 0.5 1.0 Mile

TEST

TEST Environmental, Inc.
P.O. Box 9300021
San Juan, P.R. 00930
Tel. 766-1042

GEOLOGY MAP
PRIDCO-FM Industrial
Road 102, San Germán, P.R.
UST No. 02-98-0032
FIGURE 2



TEST Environmental, Inc.
P.O. Box 9300021
San Juan, P.R. 00930
Tel. 766-1042

SAMPLE LOCATION MAP
PRIDCO-FM Industrial
Road No. 102, San Germán, P.R.
UST No. 02-98-0032
FIGURE 3

ATTACHMENT A

LETTER FROM EQB

GOBIERNO DE PUERTO RICO/OFICINA DEL GOBERNADOR

Junta de Calidad Ambiental

CE[illegible]OS
A[illegible]LES

HH

2000 JUL -3 PM 2:18

23 de junio de 2000

2607.524

Ing. Margarita Maldonado
Gerente de Proyecto
Compañía de Fomento Industrial de P.R.
Apartado 362350
San Juan, P.R. 00936-2350

RE: INFORME DE CIERRE
COMPAÑIA DE FOMENTO INDUSTRIAL
FM INDUSTRIAL/CALLE A
PARQUE INDUSTRIAL ERNESTO QUIÑONEZ
SAN GERMAN, P.R.
PR #02-98-0032 - LUST

Estimada ingeniera Maldonado:

La División para el Manejo de Tanques de Almacenamiento Soterrados (DMTAS) del Area de Calidad de Agua (ACA) de la Junta de Calidad Ambiental (JCA) recibió el 20 de septiembre de 1999, para la revisión y evaluación correspondiente, el documento *Informe de Cierre de Tanque de Almacenamiento Soterrado* relacionado con la remoción de un tanque de 5,000 galones almacenando una mezcla de agua con hidrocarburos. El informe fue preparado por la firma consultora Panzardi-ERM, Inc.

Posterior a la evaluación del documento se ha determinado lo siguiente:

1. Las concentraciones de hidrocarburos totales de petróleo (TPH, por sus siglas en inglés) en las muestras de terreno estuvieron por encima de los límites permitidos por la DMTAS en todos los puntos de muestreo con resultados desde 180 ppm hasta 12,000 ppm. Estos trabajos fueron realizados el 16 de diciembre de 1998, por lo que deberán someter los informes de la caracterización y remediación realizadas conforme a lo establecido en el Reglamento para el Control de Tanques de Almacenamiento Soterrados (RCTAS), Parte VI.

2. Cabe señalar que la Desviación Estándar Relativa (RSD, por sus siglas en inglés) entre el valor de la muestra 6 y su duplicado muestra 7 no está aceptable por tener un valor de 66%, el cual se excede de los valores aceptables.

3. Deberá someter la notificación de cierre debidamente cumplimentada.

Se le concede un período de treinta **(30)** días, a partir del recibo de esta comunicación, para someter lo requerido. De no recibir la información requerida en el período de tiempo estipulado este caso será referido a la Oficina de Asuntos Legales de esta Agencia para la acción pertinente. Esta facilidad ha sido incluida en la Lista de Facilidades en Acciones Correctivas (LUST List, por sus siglas en inglés).

De tener alguna duda o pregunta favor de comunicarse con la Sra. Aissa Colón de la DMTAS al teléfono 767-8181 ext. 2630. También, nos pueden visitar en nuestras oficinas localizadas en la Ave. Ponce de León #431, Edif. Nacional Plaza, Sexto Piso, Hato Rey, P.R.

Cordialmente,

Wanda García, Directora
Negociado Permisos y Cumplimiento
Area Calidad de Agua

980032infcie/rmcs

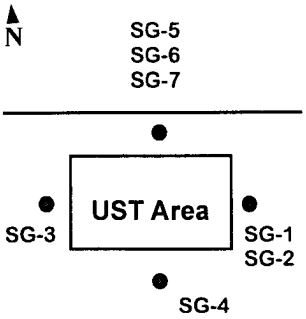
ATTACHMENT B

BORING LOGS

TEST

EXPLORATORY BORING LOG

BORING LOCATION:



Project no.: **Site Characterization** Date: **06-06-00**
Client: **PRIDCO**
Location: **FM Industrial, San Germán, P.R.**
Drilling Co. **TEST Environmental, Inc.**
Professional Geologist: **A. Morales, # 021-GP**

Boring no. **1**

Page **1** of **1**

Method of Drilling: **Direct Push Sampling (Earthprobe)**
Diameter: **2 inches**

Water Level: N/A

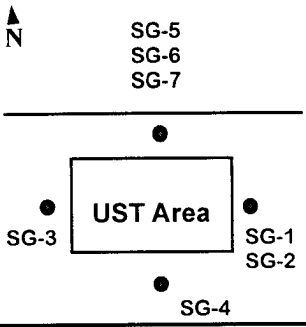
Feet	Sample Identification	Instrument GT-105 (ppm)	Sample Type and Depth (Feet)	LITHOLOGY DESCRIPTION
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	NR	NR	S.Spoon @ 4'- 6'	Not Recovery
6				
7				
8				
9	SG-1	20	S.Spoon @ 8'-10'	10:16 am Recovery 12" Clay, dark gray in color, moist, soft, plastic. Sample selected for lab. analysis.
10				
11				
12				
13				
14				
15	SG-2	20	S.Spoon @ 14'-16'	10:33 am Recovery 24" Clay, and some sand material, brown in color, with rock frag. (gravel) hard, dry. Sample selected for lab. analysis. The boring was terminated at a depth of 16 feet.
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

ALVARO MORALES
GEOLOGO
LICENCIADO
LIC. # 021
PUERTO RICO

TEST

EXPLORATORY BORING LOG

BORING LOCATION:



Project no.: **Site Characterization** Date: **06-06-00**
Client: **PRIDCO**
Location: **FM Industrial, San Germán, P.R.**
Drilling Co. **TEST Environmental, Inc.**
Professional Geologist: **A. Morales, # 021-GP**

Boring no. **2**

Page **1** of **1**

Method of Drilling: **Direct Push Sampling (Earthprobe)**
Diameter: **2 inches**

Water Level: N/A

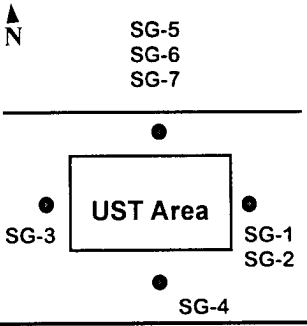
Feet	Sample Identification	Instrument GT-105 (ppm)	Sample Type and Depth (Feet)	LITHOLOGY DESCRIPTION
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	NR	NR	S.Spoon @ 4'- 6'	Not Recovery
6				
7				
8				
9	Field Sample	0	S.Spoon @ 8'-10'	11:08 am Recovery 18" Clay, dark gray in color, wet, soft, plastic, with some rock fragments.
10				
11				
12				
13				
14				
15	SG-3	20	S.Spoon @ 14'-16'	11:17 am Recovery 24" Clayey sand material, brown in color, with rock frag. (gravel) hard, wet. Sample selected for lab. analysis. The boring was terminated at a depth of 16 feet.
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

ALVARO MORALES
GEOLOGO LICENCIADO
LIC. # 021
PUERTO RICO

TEST

EXPLORATORY BORING LOG

BORING LOCATION:



Project no.: **Site Characterization** Date: **06-06-00**
Client: **PRIDCO**
Location: **FM Industrial, San Germán, P.R.**
Drilling Co. **TEST Environmental, Inc.**
Professional Geologist: **A. Morales, # 021-GP**

Boring no. **3**

Page **1** of **1**

Method of Drilling: **Direct Push Sampling (Earthprobe)**
Diameter: **2 inches**

Water Level: N/A

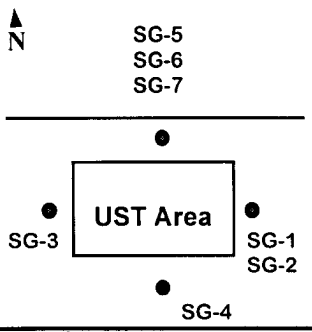
Feet	Sample Identification	Instrument GT-105 (ppm)	Sample Type and Depth (Feet)	LITHOLOGY DESCRIPTION
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	NR	NR	S.Spoon @ 4'- 6'	Not Recovery
6				
7				
8				
9	Field Sample	0	S.Spoon @ 8'-10'	11:43 am Recovery 24" Clay, gray-brown in color, wet, soft to hard, with some rock fragments (gravel).
10				
11				
12				
13				
14				
15	SG-4	0	S.Spoon @ 14'-16'	11:56 am Recovery 10" Clay, gray-brown in color, wet, soft to hard, with some rock fragments (gravel). Sample selected for lab. analysis. The boring was terminated at a depth of 16 feet.
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

ALVARO MORALES
GEOLOGO
LICENCIADO
LIC. # 021
PUERTO RICO

TEST

EXPLORATORY BORING LOG

BORING LOCATION:



Project no.: **Site Characterization** Date: **06-06-00**
Client: **PRIDCO**
Location: **FM Industrial, San Germán, P.R.**
Drilling Co. **TEST Environmental, Inc.**
Professional Geologist: **A. Morales, # 021-GP**

Boring no. **4**

Page **1** of **1**

Method of Drilling: **Direct Push Sampling (Earthprobe)**
Diameter: **2 inches**

Water Level: N/A

Feet	Sample Identification	Instrument GT-105 (ppm)	Sample Type and Depth (Feet)	LITHOLOGY DESCRIPTION
1	N/A	N/A	N/A	N/A
2				
3				
4				
5	NR	NR	S.Spoon @ 4'- 6'	Not Recovery
6				
7				
8				
9	NR	NR	S.Spoon @ 8'-10'	Not Recovery
10				
11	SG-5	40	S.Spoon @ 10'-12'	12:36 pm Recovery 20" Clayey sand, gray-brown in color, wet, soft to hard, with some rock fragments (gravel).
12				
13				
14				
15	SG-6 / SG-7	60	S.Spoon @ 14'-16'	12:47 pm Recovery 10" Clayey sand, gray-brown in color, wet, soft to hard, with some rock fragments (gravel). Sample selected for lab. analysis. The boring was terminated at a depth of 16 feet.
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				

ALVARO MORALES
GEOLOGO LICENCIADO
LIC. # 021
PUERTO RICO

ATTACHMENT C

LABORATORY DATA REPORT - SOIL SAMPLES

teg

The World Leader In On-Site Sampling and Analysis

June 7, 2000
TEG Project #00I0606TES

Mr. Alvaro Morales
TEST Environmental
P.O. Box 9300021
San Juan, PR 00930-0021

SUBJECT: DATA REPORT – PROJECT NO. 980032
PRIDCO, FM INDUSTRIAL – SAN GERMÁN, P.R.

Dear Mr. Morales,

Please find enclosed the data report for samples collected by TEST Environmental Inc. staff from the above referenced project site and delivered to TEG under the proper chain-of-custody protocol. A TEG Puerto Rico-certified chemist supervised the following analyses:

- 7 soil samples analyzed for TPH-diesel by modified EPA test method 8015B.
- 1 trip, 1 equipment and 1 field blank water sample analyzed for TPH-diesel.
- Laboratory QA/QC analyses for TPH-diesel.

The results of the analyses are summarized in the attached table. Applicable detection limits, QA/QC data, chromatograms, chain-of-custody and an invoice are also included as attachments.

TEG appreciates the opportunity to provide analytical services for this project. If you have any questions relating to the data or report, please do not hesitate to contact us.

Sincerely,
TEG

Kevin Shelburne
Principal

Attachments

The World Leader In On-Site Sampling and Analysis

TEST ENVIRONMENTAL, INC.
PROJECT NO. 980032
PRIDCO, FM INDUSTRIAL
SAN GERMÁN, P.R.

TEG Project #00I0606TES

TPH (Mod. EPA Method 8015B) ANALYSES OF SOIL

SAMPLE NUMBER	DATE ANALYZED	TPH-DIESEL C_{13} - C_{24} (mg/Kg)
METHOD BLANK	06/07/00	ND
SG - 1	06/07/00	**460**
SG - 2	06/07/00	ND
SG - 3	06/07/00	ND
SG - 4	06/07/00	ND
SG - 5	06/07/00	ND
SG - 6	06/07/00	ND
SG - 7	06/07/00	ND
DETECTION LIMIT (mg/Kg)		25

mg/Kg = MILLIGRAMS PER KILOGRAM
CONCENTRATIONS BASED ON DRY WEIGHT
"ND" INDICATES ANALYTE NOT DETECTED AT OR ABOVE THE LISTED DETECTION LIMIT
SAMPLING PERFORMED BY: TEST ENVIRONMENTAL, INC. PERSONNEL
ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

TEG-PUERTO RICO • PMB 627, HC-01 Box 29030, Caguas, PR 00725 • Phone (787) 720-0329 • Fax (787) 789-3858 • Pager 759-1255 Unit 217-4053

TEST ENVIRONMENTAL, INC.
PROJECT NO. 980032
PRIDCO, FM INDUSTRIAL
SAN GERMÁN, P.R.

TEG Project #00I0606TES

TPH (Mod. EPA Method 8015B) ANALYSES OF WATER

SAMPLE NUMBER	DATE ANALYZED	TPH-DIESEL C_{13} - C_{24} (mg/L)
METHOD BLANK	06/07/00	ND
TRIP BLANK	06/07/00	ND
FIELD BLANK	06/07/00	ND
EQUIPMENT BLANK	06/07/00	ND
DETECTION LIMIT (mg/L)		25

mg/L = MILLIGRAMS PER LITER
CONCENTRATIONS BASED ON DRY WEIGHT
"ND" INDICATES ANALYTE NOT DETECTED AT OR ABOVE THE LISTED DETECTION LIMIT
SAMPLING PERFORMED BY: TEST ENVIRONMENTAL, INC. PERSONNEL
ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

Marco A. Pedraza
Laboratory Manager

A 627639

Kevin Shelburne
Principal

TEG-PUERTO RICO • PMB 627 HC-01 Box 29030 Caguas, PR 00725 • Phone (787) 720-0329 • Fax (787) 744-3858 • Pager 759-1255 Unit 217-4053

QA/QC REPORT - CALIBRATION DATA

TEG Project #00I0606TES
DAILY CALIBRATION DATE: 06/07/00

TEST ENVIRONMENTAL, INC. PROJECT NO. 980032
PROJECT NAME: PRIDCO, FM INDUSTRIAL, SAN GERMÁN

			INITIAL		OPENING			CLOSING		
COMPOUND	DETECTOR	CALIB RANGE	RF	%RSD	AREA	RF	%DIFF	AREA	RF	%DIFF
TPH DIESEL	FID #1 (gc5)	25 - 20,000	0.49	8.0%	437.69	0.55	12.3%	427.37	0.53	9.7%
TPH DIESEL	FID #2 (gc5)	25 - 20,000	0.72	6.7%	596.12	0.75	3.6%	547.84	0.68	4.8%
TPH DIESEL	FID #3 (gc5)	25 - 20,000	0.58	7.9%	463.20	0.58	0.2%	426.31	0.53	8.1%
TPH DIESEL	FID #4 (gc5)	25 - 20,000	0.72	7.1%	545.38	0.68	4.8%	606.68	0.76	5.9%

CALIB RANGE - RANGE OF CALIBRATION CURVE IN ppm
INITIAL RF - AVERAGE RESPONSE FACTOR FROM MULTIPOINT CALIBRATION CURVE
% RSD - LINEARITY OF MULTIPOINT CALIBRATION CURVE (+/- 20% ACCEPTABLE LIMITS)
AREA - AREA COUNTS FROM DAILY CALIBRATION STANDARD
RF - DETECTOR RESPONSE FACTOR FROM MID-POINT CALIBRATION STANDARD
% DIFF - DIFFERENCE, IN PERCENT, BETWEEN THE AVERAGE RF AND THE OPENING OR CLOSING RF (+/- 15% ACCEPTABLE LIMITS)
OPENING - MID-POINT CALIBRATION STANDARD ANALYZED BEFORE SAMPLE ANALYSES BEGIN
CLOSING - MID-POINT CALIBRATION STANDARD ANALYZED AFTER SAMPLES ANALYSES ARE COMPLETE

ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R 00725
TELEPHONE (787) 720-0329 FAX 789-3858

QA/QC REPORT - MS/MSD DATA

MATRIX SPIKE (MS)/MATRIX SPIKE DUPLICATE (MSD)

TEG Project #00I0606TES
DATE: 06/07/00

TEST ENVIRONMENTAL, INC. PROJECT NO. 980032
PROJECT NAME: PRIDCO, FM INDUSTRIAL, SAN GERMÁN

COMPOUND	SPK CON (ppm)	MS CONC (ppm)	%REC MS	MSD CONC (ppm)	%REC MSD	RPD	ACCEPTABLE RPD	ACCEPTABLE RECOVERY
TPH-DIESEL	200	189	94%	172	86%	9%	15%	74% - 131%

ppm = PARTS PER MILLION
MS CONC - ANALYZED CONCENTRATION OF SPIKED SAMPLE
% REC - PERCENT RECOVERY OF SPIKE FROM MATRIX
RPD - RELATIVE PERCENT DIFFERENCE BETWEEN MATRIX SPIKE AND MATRIX SPIKE DUPLICATE RECOVERIES

ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

TRANSGLOBAL ENVIRONMENTAL GEOCHEMISTRY
PMB 627, HC-01 BOX 29030, CAGUAS, P.R. 00725
TELEPHONE (787) 720-0329 FAX 789-3858

LABORATORY QA/QC

TEST ENVIRONMENTAL, INC.

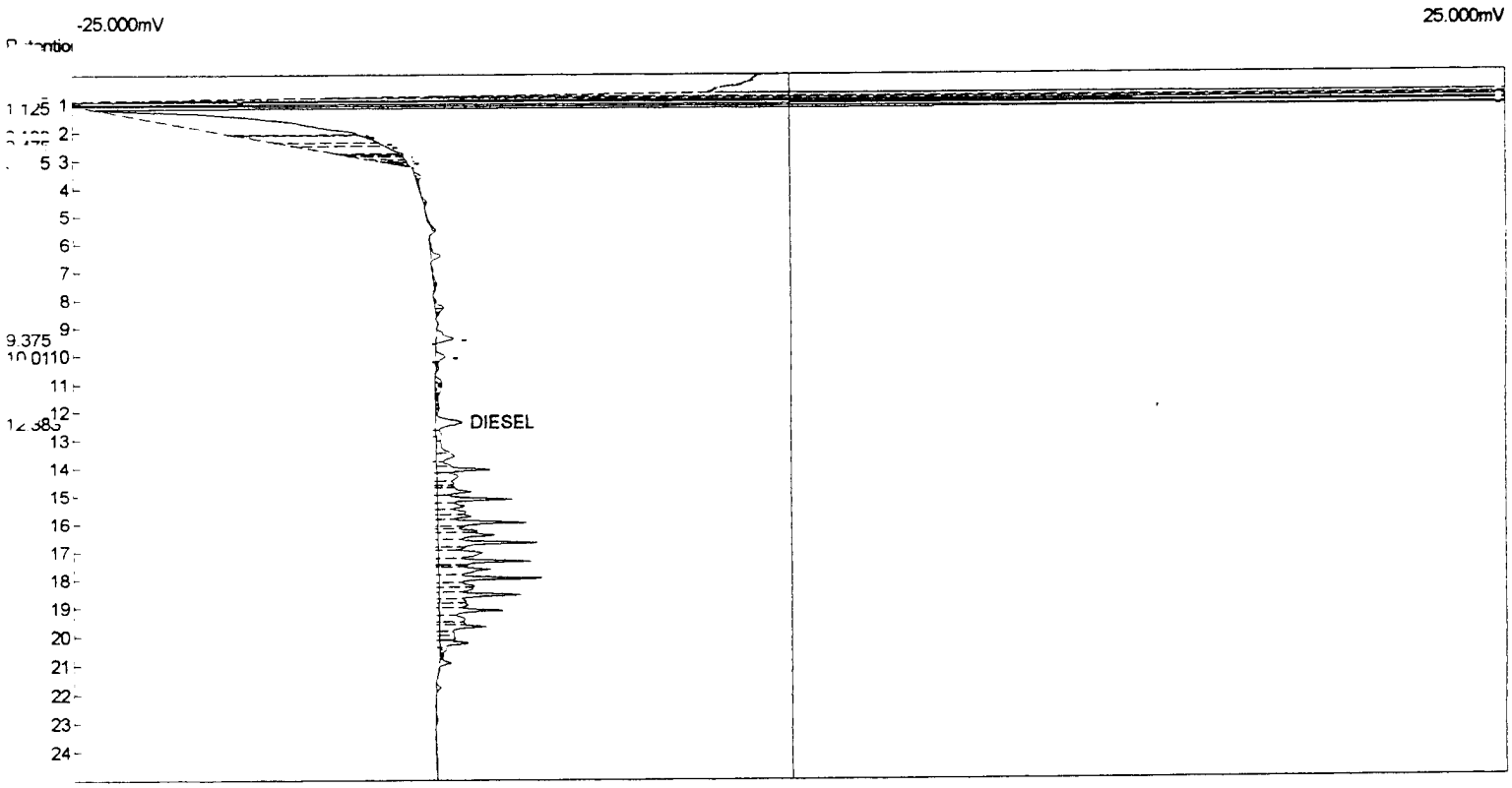
TEG Project #00I0606TES

TPH (Mod. EPA Method 8015B) ANALYSES OF SOIL

SAMPLE NUMBER	DATE ANALYZED	TPH-DIESEL C_{13}-C_{24} (mg/Kg)
SG - 1	06/07/00	460
SG - 1 REP	06/07/00	460
DETECTION LIMIT (mg/Kg)		25

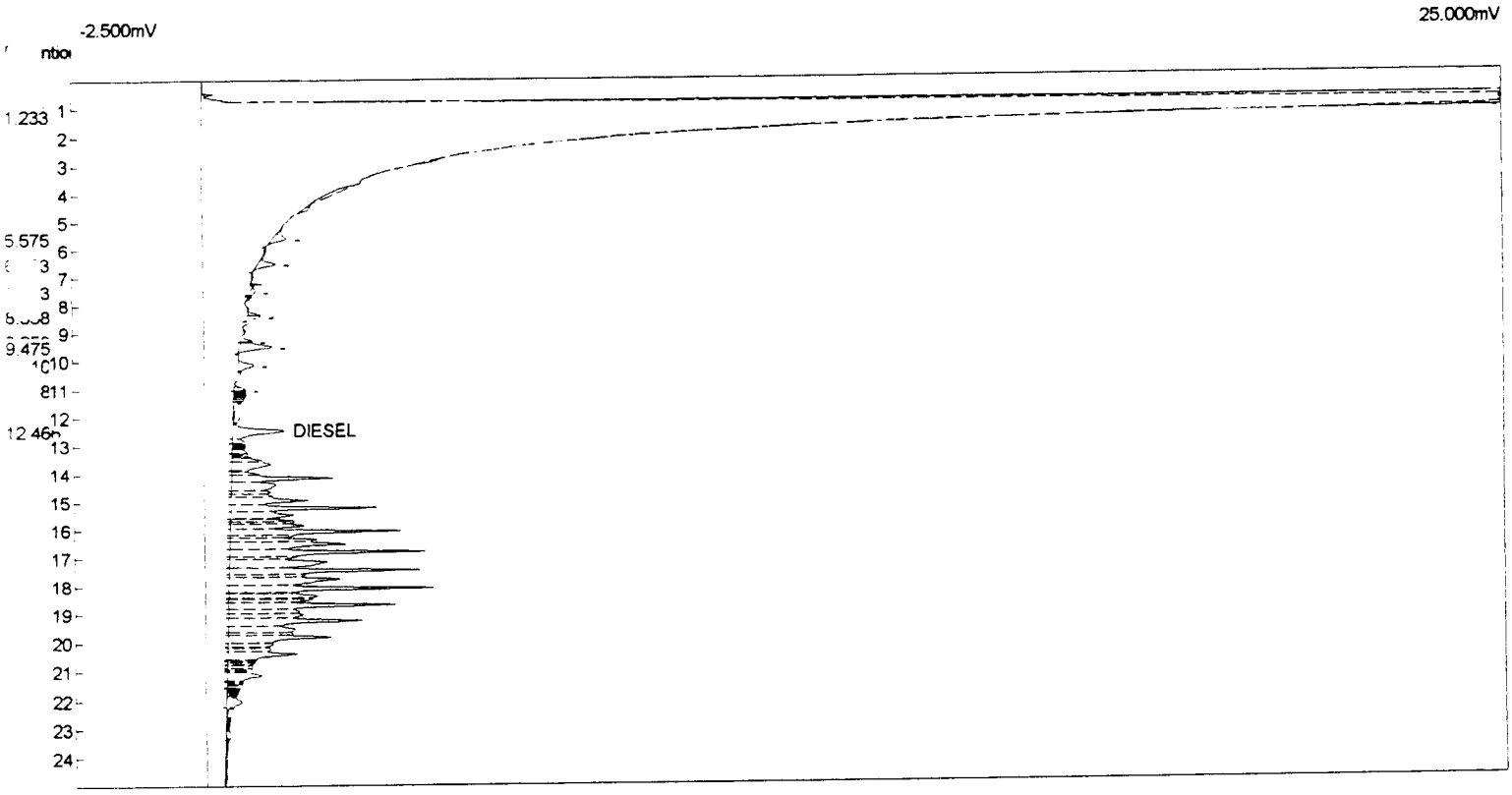
"ND" INDICATES ANALYTE NOT DETECTED AT OR ABOVE THE LISTED DETECTION LIMIT
REP = LABORATORY REPLICATE
mg/Kg = MILLIGRAMS PER KILOGRAM
CONCENTRATIONS BASED ON DRY WEIGHT
ANALYSES PERFORMED BY: MARCO A. PEDRAZA
DATA REVIEWED BY: KEVIN SHELBURNE

Lab name: TEG Puerto Rico
Analysis date: 06/07/2000 11:31:23
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 1
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FA1.CHR ()
Sample: 200 ppm Diesel Open Std
Operator: jmp



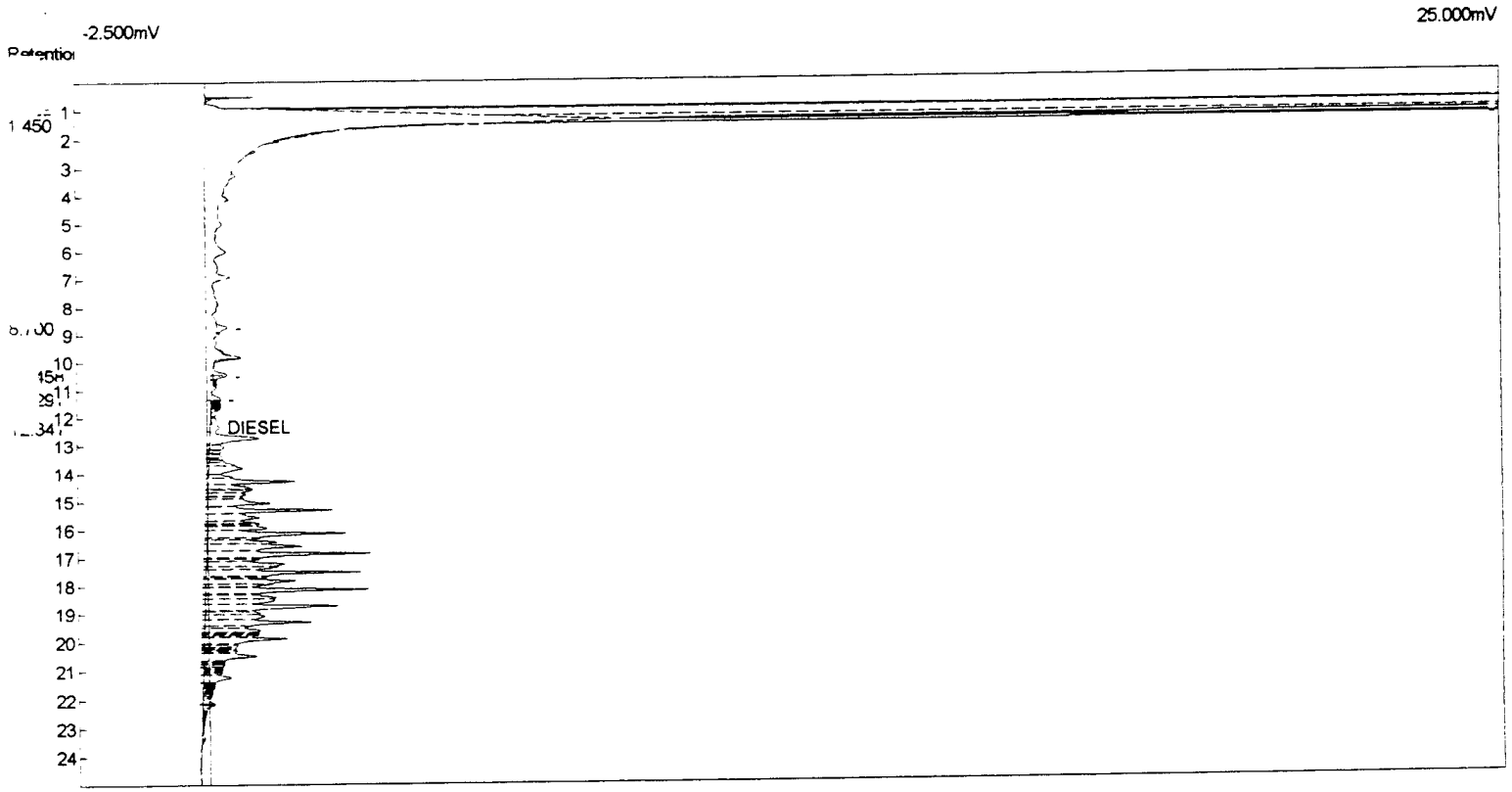
Component	Retention	Area	Internal	Units
DIESEL	12.383	437.692	224.6879	PPM
		437.692	224.6879	

Lab name: TEG Puerto Rico
Analysis date: 06/07/2000 11:31:23
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB1.CHR ()
Sample: 200 ppm Diesel Open Std
Operator: jmp



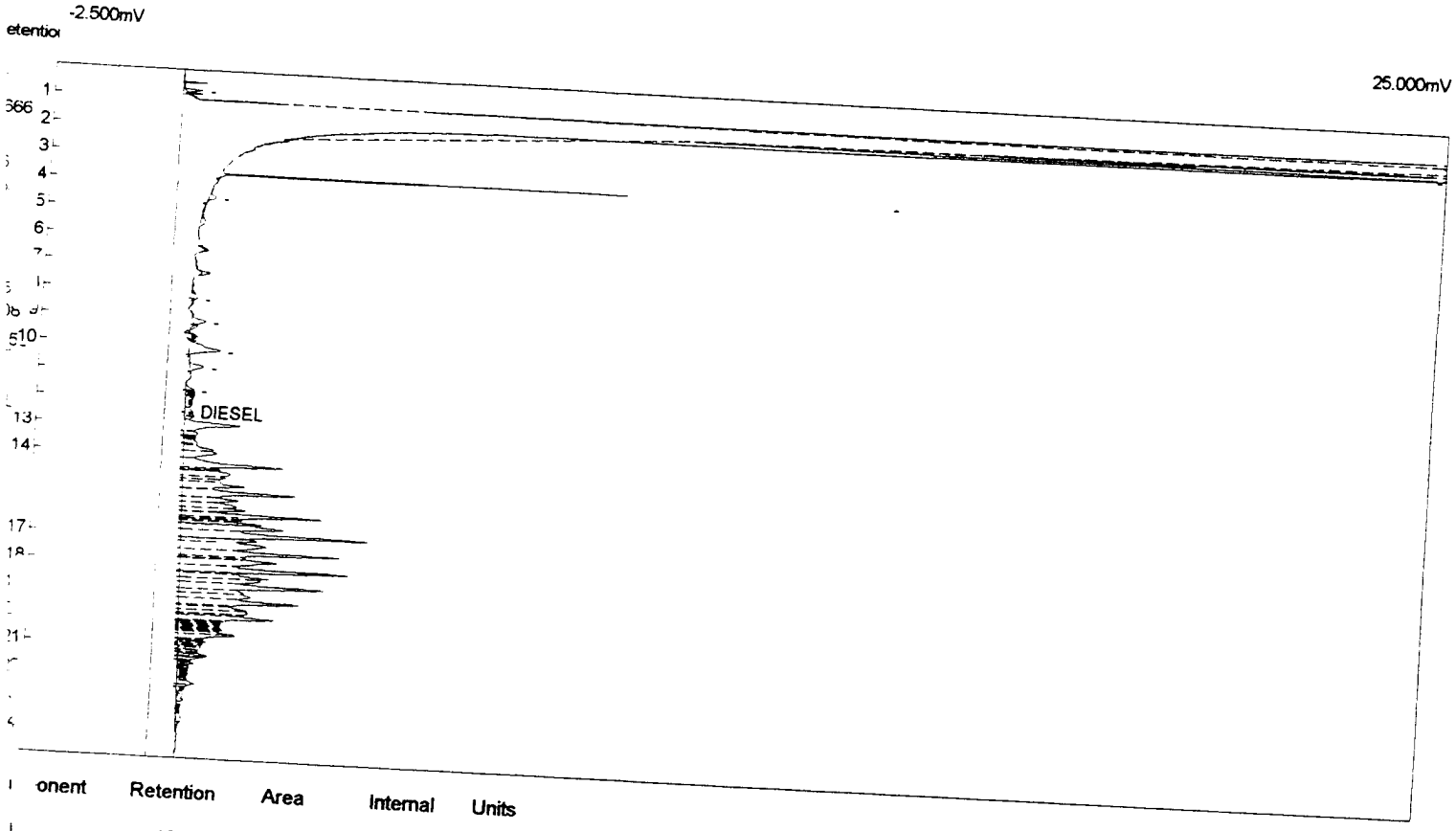
Component	Retention	Area	Internal	Units
DIESEL	12.466	596.119	207.2736	ppm
		596.119	207.2736	

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 11:31:23
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FC1.CHR ()
Sample: 200 ppm Diesel Open Std
Operator: jmp



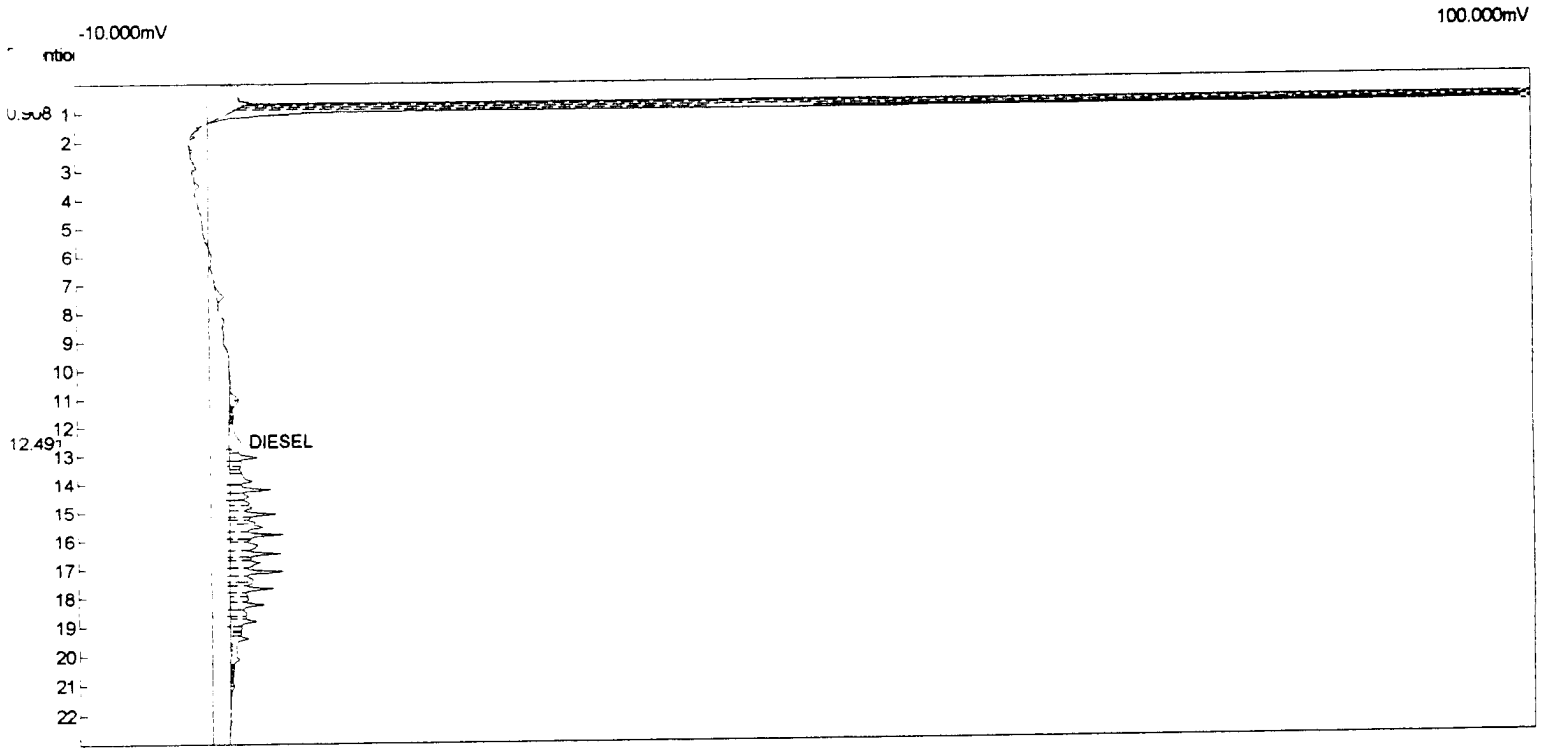
Component	Retention	Area	Internal	Units
DIESEL	12.341	463.200	199.6552	PPM
		463.200	199.6552	

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 11:31:23
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FD1.CHR ()
Sample: 200 ppm Diesel Open Std
Operator: jmp



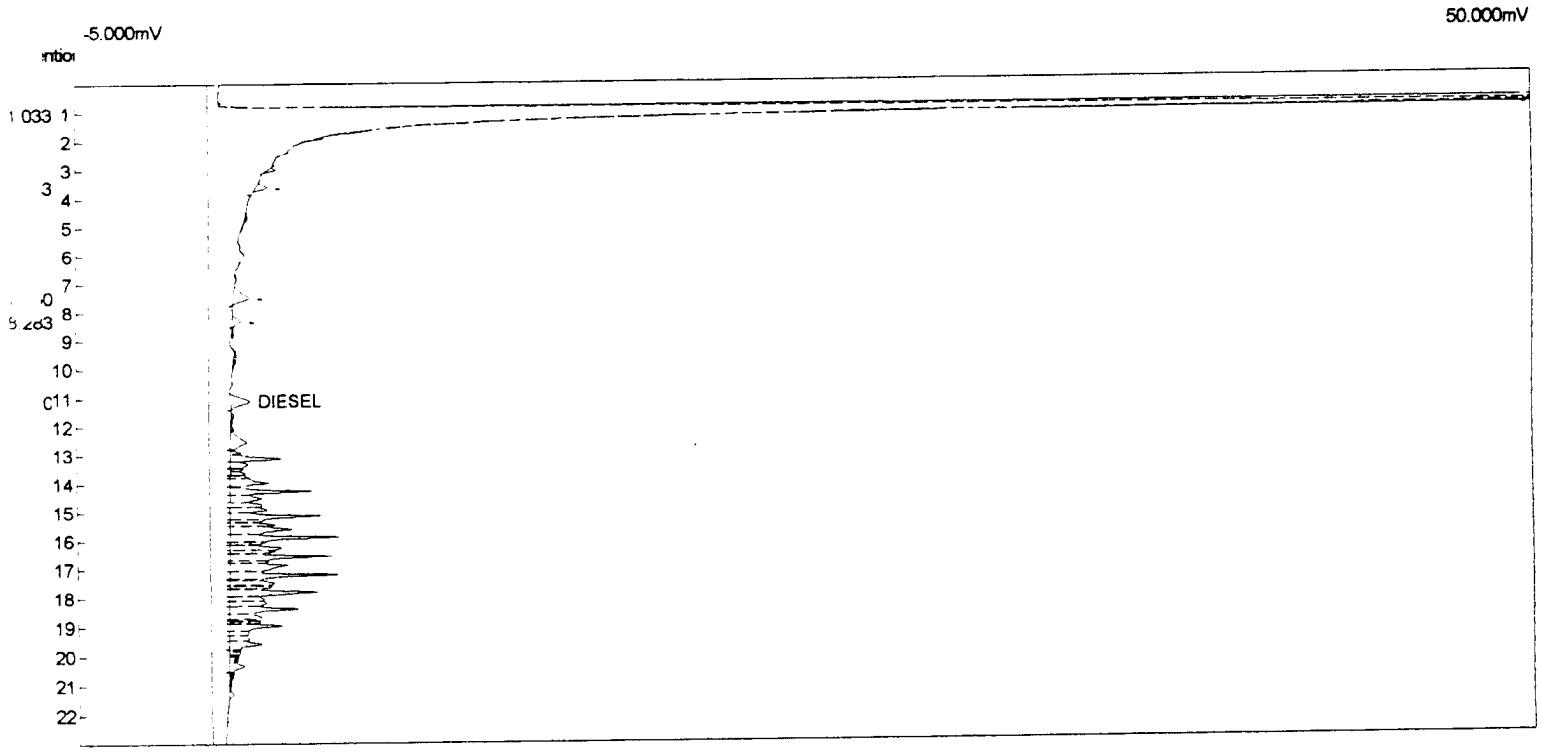
onent	Retention	Area	Internal	Units
	12.458	545.381	190.4264	ppm
		545.381	190.4264	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 15:00:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 1
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\0607FA7.CHR ()
Sample: 200 ppm Diesel Close Std
Operator: MP



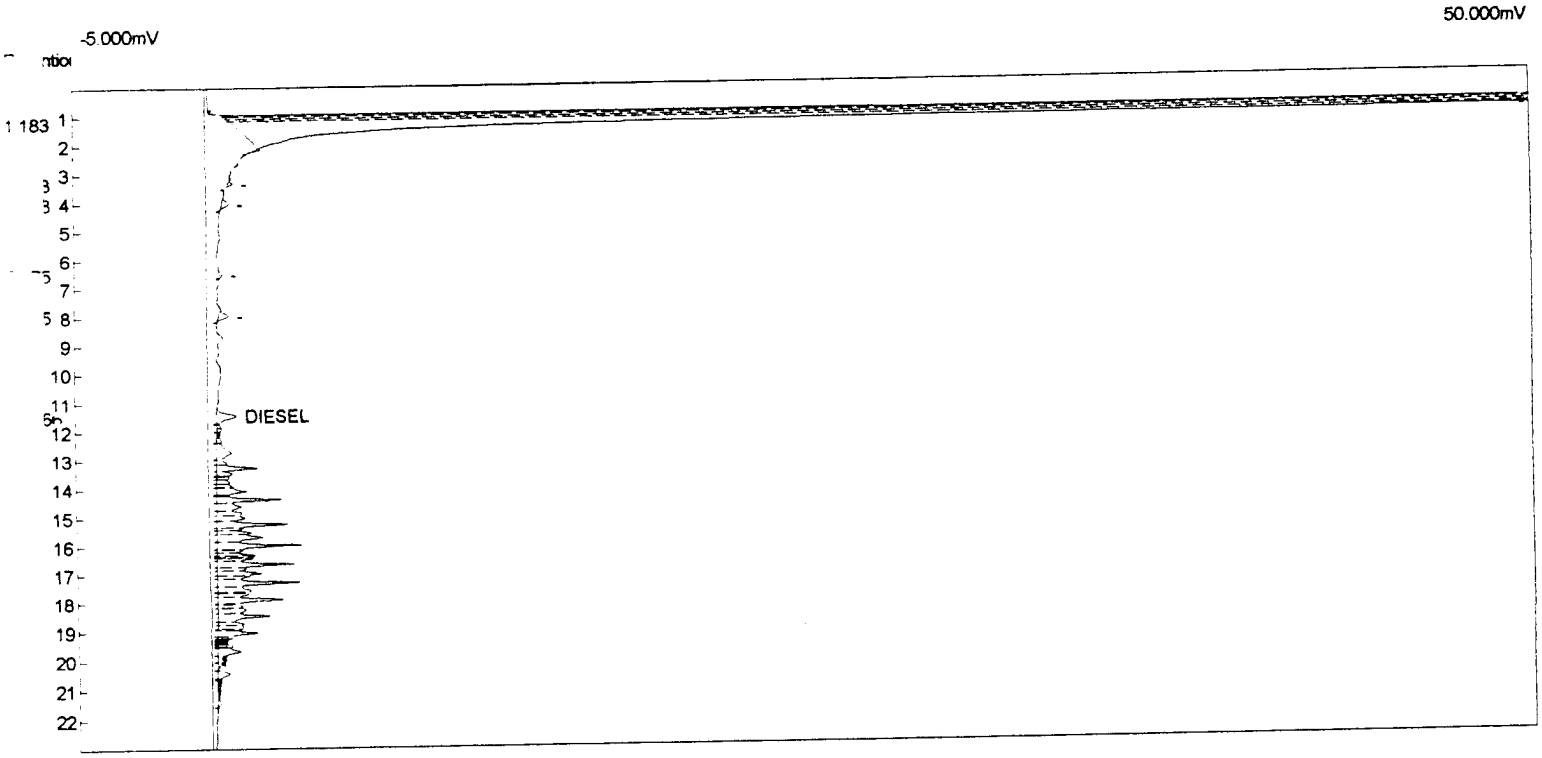
Component	Retention	Area	Internal	Units
:SEL	12.491	427.369	219.3885	PPM
		427.369	219.3885	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 15:00:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\0607FB7.CHR ()
Sample: 200 ppm Diesel Close Std
Operator: MP



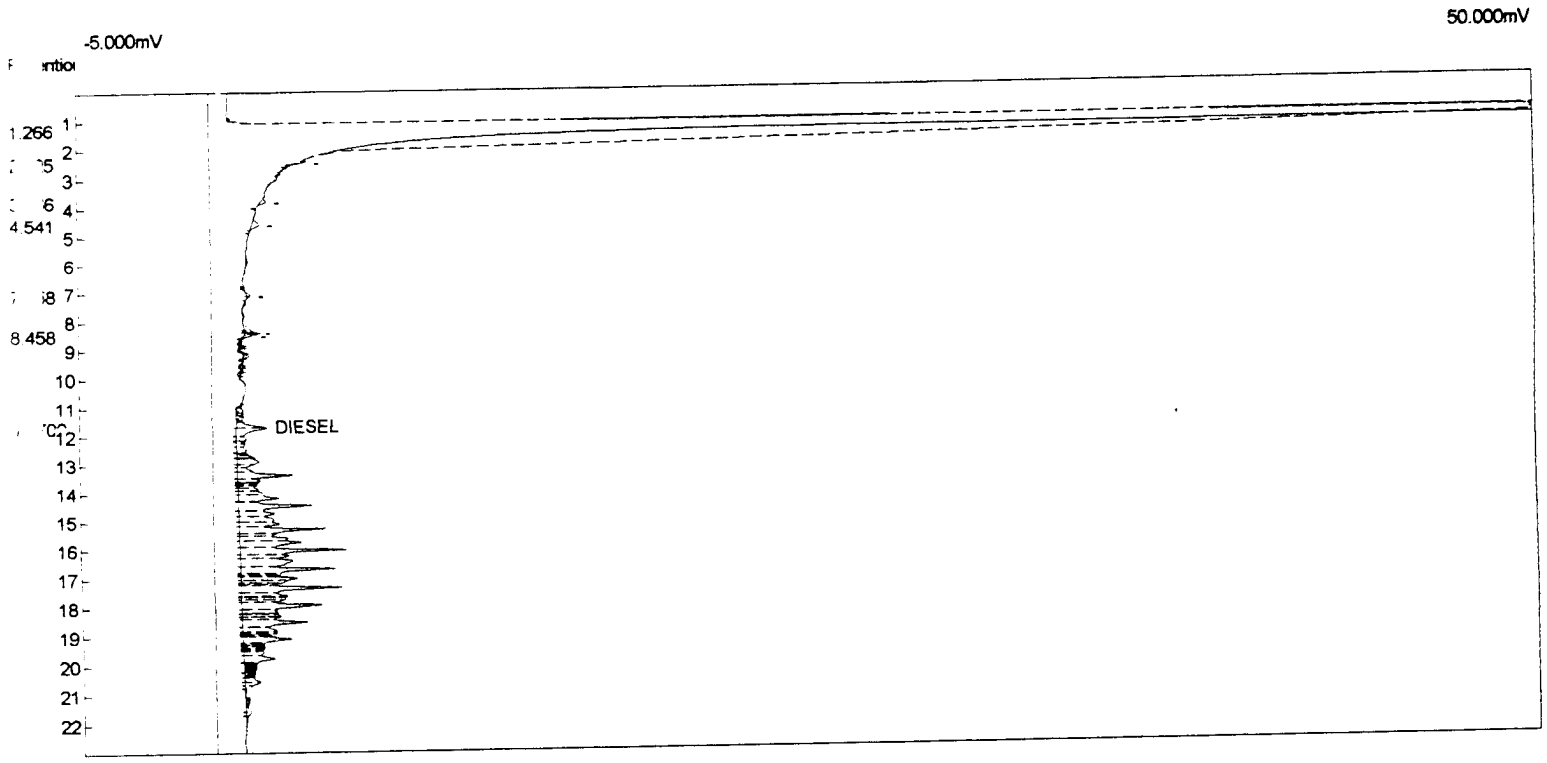
Component	Retention	Area	Internal	Units
ESEL	11.108	547.835	190.4849	ppm
		547.835	190.4849	

Lab name: TEG Puerto Rico
alysis date: 06/07/2000 15:00:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\0607FC7.CHR ()
Sample: 200 ppm Diesel Close Std
Operator: MP



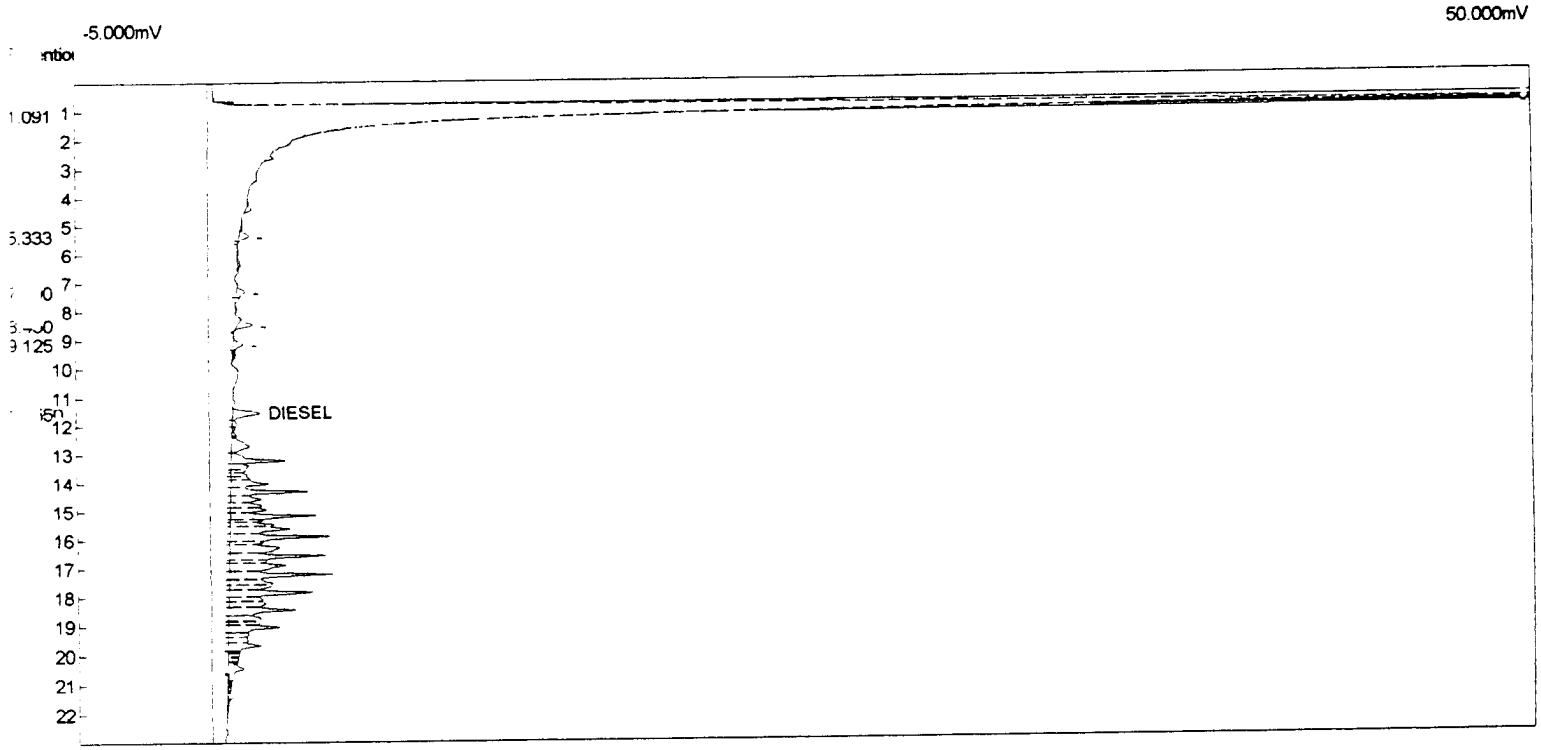
Component	Retention	Area	Internal	Units
SEL	11.466	426.311	183.7545	PPM
		426.311	183.7545	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 15:00:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\0607FD7.CHR ()
Sample: 200 ppm Diesel Close Std
Operator: MP



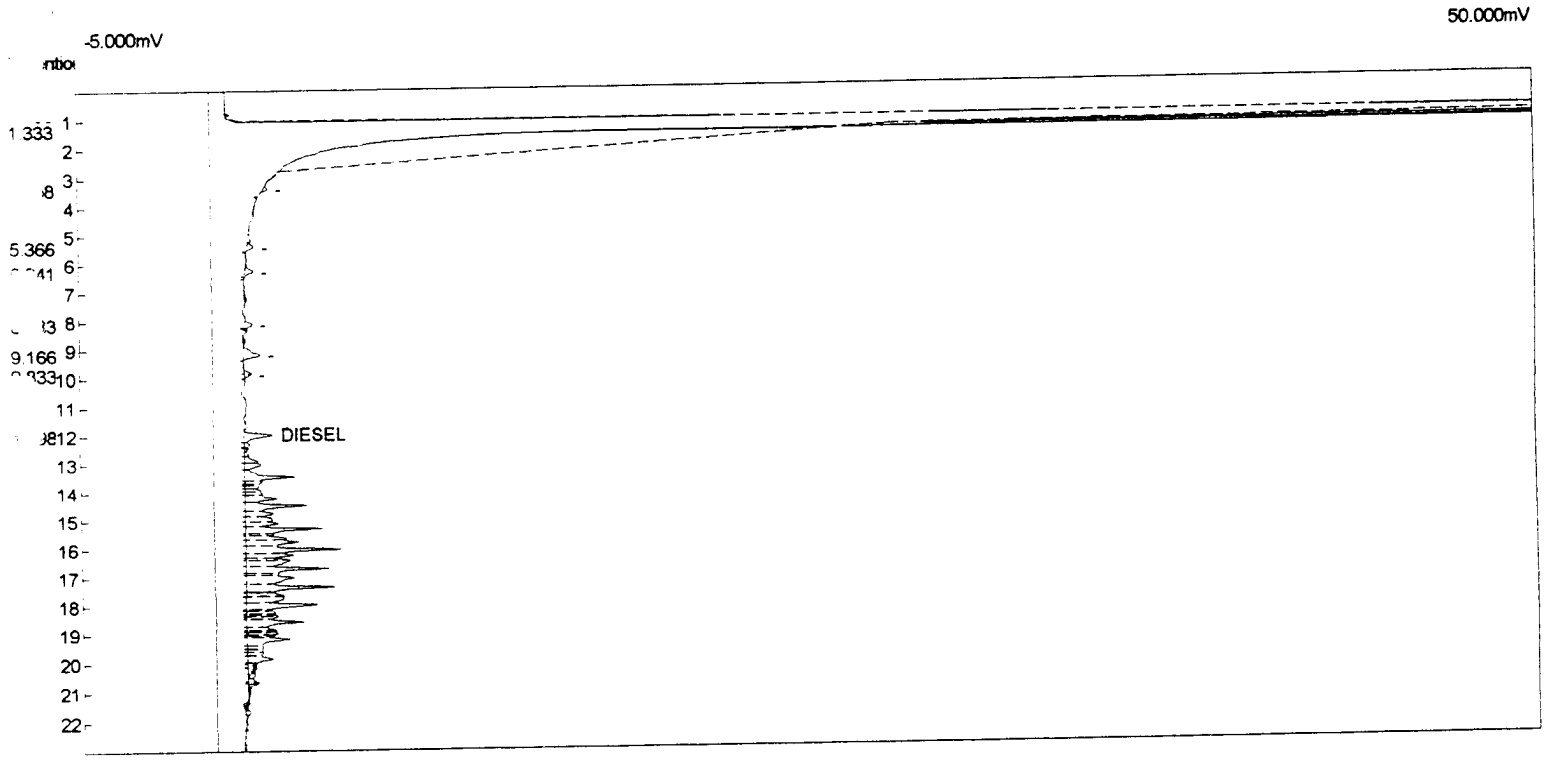
Component	Retention	Area	Internal	Units
ESEL	11.700	606.684	211.8311	ppm
		606.684	211.8311	

Lab name: TEG Puerto Rico
alysis date: 06/07/2000 14:27:46
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB6.CHR ()
Sample: blank matrix spike
Operator: MP



Component	Retention	Area	Internal	Units
ESEL	11.550	543.349	188.9252	ppm
		543.349	188.9252	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 14:27:46
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: C:\PEAKWIN\0607FD6.CHR ()
Sample: blank matrix spike blank
Operator: MP

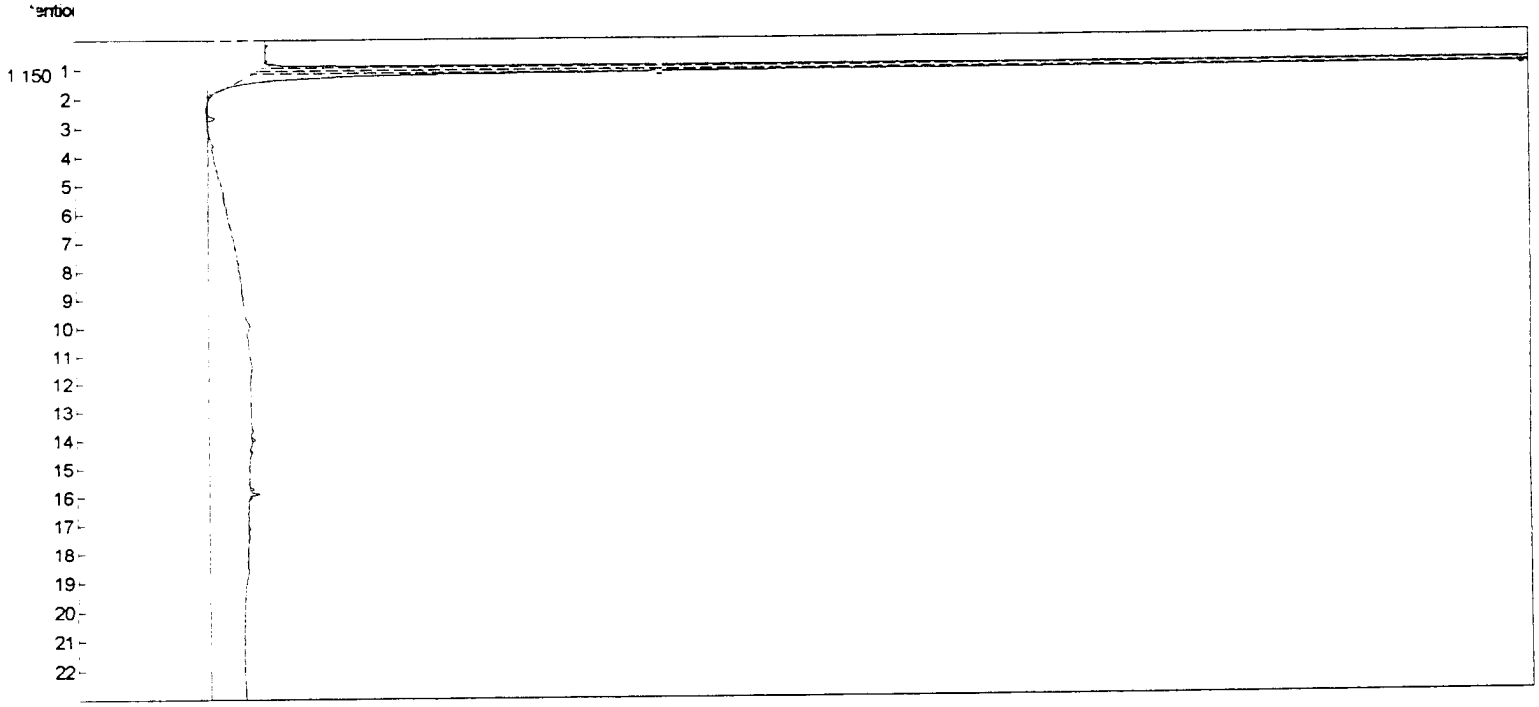


Component	Retention	Area	Internal	Units
ESEL	11.983	493.408	172.2792	ppm
		493.408	172.2792	

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 12:15:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 1
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FA2.CHR ()
Sample: METHOD BLANK
Operator: jmp

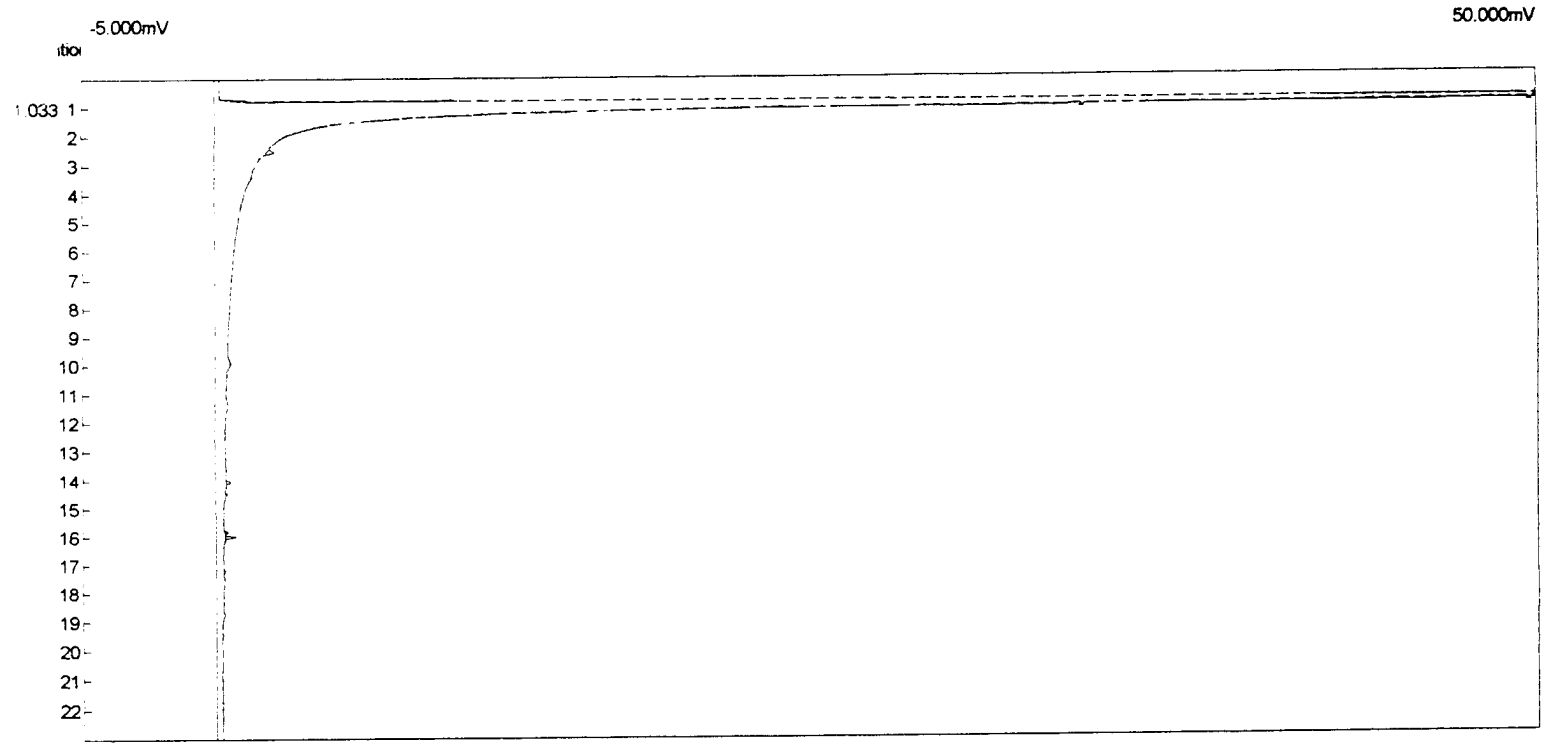
-5.000mV

50.000mV



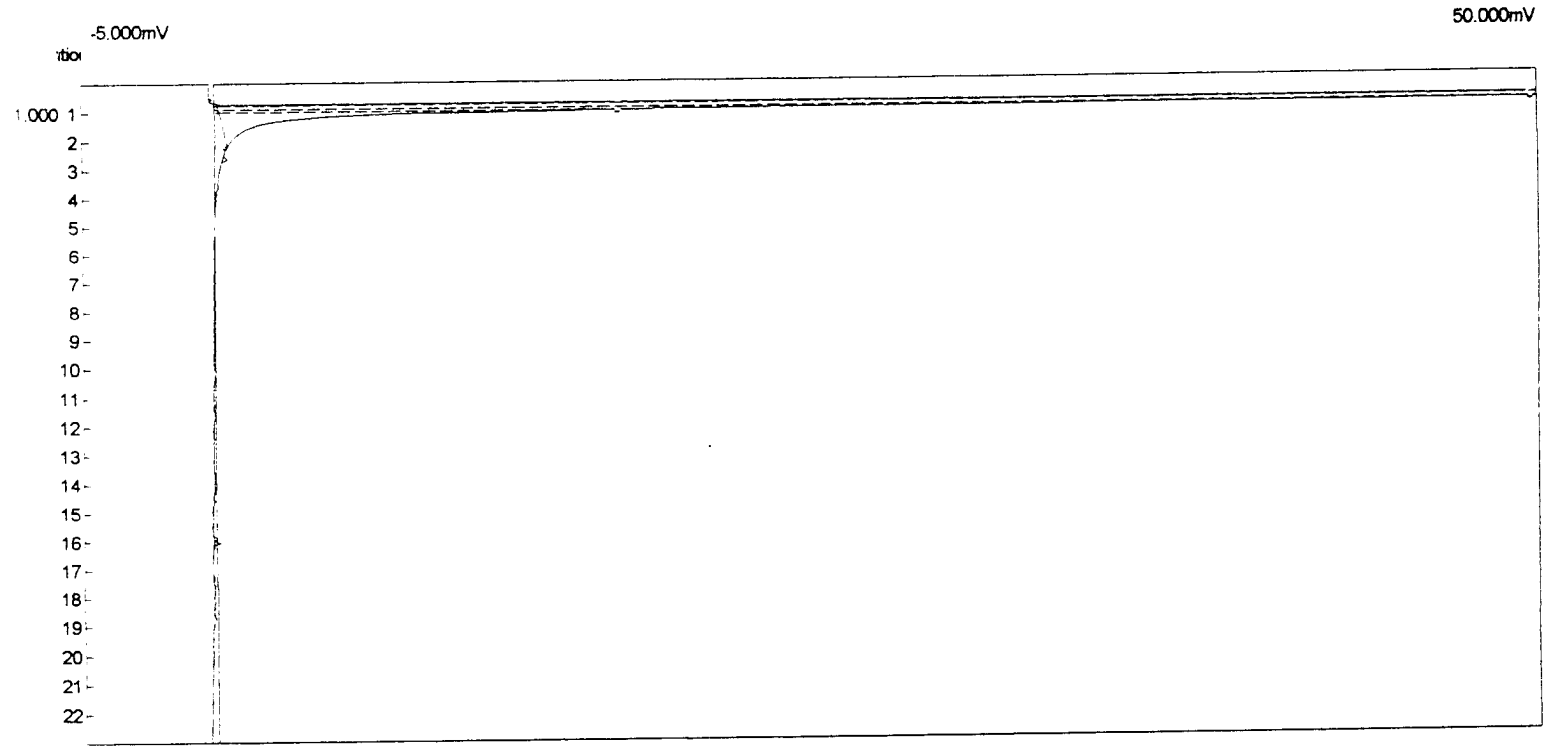
Component	Retention	Area	Internal	Units
		0.000	0.0000	

Lab name: TEG Puerto Rico
alysis date: 06/07/2000 12:15:30
Method: EPA 8015B Mod
Lab ID: GC-5
)escription: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB2.CHR ()
Sample: method blank
Operator: jmp



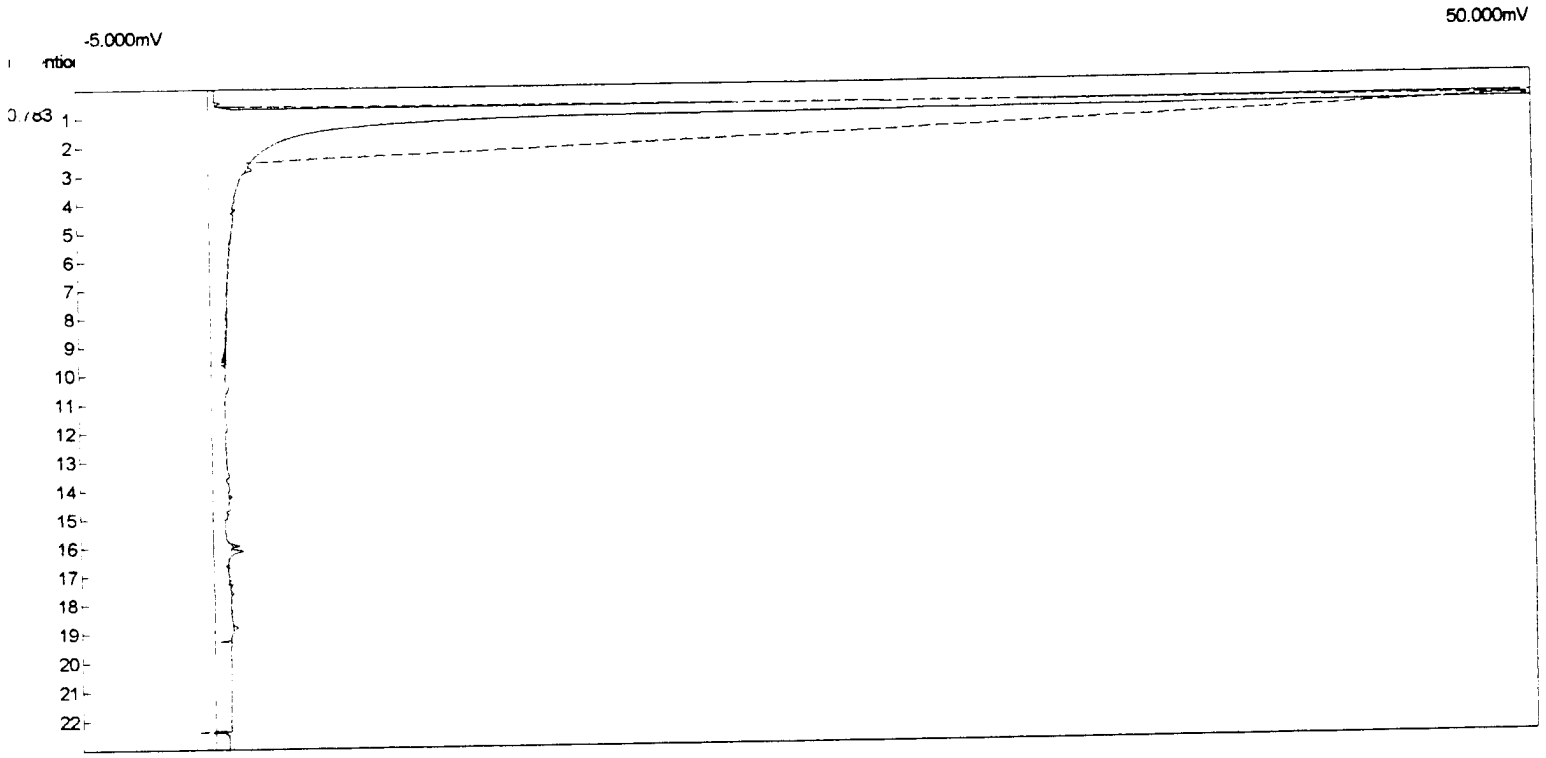
Component	Retention	Area	Internal	Units
		0.000	0.0000	

Lab name: TEG Puerto Rico
alysis date: 06/07/2000 12:15:30
Method: EPA 8015B Mod
Lab ID: GC-5
)escription: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FC2.CHR ()
Sample: METHOD BLANK
Operator: jmp



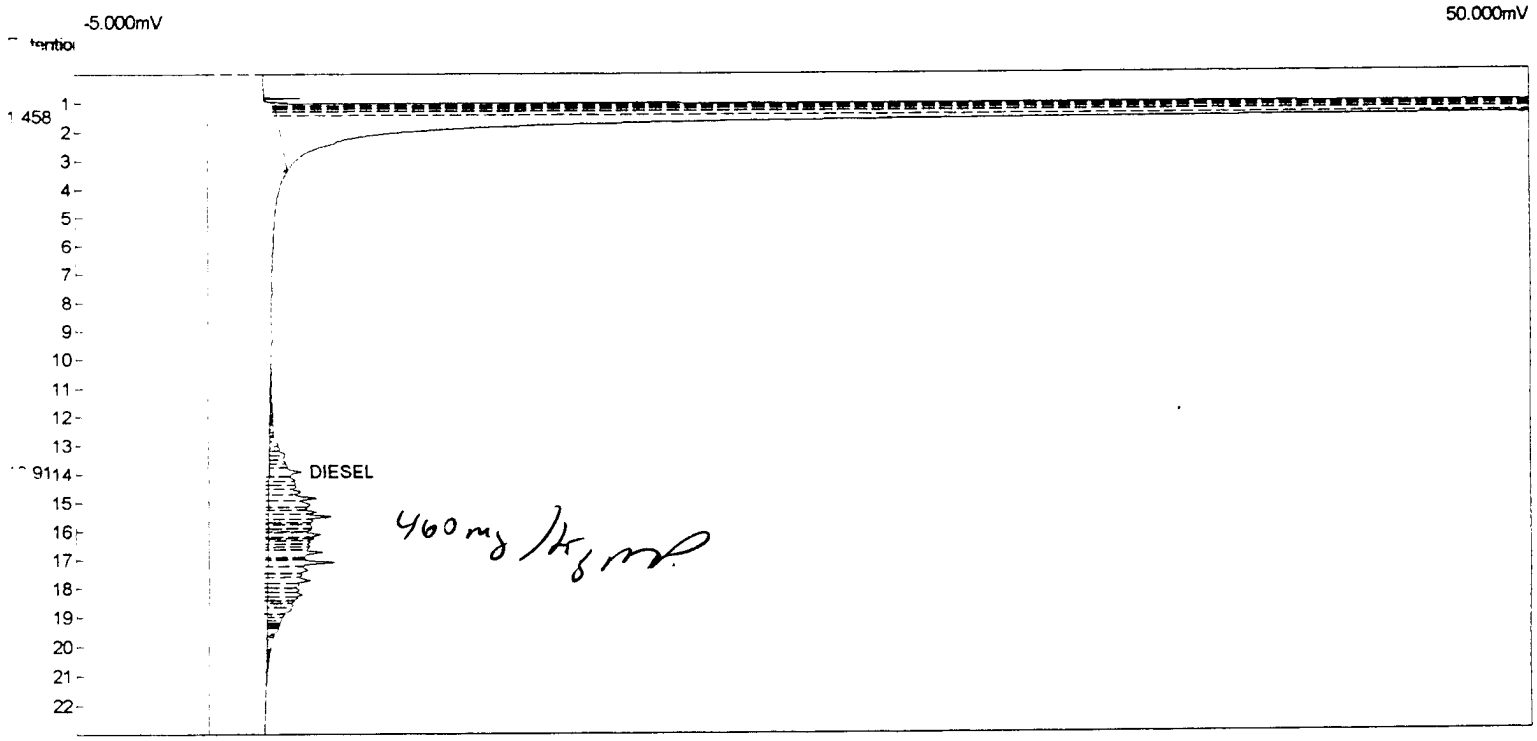
Component	Retention	Area	Internal	Units
		0.000	0.0000	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 12:15:30
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FD2.CHR ()
Sample: METHOD BLANK
Operator: jmp



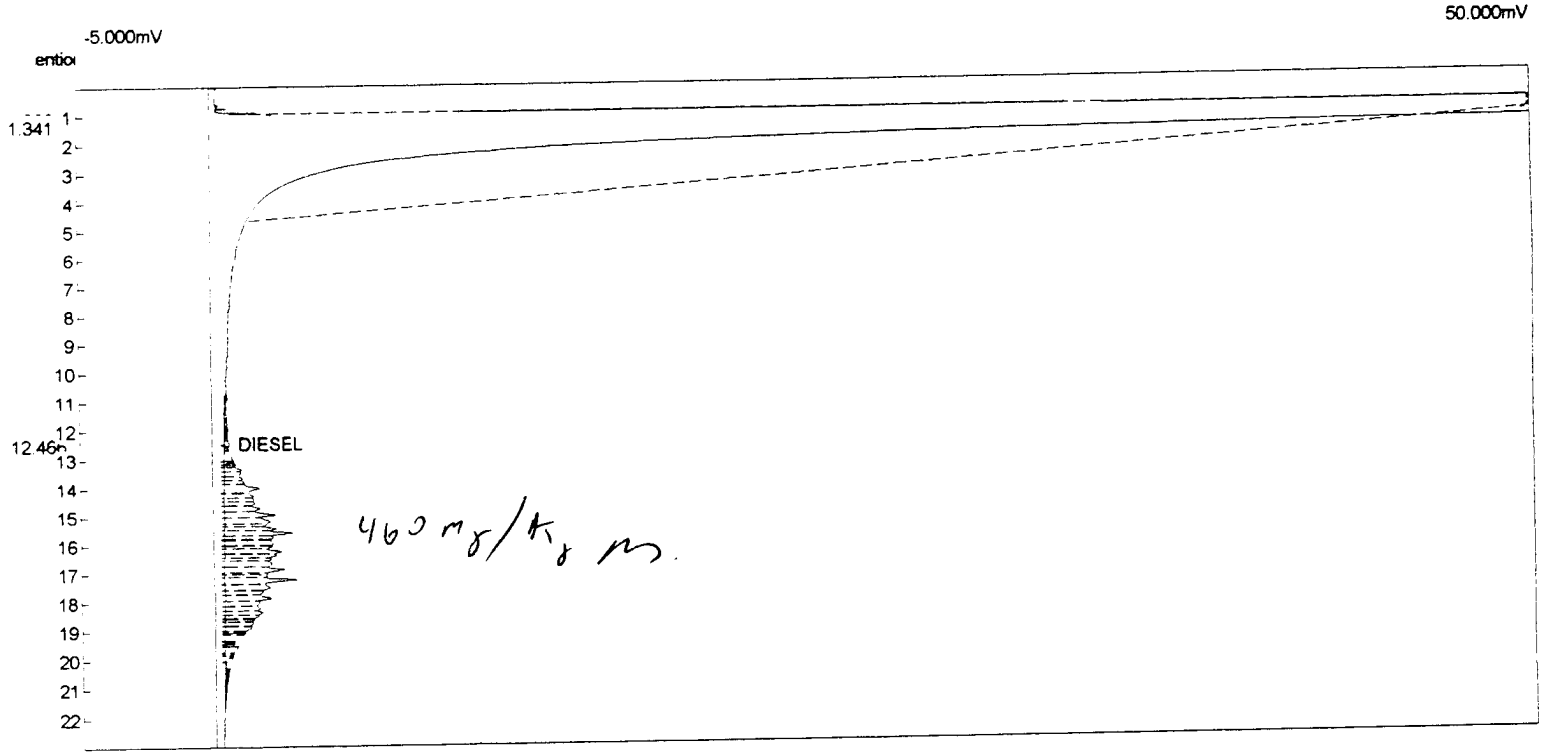
Component	Retention	Area	Internal	Units
		0.000	0.0000	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 12:44:04
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 1
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FA3.CHR ()
Sample: SG-1/0606TES
Operator: MP



Component	Retention	Area	Internal	Units	
ESEL	13.916	336.726	172.8574	PPM	2.755 = 475.981
		336.726	172.8574		

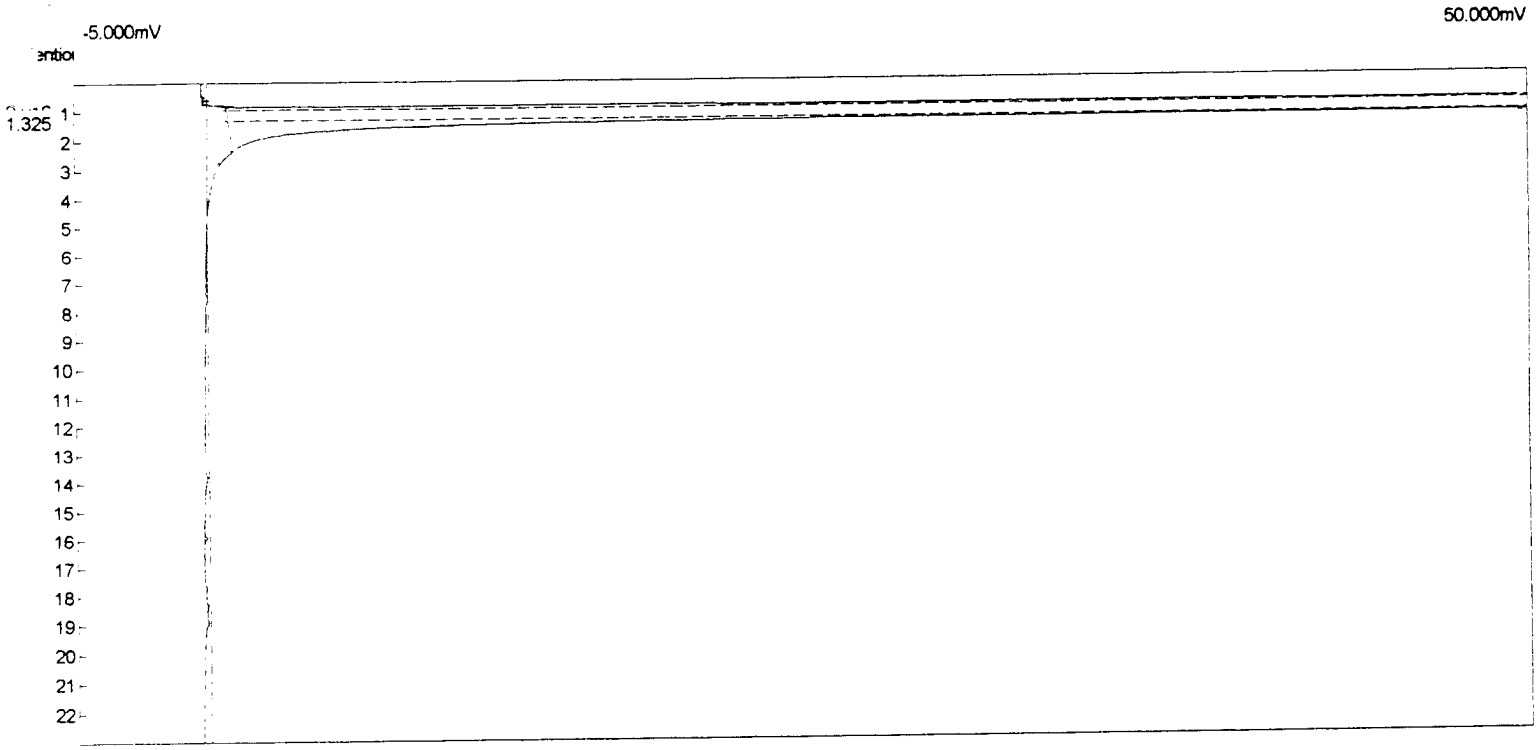
Lab name: TEG Puerto Rico
Analysis date: 06/07/2000 12:44:04
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB3.CHR ()
Sample: SG-1/0606TES REP
Operator: MP



Component	Retention	Area	Internal	Units
ESEL	12.466	499.300	173.6091	ppm
		499.300	173.6091	

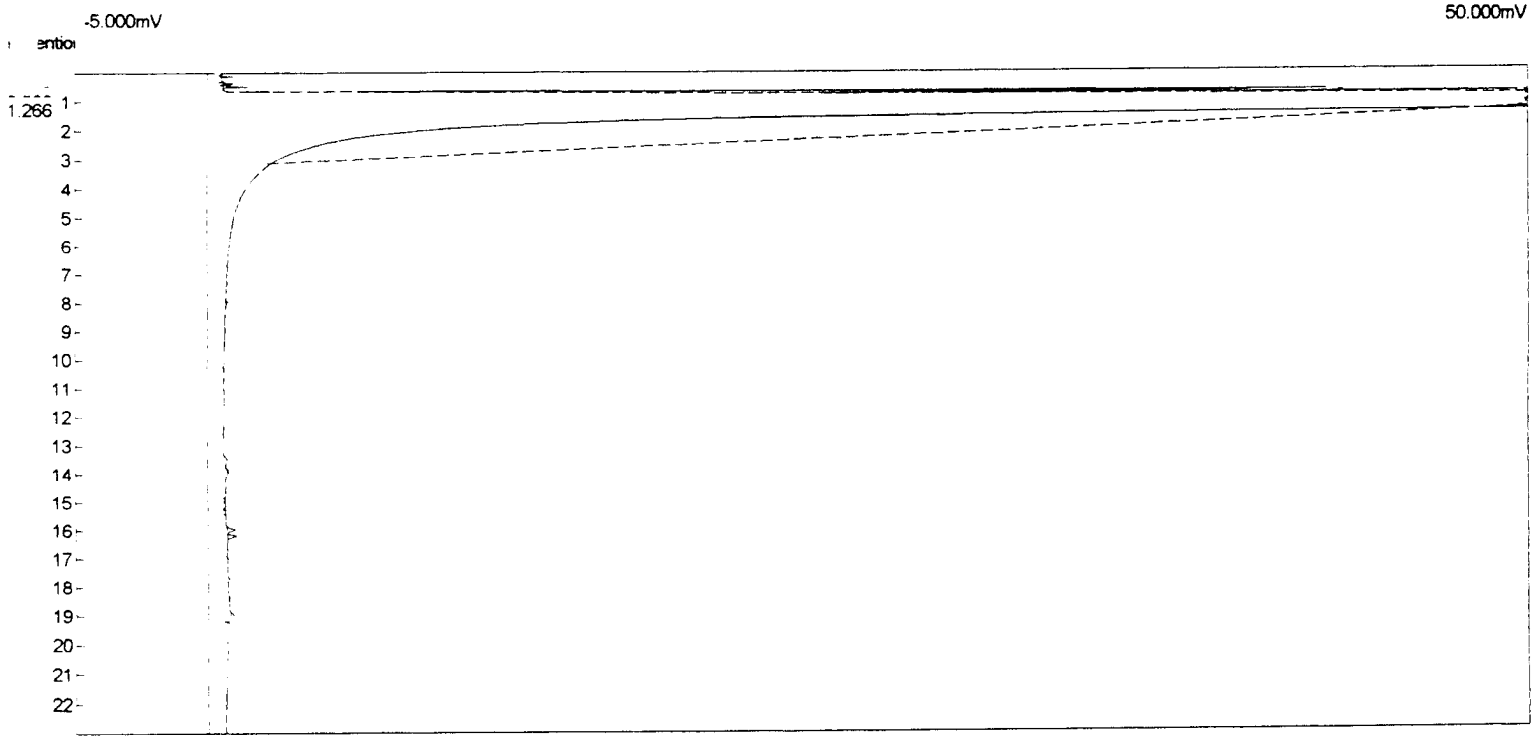
2/.755 = 459.8916

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 12:44:04
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FC3.CHR ()
Sample: SG-2/0606TES
Operator: MP



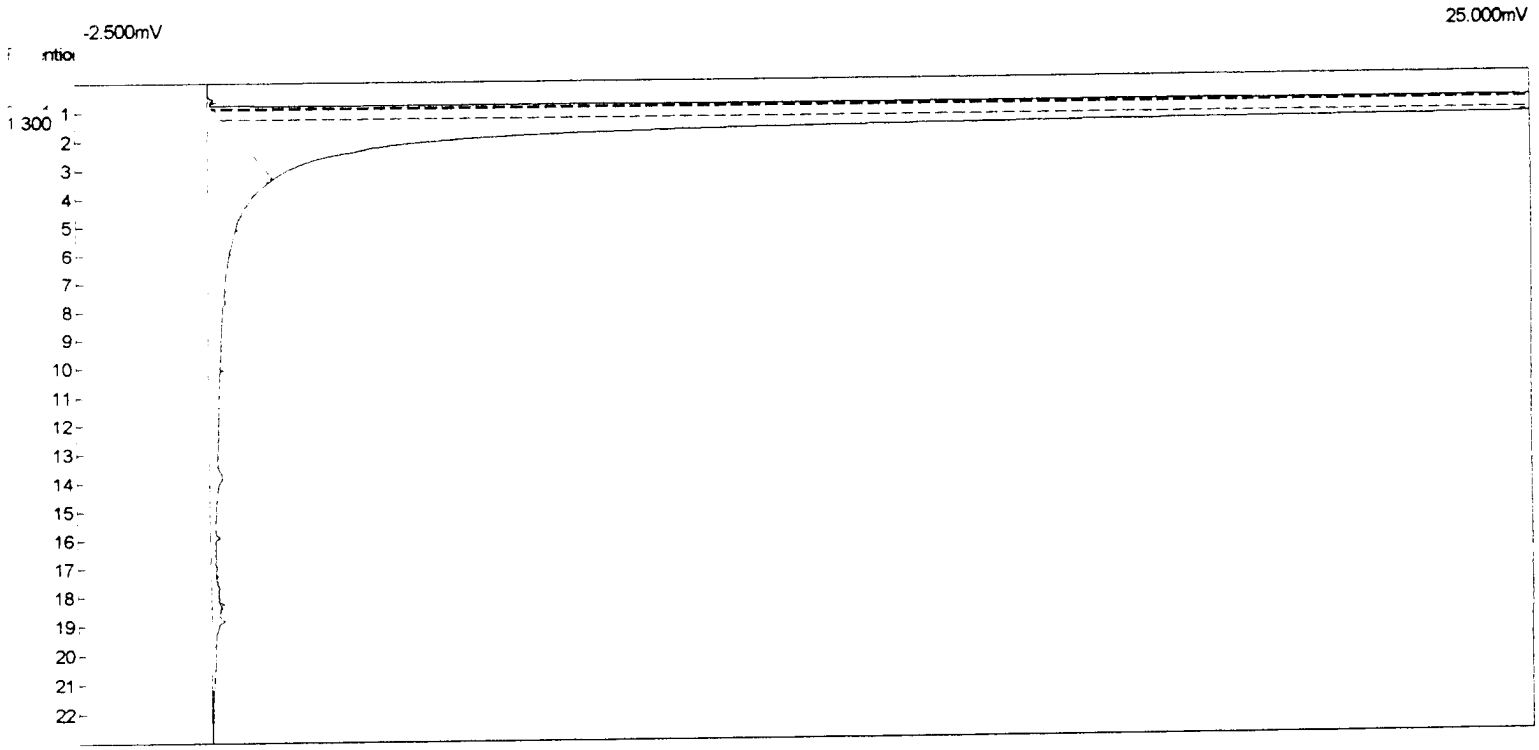
Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 12:44:04
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FD3.CHR ()
Sample: SG-3/0606TES
Operator: MP



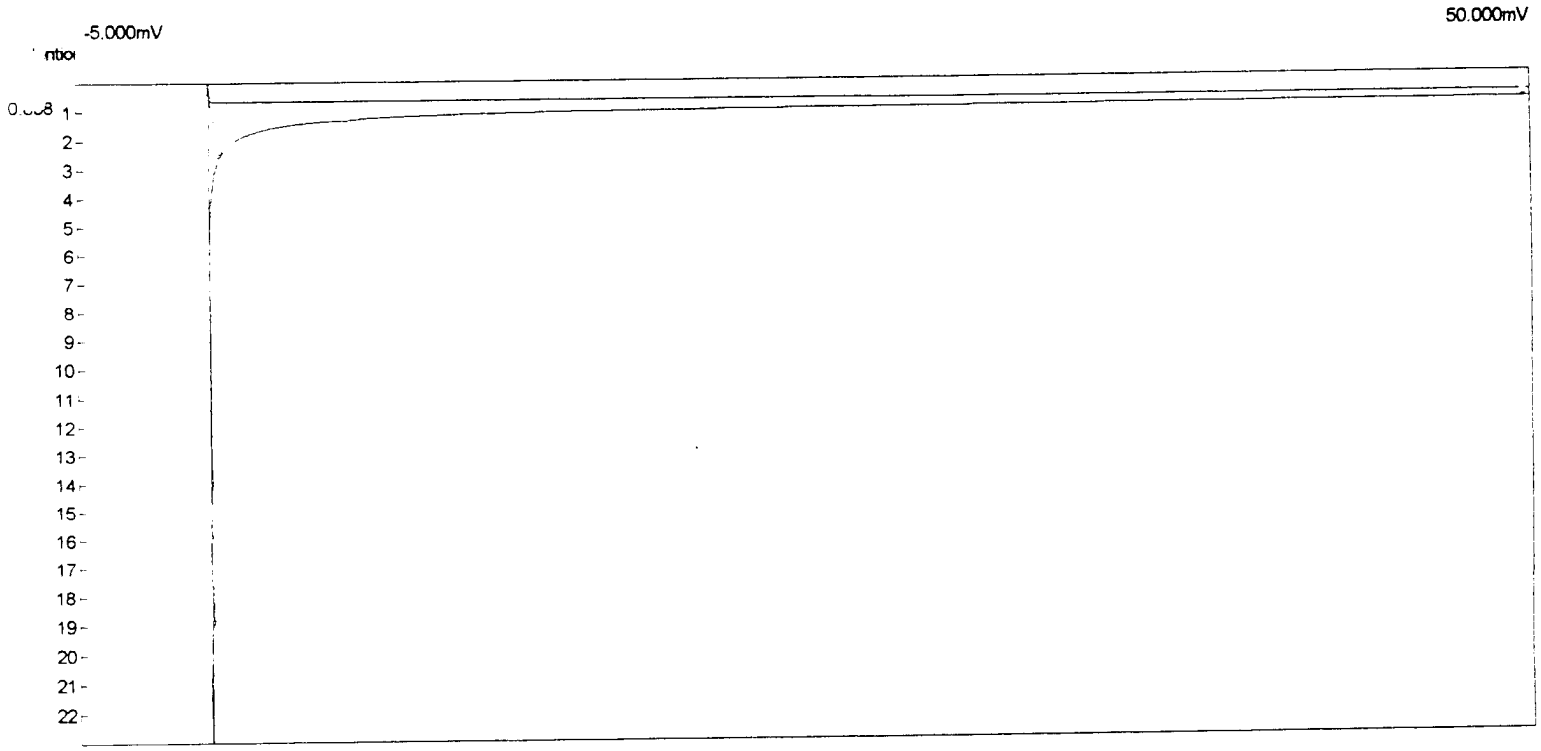
Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 13:37:28
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FC5.CHR ()
Sample: SG-4/0606TES
Operator: MP



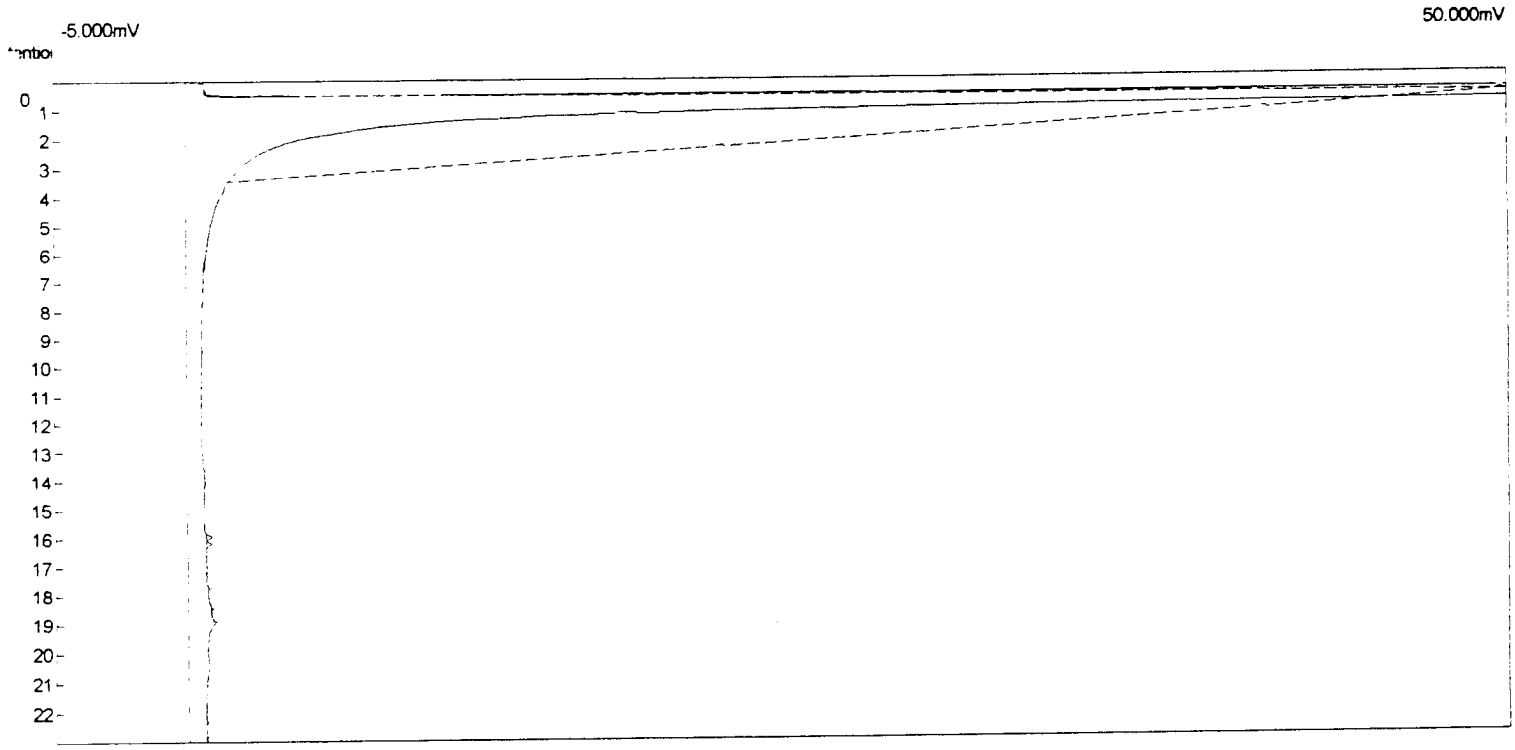
Component	Retention	Area	Internal	Units
Diesel		0.000	0.0000	ND

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 13:08:32
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 3
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FC4.CHR ()
Sample: SG-5/0606TES
Operator: MP



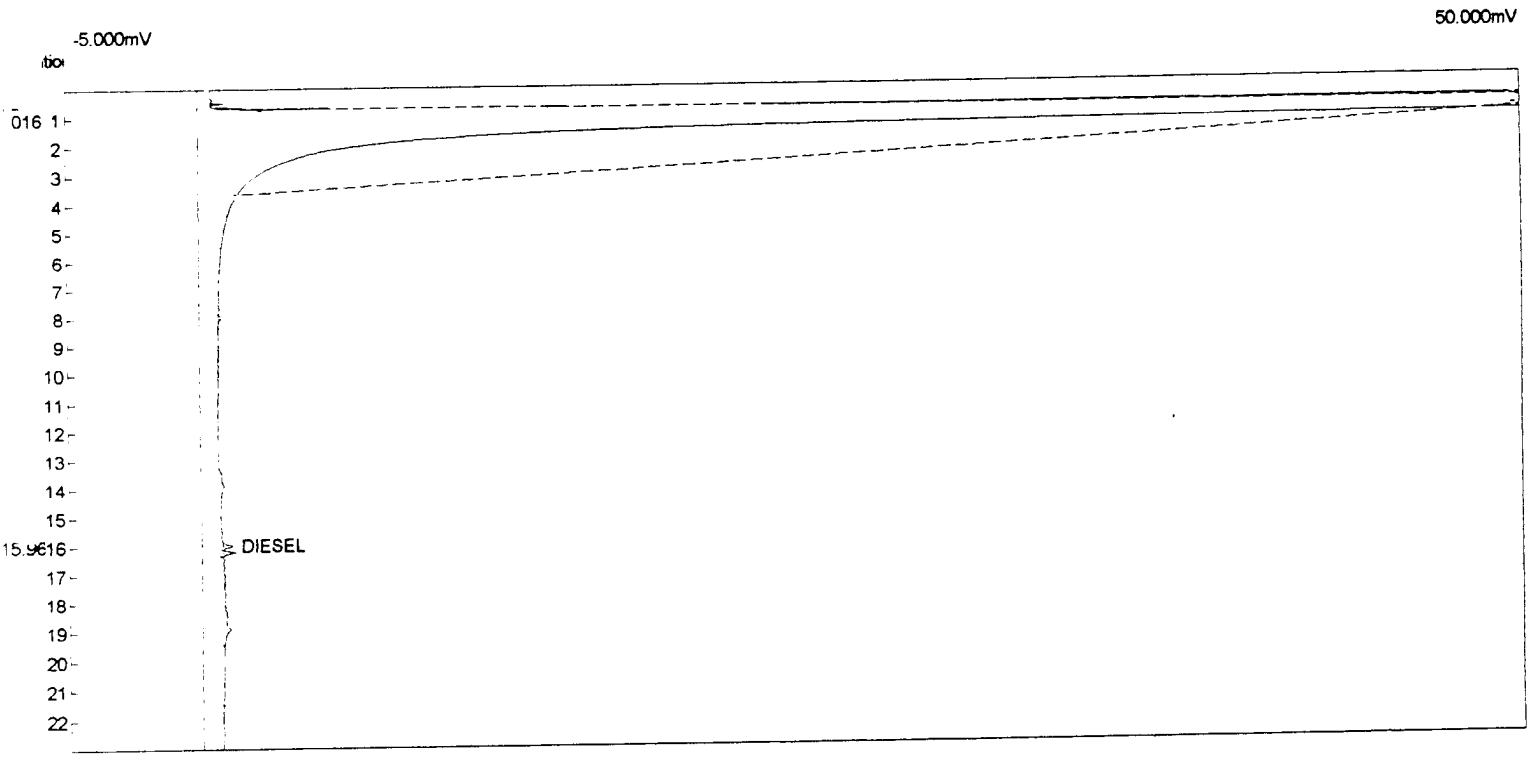
Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

Lab name: TEG Puerto Rico
Analysis date: 06/07/2000 13:08:32
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FD4.CHR ()
Sample: SG-6/0606TES
Operator: MP



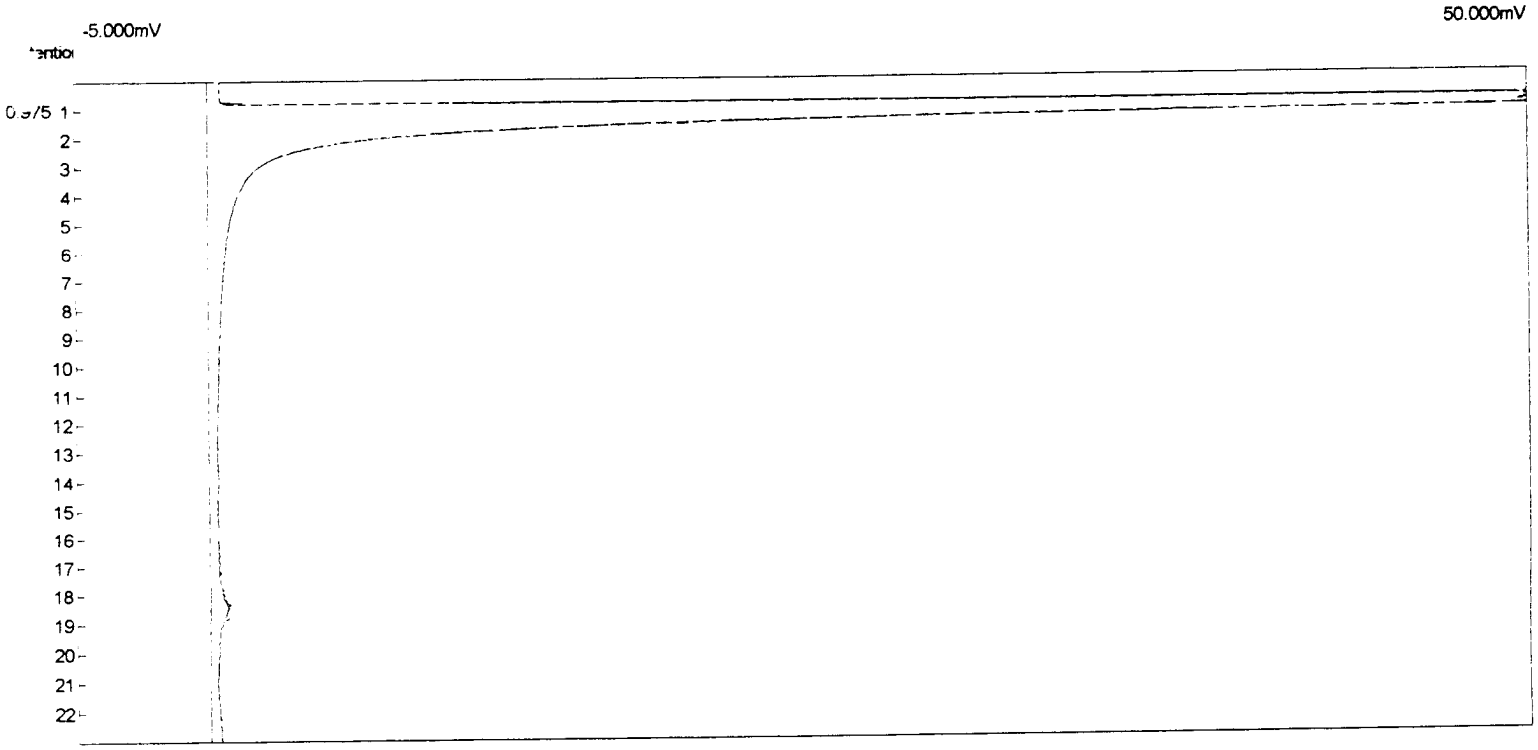
Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

_ab name: TEG Puerto Rico
ılysis date: 06/07/2000 13:37:28
Method: EPA 8015B Mod
Lab ID: GC-5
escription: FID 4
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FD5.CHR ()
Sample: SG-7/0606TES
Operator: MP



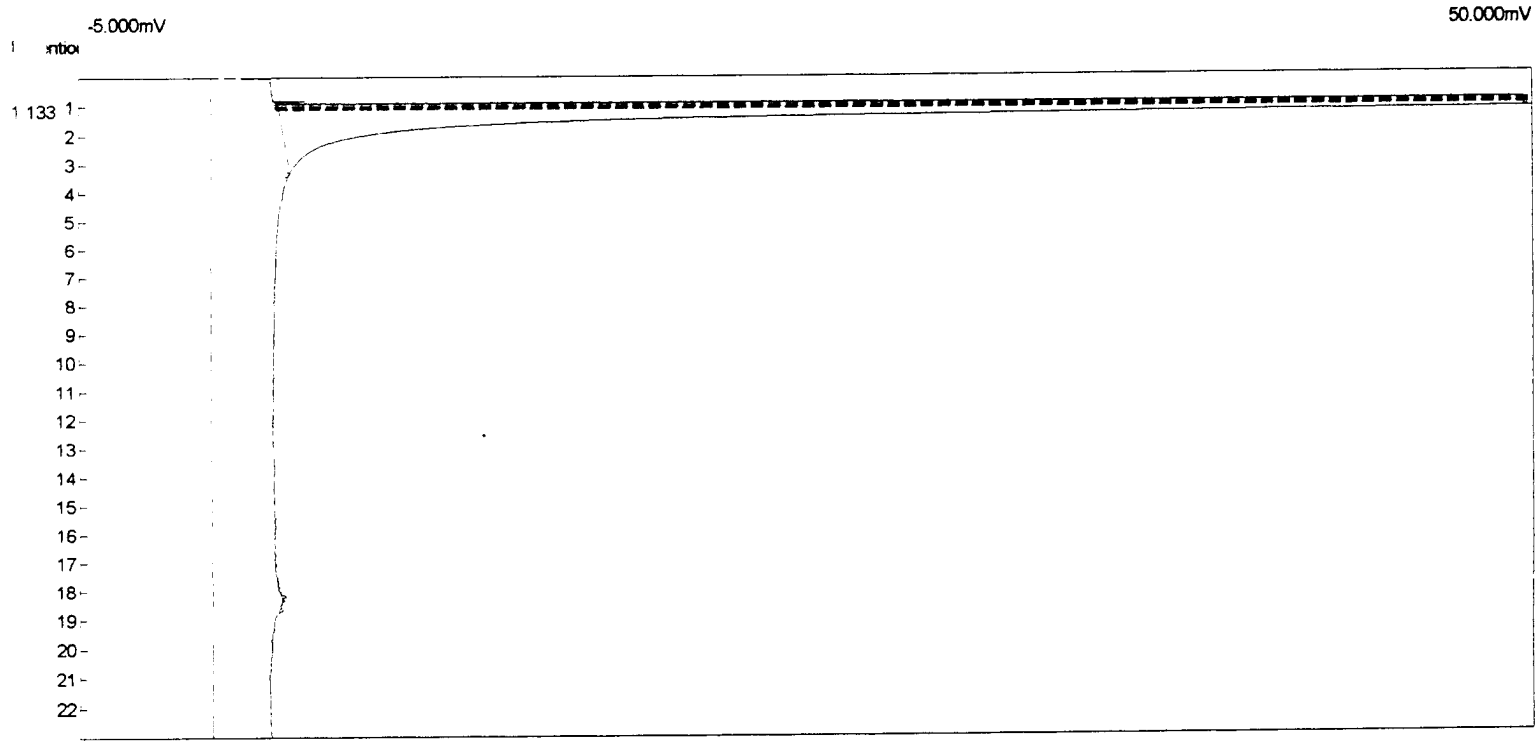
Component	Retention	Area	Internal	Units
SEL	15.966	4.631	1.6170	ppm
		4.631	1.6170	

Lab name: TEG Puerto Rico
nalysis date: 06/07/2000 13:08:32
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB4.CHR ()
Sample: TRIP BLANK/0606TES
Operator: MP



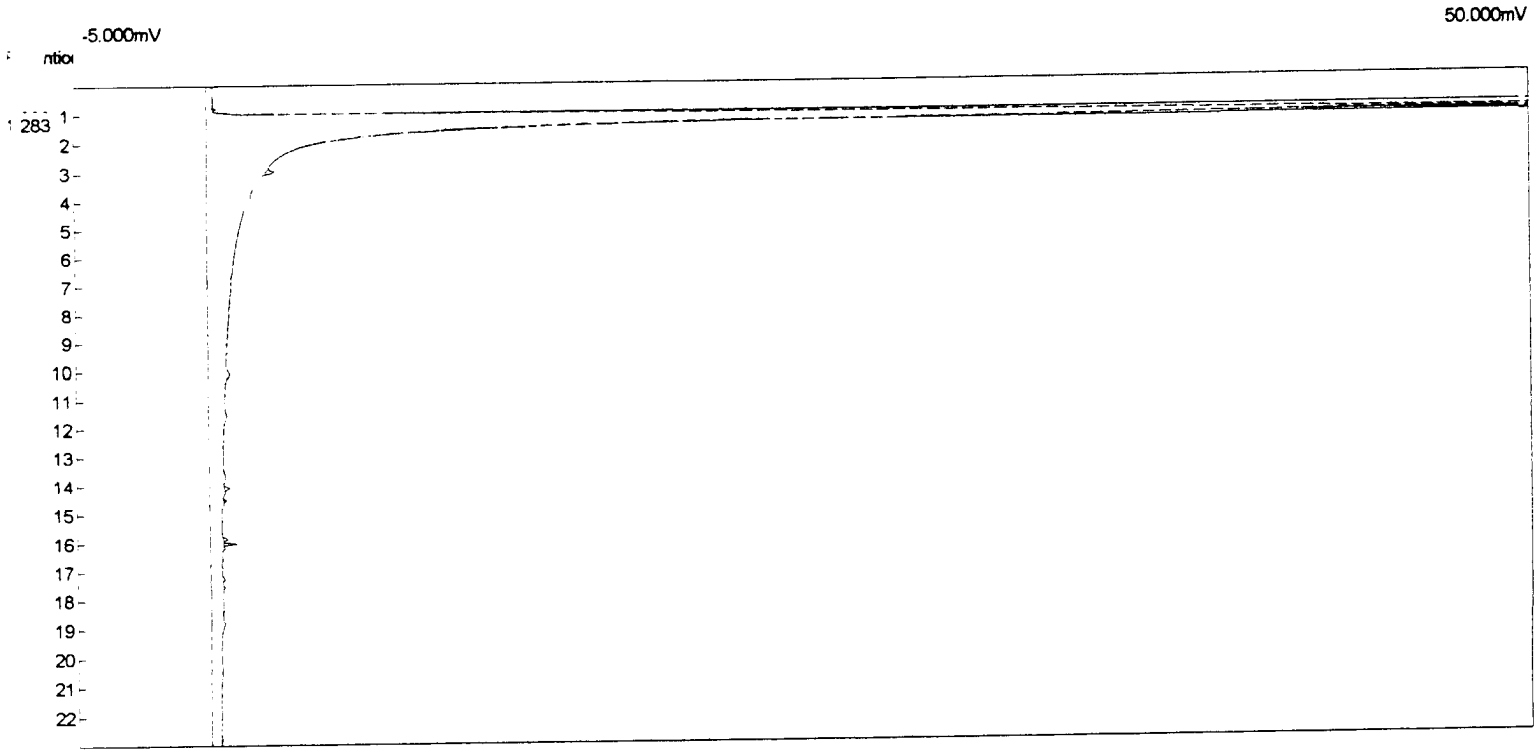
Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

Lab name: TEG Puerto Rico
ıalysis date: 06/07/2000 13:08:32
Method: EPA 8015B Mod
Lab ID: GC-5
Description: FID 1
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FA4.CHR ()
Sample: FIELD BLANK/0606TES
Operator: MP



Component	Retention	Area	Internal	Units
Diesel		0.000	~~0.0000~~ ND	

Lab name: TEG Puerto Rico
alysis date: 06/07/2000 13:37:28
Method: EPA 8015B Mod
Lab ID: GC-5
)escription: FID 2
Column: XTI-5 (30x.53x1.5)
Carrier: N2 1.1 kg/cm2
Data file: 0607FB5.CHR ()
Sample: equipment blank/0606TES
Operator: MP



Component	Retention	Area	Internal	Units
Diesel		0.000	0.0000	ND

teg Puerto Rico

Chain of Custody Record

PO # _____

Client: _____ Date 6/16/00 Page 1 of 1

Address _____ TEG Project # _____ Control# _____

Phone _____ FAX _____ Location _____

Client Project # _____ Project Manager _____ Collector _____ Date of Collection _____

Sample Name	Depth	Time	Sample Matrix	Container Type	"Grab" Composite"	8021	8020 A (BTEX)	VOL 8260	SEMI VOL 8270	TRPH 418.1	TPH 8015 B (gasoline)	TPH 8015 B (diesel)	TPH 8015 B (gas & diesel)	TPH 8015 B (motor oil)	TPH 8015 B (full range)	TOTAL LEAD	TCLP LEAD	METALS	RCI	8082-PCBS	8082-Pesticide	PNA 610/8100	TCLP METALS			FIELD NOTES / PRESERVATION	Total # of Containers
																										Normal Time	
												X														cool	2
												X														cool	2
												X														cool	2
												X														cool	1
												X														cool	1
												X														cool	1
												X														cool	1
												X														cool	1
												X														cool	1
												X														cool	1

RELINQUISHED BY (signature) Date/Time RECEIVED BY (signature) Date/Time

RELINQUISHED BY (signature) Date/Time RECEIVED BY (signature) Date/Time 6/16/00

Total # of containers 1 3

Chain of Custody seals Y / N / NA N NA

Seals intact? Y / N / NA N NA

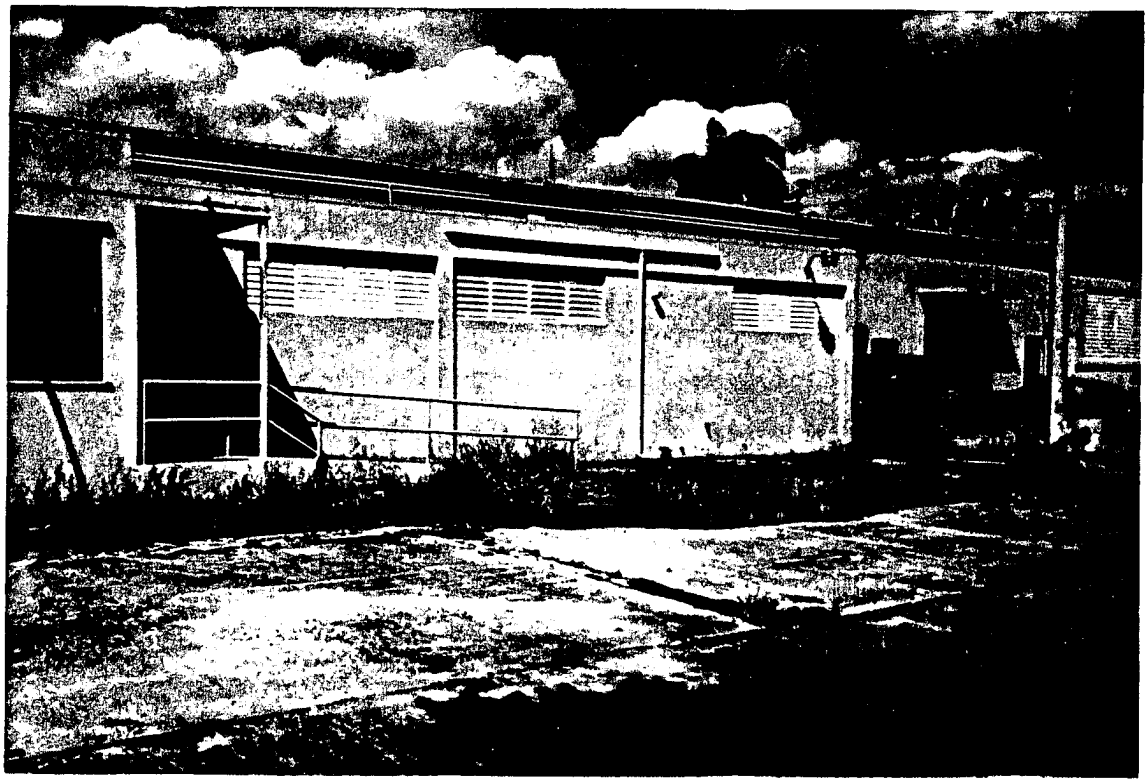
Received good conditions / cold Y N

TEMPERATURE 4 C cool

G=Grab C=Composite S=Soil W=Aqueous

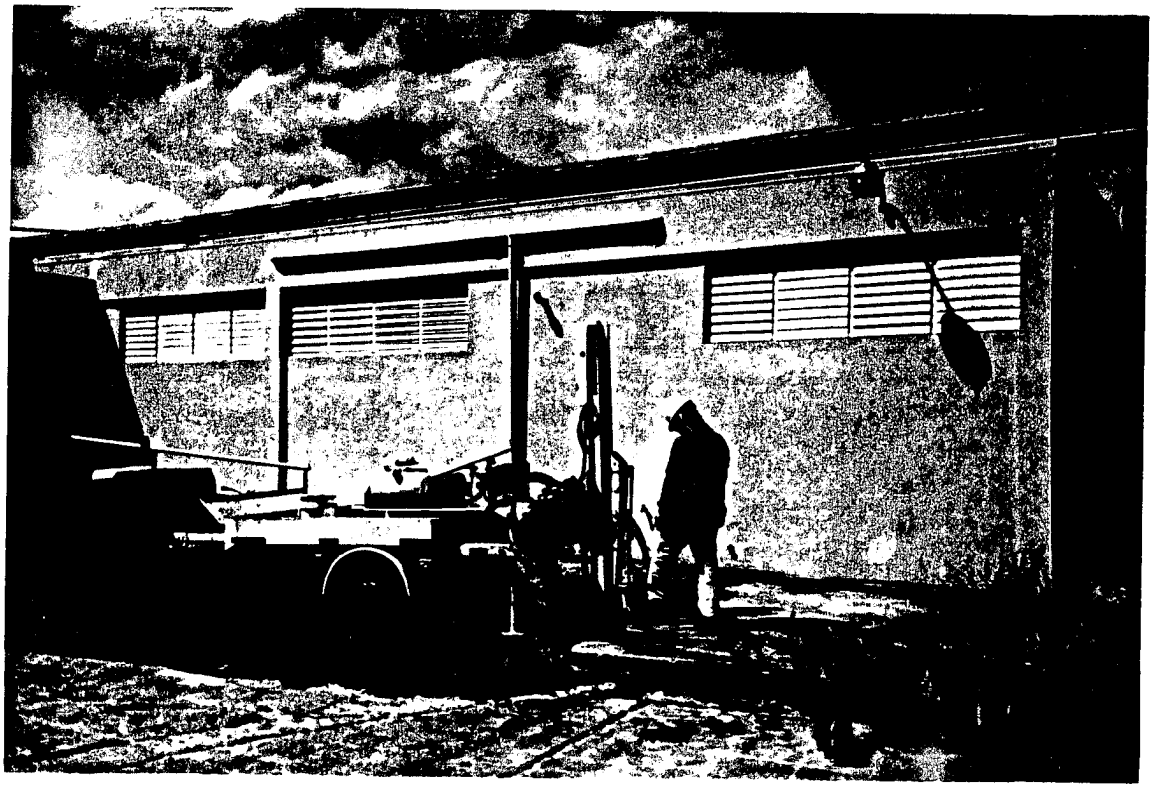
PHOTO - DOCUMENTATION

FACILITY: PRIDCO—FM Industrial DATE: 6/06/2000
LOCATION: Road No. 102, Km. 207.3, San Germán, P.R. PHOTO BY: A. Morales
SUBJECT: General view of the former UST location and perforation area.



FACILITY: PRIDCO—FM Industrial DATE: 6/06/2000
LOCATION: Road No. 102, Km. 207.3, San Germán, P.R. PHOTO BY: A. Morales
SUBJECT: General view of the former UST location and perforation area.

FACILITY: PRIDCO—FM Industrial DATE: 6/06/2000
LOCATION: Road No. 102, Km. 207.3, San Germán, P.R. PHOTO BY: A. Morales
SUBJECT: View of the perforation area, north side of the building.



FACILITY: PRIDCO—FM Industrial DATE: 6/06/2000
LOCATION: Road No. 102, Km. 207.3, San Germán, P.R. PHOTO BY: A. Morales
SUBJECT: View of the perforation area (samples no. SG-1 and SG-2).

LIFET-2 OP ID: CT

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/05/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Brown & Brown of Garden City dba Sobel Affiliates 595 Stewart Avenue Garden City, NY 11530-4736 Michael Labadorf	CONTACT NAME: Michael Labadorf PHONE (A/C, No, Ext): 516-745-0000 FAX (A/C, No): E-MAIL ADDRESS:
INSURED Wallace Silversmiths de Puerto Rico Ltd 1000 Stewart Ave Garden City, NY 11530	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: Great American E&S Insurance — 37352 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR X Pollution Liabill X $25,000 SIR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC			PRE315982800	01/01/2015	01/01/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,000,000 $ $ $ $ 1,000,000 $ $
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (PER ACCIDENT) $	$ $ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE $	$ $ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A					WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
		X						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Puerto Rico Industrial Development Company (PRIDCO) is included as additional insured/landlord as respects El Retiro Industrial Park B St, San German, PR 00683.

CERTIFICATE HOLDER

Puerto Rico Industrial Development Company (PRIDCO)
PO Box 362360
San Juan, PR 00936

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Michael Labadorf EVP

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Ing. M. Maldonado
03-11-03
Acción que corresp

ESTADO LIBRE ASOCIADO DE PUERTO RICO
OFICINA DE LA GOBERNADORA

24 de octubre de 2003

Sr. José D. Serrano, Gerente
División de Planificación y
Asuntos Ambientales
Compañía de Fomento Industrial
P.O. Box 362350
San Juan, P.R. 00936-2350

OFICINA DE PLANIFICACION
2003 OCT 31 PM 2:07

RE: RELEVO DE ACCIONES ADICIONALES
(ANTIGUA DIGITAL)
FM INDUSTRIES/S-0373-056
CARR. # 1 KM. # 87.5
URB. INDUSTRIAL EL RETIRO
SAN GERMAN, P.R.
PR 02-98-0032

Estimado señor Serrano:

La División para el Manejo de Tanques de Almacenamiento Soterrados (DMTAS) del Area de Calidad de Agua (ACA) de la Junta de Calidad Ambiental (JCA) recibió el 12 de septiembre de 2003, para la revisión y evaluación correspondiente el informe *Evaluación del Subsuelo Digital Equipment Corporation* con los resultados del muestreo del terreno realizado en el área donde anteriormente se encontraba un (1) tanque de almacenamiento soterrado (TAS) en la facilidad en referencia. El informe fue preparado por la compañía consultora ERTEC. En esta facilidad se habían hecho con anterioridad varios muestreos solicitados por la DMTAS debido a que la misma se encontraba en la Lista de Facilidades en Acciones Correctivas (LUST List, por sus siglas en inglés).

Posterior a la evaluación del informe así como del expediente de la facilidad, se ha determinado lo siguiente:

1. Las concentraciones de hidrocarburos totales de petróleo (TPH, por sus siglas en inglés) en las muestras de terreno estuvieron por debajo de los límites de detección del método de análisis o de los límites permitidos por la DMTAS.

2. La notificación enmendada indicando el cierre y la remoción del tanque para la facilidad en referencia fue sometida el 24 de septiembre de 2003.

A base de los datos sometidos en el informe *Evaluación del Subsuelo Digital Equipment Corporation*, preparado por la compañía ERTEC, el Area de Calidad de Agua **releva** a la Compañía de Fomento Industrial, de cualquier estudio ambiental adicional en esta facilidad identificada con el número 98-0032. Esta facilidad será inactivada de la Lista de Facilidades en Acciones Correctivas (LUST List, por sus siglas en inglés). No obstante, la JCA se reserva el derecho a solicitar un estudio del lugar de surgir cualquier evidencia de contaminación por hidrocarburos en el área. El expediente deberá mantenerse por lo menos tres (3) años para cumplir con los requisitos federales (Secciones 280.34 (b) y (5) y Subparte G del Código de Reglamentos Federales (CFR, por sus siglas en inglés)) promulgado el 27 de septiembre de 1998 y la Parte VII del Reglamento para el Control de Tanques de Almacenamiento soterrados promulgado por esta Junta el 7 de noviembre de 1990.

Para aclarar cualquier duda o pregunta se puede comunicar con la Sra. Katherine Batista, Jefa de la DMTAS al teléfono (787) 767-8181 Ext. 2608. También nos puede visitar en nuestras oficinas localizadas en la Ave. Ponce de León 431, Edificio Nacional Plaza, Quinto Piso, Hato Rey, Puerto Rico.

Cordialmente,

Ing. Rubén González
Director
Area de Calidad de Agua

Syratech Acquisition Corporation

a Lifetime Brands Company

Confidential
Legal Department Memorandum

To: Sara Shindel, Esq.
Chris Kasper

cc: Luis Santiago

From: Terry Losco

Date: November 16, 2006

Re: Puerto Rico Documentation

Attached please find a package of documentation that Luis Santiago has forwarded to me in connection with any environmental issues at that plant in San German Puerto Rico.

Luis and provided me (by telephone) with an explanation as to what each document represents. For your convenience, I have labeled each document as a numbered attachment. Below please find the corresponding explanation as provided by Luis:

I. Internal Correspondence with respect to EPA / OSHA Visits and the plant's Environmental, Health and Safety Program / Compliance Initiatives:

- Attachment 1 –Memorandum dated August 4, 2006 from Luis Santiago to Dave Fitzgerald summarizing the visits, findings and recommendations made by the EPA and OSHA with respect to the plant in San German, P.R., as well as a status of the efforts being made in order to be in compliance.

- Attachment 1 – Memorandum dated August 22, 2006 from Luis Santiago to Adiel Ramos, their Environmental, Health and Safety Consultant, requesting an update on the progress of Adiel's responsibilities and deliverables (Note – Luis provided this copy for informational purposes only as a reference to the plant's Environmental, Health and Safety Program and compliance initiatives).

II. EPA Finding / Recommendation - Vibratory Machines: The plant had these vibratory machines whereby they would place stones and pieces of silver into the drums of the machine, along with soap and water. The drums would vibrate the materials and in the process, smoothing the silver pieces. Residual of the material/sludge was leaking out of the drum into the soil. The drums and the soil needed to be removed. The drums needed to be disposed of properly and the soil needed to be sent to a lab for testing. The following documents support that this effort has been completed:

- Attachment 3 - Copies of Uniform Hazardous Waste Manifest – These documents support the proper removal of the drums and soil.

- Attachment 4 – Chain of Custody Record – This document provides evidence of the soil samples that were taken for testing purposes.

- Attachment 5 – Caribe Hydroblasting Corp. Document – Testing results supporting that the soil that was removed was nontoxic.

- Attachment 6 – Generator Waste Profile Sheet – Testing results supporting that the actual residual was nontoxic.

- Attachment 7 – BFI Waste Systems Manifest – Evidence that the drums were disposed of properly.

II. EPA Finding / Recommendation - Drums with used oil storage for over 90 days: The EPA found some oil drums with oil that needed to be disposed of. The following documents support that this effort has been completed:

- Attachment 8 – Non-hazardous Waste Transportation Acceptance Document – Luis had the drums sealed and called in a company to pump and remove the oil and to clean the drums. This document supports this effort.

- Attachment 9 – Non-hazardous Special Waste Manifest No. 02893 – This document supports that the drums with oil were removed properly.

III. EPA General Findings / Recommendations:

- Attachment 10 – Autoridad de Aceuductos Y Alcantarillados Certification –Certification that the well on the facility is no in use (EPA requested evidence of this fact).

- Attachment 11 – Lamp Recycling Company, Inc. – Certification that the nonusable lamps with mercury are being disposed of by an authorized company (EPA requested evidence of this fact).

ROSADO SAFETY & FIRE

Licencia 119
K-8 BRISAS DE RIO HONDO. MAYAGÜEZ. PUERTO RICO 00680
TEL. (787) 834-1942-CEL. (787) 464-3640

CERTIFICADO DE INSPECCION
CERTIFICATE OF INSPECTION

Certificamos haber inspeccionado el equipo de protección de incendios
y el mismo opera satisfactoriamente bajo los códigos estatales y federales N.F.P.A.
We hereby certify having inspected the fire protection equipment and found the
same working satisfactory according to state and federal codes of the N.F.P.A.

Wallace International de P.R. Inc.
NOMBRE DE COMPAÑIA- NAME OF FACILITY

LOCALIZADA:
LOCATED : San Germán

EQUIPOS CERTIFICADOS- CERTIFICATED EQUIPMENT

X Extintores de Incendio Portable Fire Extinguishers	X Mangueras de Incendio Fire Hoses	☐ Rociadores Automáticos Automatic Sprinklers	☐ Luces de Emergencia y EXIT Emergency and EXIT lights
☐ Alarmas de Incendio Fire Alarms	☐ Detectores de Humo Smoke Detectors	☐ Sistemas Automáticos de Rociadores de Cocina Automatic Kitchen Sprinklers Systems	

E. Rosado
Tecnico (Technician)

Oct. 31 - 06
Fecha (Date)

ADDENDUM A to Agreement dtd June 19, 2006

Environmental, Health and Safety Consultant Responsibilities and Deliverables

Consultant will:

1. Provide 80 hours of service on-site per month. A planned schedule will be drafted and submitted by Consultant one week prior to the start of any monthly period for General Manager approval. The schedule will outline the intended workdays and hours and the planned activity for each day scheduled. The General Manager will approve any modification to the schedule.
2. Develop and maintain a written Environmental, Health and Safety (EHS) Program for Wallace de Puerto Rico Manufacturing Plant that is approved by the Plant General Manager and is in compliance with and supports all Federal and Local Government Regulations.
3. Assure 100% health, safety and environmental compliance with all Federal and Local Government Regulations, as well as Plant's documented EHS Program as specified or updated in the future.
4. Draft and incorporate for General Manager approval new elements or policy and procedures for the Plant's EHS Program as recommended by Consultant or directed by General Manager or other Authority.
5. Develop, review, update and audit facility procedures and plans, emergency response, hazard communication; chemical / physical agent exposure assessment; medical surveillance; hearing conservation; respiratory protection; confined space entry; lock out tag out procedures, fork lift trucks operating licensing and safety requirements for contractors.
6. Coordinate, execute and manage all aspects of the Plant's Environmental, Health and Safety Program and required training approved by the General Manager.
7. Establish EHS plant goals and objectives to be approved by General Manager. Prepare scorecard to measure plant's performance against plan.
8. Establish health and safety indicators and track performance on a weekly basis.
9. Support and actively participate in Plant strategy discussions and business initiatives to ensure compliance is maintained with all Federal and Local Government Agencies.
10. Coordinate and execute all environmental projects.
11. As directed by the General Manager, act as liaison for key regulatory agencies such as Puerto Rico Aqueduct and Sewer Authority, Environmental Quality Board, Department of Transportation, Occupational Safety and Health Administration and others.
12. Complete, submit and maintain all regulatory environmental, health or safety permits according to established laws, regulations, and corporate requirements.
13. Complete and submit all required environmental, health or safety reports to comply with regulatory agencies and corporate policies.
14. Prepare monthly status report to General Manager on health and safety indicators performance; monthly status report of open regulatory assessment items; quarterly status report of all open audit or assessment items; facility EHS program report; and OSHA accident reports.

15. Provide support to plant in the evaluation and design overview of safety projects. Provide written report of observations and recommendations as required by the General Manager.
16. Support and lead the ergonomic needs and appropriate assessment to manufacturing process. Provide written report of observations and recommendations as required by the General Manager.

Specific Deliverables Will Include:

1. Develop an Environmental, Health and Safety Program to assure compliance, employee awareness and involvement. The documented program will be presented to the General Manager for approval no later than six months from the commencement date of this agreement. The program will include but not be limited to the following program elements:
   a. Mission Statement
   b. Written Performance/Accountability Standards and Objectives for Managers and Supervisors to Reduce Occupational Injuries and Illnesses and Enhance Workplace Health and Safety
   c. Record Keeping for Safety and Health Compliance Activities and Programs
   d. Designated Agency Health and Safety Coordinators
   e. Establish Health and Safety Committees
   f. Written Work Rules and Safe Work Practices
   g. Health and Safety Training and Education
   h. Establish a Procedure for Conducting Periodic Health and Safety Inspections/Surveys
   i. Minimize The Risk of Occupational Injuries and Illnesses by the Use Of Recommended Loss Prevention and Control Techniques
   j. Promote Health and Safety Awareness and Safe Work Practices
   k. Accident Investigation and Reporting Procedures
   l. Worker's Compensation Claims Management
   m. Promote The Early Return To Work of Injured Employees Using Transitional Work Assignments and Other Rehabilitation Strategies

2. Conduct routine inspections of plant each day on-site (daily) to ensure compliance with EHS regulations and program. Walkthrough will include but not be limited to:
   a. Visible emissions observations
   b. Validation of integrity and content of hazardous material storage areas
   c. Used oil storage areas
   d. Operation safety issues or observations
   e. Storm water discharges
   f. Above ground storage tanks and secondary containment structures
   g. Spill prevention equipment
   h. Explosives magazine
   i. Employee feedback or issues concerning EHS
   j. Integrity of fire equipment

3. Perform a comprehensive Safety Audit of the entire Plant with a detailed written report to the General Manager on a monthly basis. Report will include deficiency, standard of compliance, reference and recommended corrective action. Track corrective action progress weekly with the General Manager.

4. Develop detailed written work procedures that encompass safety work practices required for each specific workstation in the plant. Each procedure will be incorporated into the Plant's EHS Program and training on such procedures may be directed by the General Manager as part of the annual training plan. All procedures will be complete within six months of the date of this agreement.

5. Develop an annual Health and Safety Training and Education Program within the first 30 days of this agreement that will be approved by the General Manager. Program will detail topic, required attendees and training materials, costs if any, and length. Develop or obtain all necessary training material. Lead all approved training.

6. Conduct new hires safety training.

7. As defined in the EHS training plan, conduct Hearing Conservation training annually.

8. Coordinate Audiometric testing on an annual basis for the hearing conservation program employees. Maintain a copy of all records for each employee.

9. Promote Health and safety Awareness throughout the Plant:
   a. Define and present to General Manager for approval key health and safety performance indicators for the plant within 30 days of the date of this agreement.
   b. Establish a Plant safety Committee and chair monthly meetings. Provide agenda for approval by General Manager prior to the meeting and document and submit meeting minutes to the General Manager within one week of the meeting.
   c. Assure that safety labels, signs and posters are maintained.
   d. Maintain and EHS bulletin board that includes weekly updates on plant performance metrics and details on current or relevant EHS topics.
   e. Maintain a training resource library of videos, training lectures and regulatory brochures and publications.
   f. Establish an EHS employee suggestion box for the Plant. All suggestions will be presented and answered monthly to the General Manager and Safety Committee.
   g. Organize employee activities such as earth awareness week, safety week, etc.

10. On a semi-annual basis perform a Loss Prevention and Control Technique Audit. As identified evaluate and recommend the use of loss prevention and control techniques to support minimizing the risk of operational injuries and illnesses. Submit a written report to the General Manager.

11. Investigate and analyze each Plant accident and complete a written accident report that documents the relevant facts surrounding the accident, opinions of those present

regarding the accident's cause and recommendations on how to prevent similar future accidents. Complete and maintain all required regulatory accident reporting records (i.e., OSHA 300, 300A, 301).

12. Certify Forklift Operators every three years as per OSHA requirements. Maintain certification records for each employee. Perform new certifications as directed by the General Manager.

13. Coordinate annual emergency response procedure drill.

14. Perform industrial hygiene monitoring such as noise and vapor concentration on a quarterly basis in order to comply with standards. Provide written report to the General Manager.

15. Conduct a Lockout/Tag-out program evaluation once per year. Provide written report to the General Manager.

16. Inspect all fire preventive equipment on a monthly basis and provide written report of findings.

17. Assure that all the fire extinguishers and any other regulatory equipment are inspected by an external company on annual basis. Maintain all records of inspection and corrective action.

18. Track and maintain records for all safety equipment issued to employees to support their job function (i.e., safety shoes, eye protection, other as required). Develop and maintain tracking records by employee and policy for replacement of equipment with General Manager approval within first 30 days of this agreement.

19. Participate with the Management team when safety issues are discussed or presented.

20. Participate in the evaluation of new projects to ensure complete compliance with OSHA. Provide recommendations or issue identification in written format to the General Manager.

21. Represent Wallace de Puerto Rico interests and Management, as directed and approved by General Manager concerning any issue of reporting, notification or clarification with the Local OSHA office or other regulatory agency.

22. Keep updated master Material Safety Data Sheets (MSDS) binder for all materials required in the plant; provide support with specific area MSDS.

23. Coordinate and maintain the Hazard Communication program.

24. Complete the State Insurance Fund Accident Form on each employee that suffered an accident.

25. Assure that the Hot Work permits are approved each time welding and cutting is performed outside the designated areas

26. Develop and maintain list of safety drivers by specific pieces of equipment and create checklist to identify compliance status. Provide detailed input to general Manager within 90 days of this agreement.

27. Complete SARA 313 and 312 forms annually.

28. Complete and maintain air permits as needed.

29. Maintain all environmental records in accordance with regulatory agencies and Plant EHS Program.

I acknowledge having received a copy of this document today, June 19, 2006.

_____

Adiel Ramos

CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO.	COMPANY CHED	SAMPLER [illegible]

SAMPLE LOCATION/CLIENT ID	Wallace Silver San German	TIME	11:30 AM	CONTROL NO.
SAMPLE DATE	8/15/06	BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )
Ammonia as N	( )	Alkalinity	( )
BOD-5	( )	Bicarbonate	( )
Chloride	( )	Bromide	( )
COD	( )	Chlorine, Res.	( )____
Conductivity	( )____	Color (ADMI)	( )
Dissolved Oxygen	( )____	Color (Pt-Co)	( )
Hardness	( )	Cyanide	( )
Moisture %	( )	Fluoride	( )
Nitrite	( )	Iodide	( )
Oil+Grease	( )	Nitrate	( )
Phenol	( )	Nitrate + Nitrite	( )
Phosphorus, Total	( )	pH	( )____
Sett Solids mg/L	( )	Phosphate, Ortho	( )
Sulfate	( )	Sett. Solids mL/L	( )
Sulfite	( )	Solids, Total	( )
TDS	( )	Sulfide	( )
Temperature	( )____	Surfactant	( )
TOC	( )	TSS	( )
Asbestos in Air	( )	TKN	( )
TVS	( )	Turbidity	( )
Total Nitrogen		Carbonate	( )

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )
Chromium	(Cr)	( )	Copper	(Cu)	( )
Iron	(Fe)	( )	Lead	(Pb)	( )
Manganese	(Mn)	( )	Mercury	(Hg)	( )
Nickel	(Ni)	( )	Selenium	(Se)	( )
Silver	(Ag)	(X) cool	Tin	(Sn)	( )
Zinc	(Zn)	( )	Arsenic	(As)	( )
Barium	(Ba)	( )	Boron	(B)	( )
Antimony	(Sb)	( )	Beryllium	(Be)	( )
Bismuth	(Bi)	( )	Calcium	(Ca)	( )
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )
Potassium	(K)	( )	Silicon	(Si)	( )
Sodium	(Na)	( )	Strontium	(Sr)	( )
Thallium	(Tl)	( )	Titanium	(Ti)	( )
Vanadium	(V)	( )	Lithium	(Li)	( )

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	( )	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Comments: [illegible]

Sampling Witness: [illegible]

Date / Time: [illegible]

Relinquished by:

Date/Time:

Received by:

Date/Time:

Relinquished by:

Date/Time:

Received by:

Date/Time:

Matrix:

air	( )	water	( )	sludge	( )
liquid	( )	soil	(X)	solid	( )
oil	( )	mixed	( )	other	( )

Specify:

Sample type legend:

grab samples x

composite samples xx

Turnaround time:

1 day ( )

2 days ( )

3 days ( )

5 days ( )

Sampling Equipment:

Automatic Sampler ( )

Sample Pick Up ( )

Note: normal turnaround time is ten (10) working days; additional charges apply for rush orders.

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Client

CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO	COMPANY CHED	SAMPLER [illegible]

SAMPLE LOCATION/CLIENT ID	Wallace S. Iver San Germán	TIME	[illegible]	CONTROL NO.
SAMPLE DATE	8/15/06	BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )
Ammonia as N	( )	Alkalinity	( )
BOD-5	( )	Bicarbonate	( )
Chloride	( )	Bromide	( )
COD	( )	Chlorine, Res.	( )____
Conductivity	( )____	Color (ADMI)	( )
Dissolved Oxygen	( )____	Color (Pt-Co)	( )
Hardness	( )	Cyanide	( )
Moisture %	( )	Fluoride	( )
Nitrite	( )	Iodide	( )
Oil+Grease	( )	Nitrate	( )
Phenol	( )	Nitrate + Nitrite	( )
Phosphorus, Total	( )	pH	( )____
Sett Solids mg/L	( )	Phosphate, Ortho	( )
Sulfate	( )	Sett. Solids mL/L	( )
Sulfite	( )	Solids, Total	( )
TDS	( )	Sulfide	( )
Temperature	( )____	Surfactant	( )
TOC	( )	TSS	( )
Asbestos in Air	( )	TKN	( )
TVS	( )	Turbidity	( )
Total Nitrogen		Carbonate	( )

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )
Chromium	(Cr)	( )	Copper	(Cu)	( )
Iron	(Fe)	( )	Lead	(Pb)	( )
Manganese	(Mn)	( )	Mercury	(Hg)	( )
Nickel	(Ni)	( )	Selenium	(Se)	( )
Silver	(Ag)	(X) cool	Tin	(Sn)	( )
Zinc	(Zn)	( )	Arsenic	(As)	( )
Barium	(Ba)	( )	Boron	(B)	( )
Antimony	(Sb)	( )	Beryllium	(Be)	( )
Bismuth	(Bi)	( )	Calcium	(Ca)	( )
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )
Potassium	(K)	( )	Silicon	(Si)	( )
Sodium	(Na)	( )	Strontium	(Sr)	( )
Thallium	(Tl)	( )	Titanium	(Ti)	( )
Vanadium	(V)	( )	Lithium	(Li)	( )

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	( )	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Comments: _____

Sampling Witness; _____

Date / Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Matrix:

air	( )	water	( )	sludge	( )
liquid	( )	soil	(X)	solid	( )
oil	( )	mixed	( )	other	( )

Specify: _____

Sample type legend:

grab samples x

composite samples xx

Turnaround time:

1 day ( )

2 days ( )

3 days ( )

5 days ( )

Sampling Equipment:

Automatic Sampler ( )

Sample Pick Up ( )

Note: normal turnaround time is ten (10) working days; additional charges apply for rush orders.

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Client

CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO.	COMPANY CHED	SAMPLER L. Melendez / [illegible]

SAMPLE LOCATION/CLIENT ID	Wallace Silver Sun Grove	TIME	11:3[illegible]	CONTROL NO.
SAMPLE DATE	5/[illegible]	BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )
Ammonia as N	( )	Alkalinity	( )
BOD-5	( )	Bicarbonate	( )
Chloride	( )	Bromide	( )
COD	( )	Chlorine, Res.	( )____
Conductivity	( )____	Color (ADMI)	( )
Dissolved Oxygen	( )____	Color (Pt-Co)	( )
Hardness	( )	Cyanide	( )
Moisture %	( )	Fluoride	( )
Nitrite	( )	Iodide	( )
Oil+Grease	( )	Nitrate	( )
Phenol	( )	Nitrate + Nitrite	( )
Phosphorus, Total	( )	pH	( )____
Sett Solids mg/L	( )	Phosphate, Ortho	( )
Sulfate	( )	Sett. Solids mL/L	( )
Sulfite	( )	Solids, Total	( )
TDS	( )	Sulfide	( )
Temperature	( )____	Surfactant	( )
TOC	( )	TSS	( )
Asbestos in Air	( )	TKN	( )
TVS	( )	Turbidity	( )
Total Nitrogen		Carbonate	( )

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )
Chromium	(Cr)	( )	Copper	(Cu)	( )
Iron	(Fe)	( )	Lead	(Pb)	( )
Manganese	(Mn)	( )	Mercury	(Hg)	( )
Nickel	(Ni)	( )	Selenium	(Se)	( )
Silver	(Ag)	(X) cool	Tin	(Sn)	( )
Zinc	(Zn)	( )	Arsenic	(As)	( )
Barium	(Ba)	( )	Boron	(B)	( )
Antimony	(Sb)	( )	Beryllium	(Be)	( )
Bismuth	(Bi)	( )	Calcium	(Ca)	( )
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )
Potassium	(K)	( )	Silicon	(Si)	( )
Sodium	(Na)	( )	Strontium	(Sr)	( )
Thallium	(Tl)	( )	Titanium	(Ti)	( )
Vanadium	(V)	( )	Lithium	(Li)	( )

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	( )	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Comments: SS 3

Sampling Witness; _____

Date / Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Matrix:

air	( )	water	( )	sludge	( )
liquid	( )	soil	(X)	solid	( )
oil	( )	mixed	( )	other	( )

Specify: _____

Sample type legend:

grab samples x

composite samples xx

Turnaround time:

1 day ( )

2 days ( )

3 days ( )

5 days ( )

Sampling Equipment:

Automatic Sampler ( )

Sample Pick Up ( )

Note: normal turnaround time is ten (10) working days; additional charges apply for rush orders.

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Tel. 787-841-7373 • Fax 787-841-7313

Client

CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO	COMPANY	SAMPLER
	CHED	[illegible]

SAMPLE LOCATION/CLIENT ID	Wallace Silver San German	TIME	[illegible]	CONTROL NO.
SAMPLE DATE	5/15/06	BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )
Ammonia as N	( )	Alkalinity	( )
BOD-5	( )	Bicarbonate	( )
Chloride	( )	Bromide	( )
COD	( )	Chlorine, Res.	( )____
Conductivity	( )____	Color (ADMI)	( )
Dissolved Oxygen	( )____	Color (Pt-Co)	( )
Hardness	( )	Cyanide	( )
Moisture %	( )	Fluoride	( )
Nitrite	( )	Iodide	( )
Oil+Grease	( )	Nitrate	( )
Phenol	( )	Nitrate + Nitrite	( )
Phosphorus, Total	( )	pH	( )____
Sett Solids mg/L	( )	Phosphate, Ortho	( )
Sulfate	( )	Sett. Solids mL/L	( )
Sulfite	( )	Solids, Total	( )
TDS	( )	Sulfide	( )
Temperature	( )____	Surfactant	( )
TOC	( )	TSS	( )
Asbestos in Air	( )	TKN	( )
TVS	( )	Turbidity	( )
Total Nitrogen		Carbonate	( )

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )
Chromium	(Cr)	( )	Copper	(Cu)	( )
Iron	(Fe)	( )	Lead	(Pb)	( )
Manganese	(Mn)	( )	Mercury	(Hg)	( )
Nickel	(Ni)	( )	Selenium	(Se)	( )
Silver	(Ag)	( )	Tin	(Sn)	( )
Zinc	(Zn)	( )	Arsenic	(As)	( )
Barium	(Ba)	( )	Boron	(B)	( )
Antimony	(Sb)	( )	Beryllium	(Be)	( )
Bismuth	(Bi)	( )	Calcium	(Ca)	( )
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )
Potassium	(K)	( )	Silicon	(Si)	( )
Sodium	(Na)	( )	Strontium	(Sr)	( )
Thallium	(Tl)	( )	Titanium	(Ti)	( )
Vanadium	(V)	( )	Lithium	(Li)	( )

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	X	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Comments: [illegible]

Sampling Witness; _____

Date / Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Relinquished by: _____

Date/Time: _____

Received by: _____

Date/Time: _____

Matrix:

air	( )	water	( )	sludge	( )
liquid	( )	soil	( )	solid	( )
oil	( )	mixed	(X)	other	( )

Specify: [illegible]

Sample type legend:

grab samples x

composite samples xx

Turnaround time:

1 day ( )
2 days ( )
3 days ( )
5 days ( )

Sampling Equipment:

Automatic Sampler ( )
Sample Pick Up ( )

Note: normal turnaround time is ten (10) working days; additional charges apply for rush orders.

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[illegible]

Client

CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO.	COMPANY	SAMPLER

SAMPLE LOCATION/CLIENT ID		TIME		CONTROL NO.
SAMPLE DATE		BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )	Sampling Witness:	
Ammonia as N	( )	Alkalinity	( )	Date / Time:	
BOD-5	( )	Bicarbonate	( )		
Chloride	( )	Bromide	( )	Relinquished by:	
COD	( )	Chlorine, Res.	( )____		
Conductivity	( )____	Color (ADMI)	( )	Date/Time:	
Dissolved Oxygen	( )____	Color (Pt-Co)	( )	Received by:	
Hardness	( )	Cyanide	( )		
Moisture %	( )	Fluoride	( )	Date/Time:	
Nitrite	( )	Iodide	( )	Relinquished by:	
Oil+Grease	( )	Nitrate	( )		
Phenol	( )	Nitrate + Nitrite	( )	Date/Time:	
Phosphorus, Total	( )	pH	( )____	Received by:	
Sett Solids mg/L	( )	Phosphate, Ortho	( )		
Sulfate	( )	Sett. Solids mL/L	( )	Date/Time:	
Sulfite	( )	Solids, Total	( )		
TDS	( )	Sulfide	( )	Matrix:	
Temperature	( )____	Surfactant	( )	air ( ) water ( ) sludge ( )	
TOC	( )	TSS	( )	liquid ( ) soil ( ) solid ( )	
Asbestos in Air	( )	TKN	( )	oil ( ) mixed (X) other ( )	
TVS	( )	Turbidity	( )	Specify: Waste	
Total Nitrogen		Carbonate	( )		

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )	Sample type legend:
Chromium	(Cr)	( )	Copper	(Cu)	( )	grab samples x
Iron	(Fe)	( )	Lead	(Pb)	( )	composite samples xx
Manganese	(Mn)	( )	Mercury	(Hg)	( )	
Nickel	(Ni)	( )	Selenium	(Se)	( )	
Silver	(Ag)	( )	Tin	(Sn)	( )	
Zinc	(Zn)	( )	Arsenic	(As)	( )	
Barium	(Ba)	( )	Boron	(B)	( )	
Antimony	(Sb)	( )	Beryllium	(Be)	( )	
Bismuth	(Bi)	( )	Calcium	(Ca)	( )	
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )	
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )	
Potassium	(K)	( )	Silicon	(Si)	( )	
Sodium	(Na)	( )	Strontium	(Sr)	( )	
Thallium	(Tl)	( )	Titanium	(Ti)	( )	
Vanadium	(V)	( )	Lithium	(Li)	( )	

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	( )	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Turnaround time:

- 1 day ( )
- 2 days ( )
- 3 days ( )
- 5 days ( )

Sampling Equipment:

- Automatic Sampler ( )
- Sample Pick Up ( )

Note: normal turnaround time is ten (10) working days: additional charges apply for rush orders.

Comments _____

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CHAIN OF CUSTODY RECORD

REVISION 2003

PROYECT NO.	COMPANY	SAMPLER

SAMPLE LOCATION/CLIENT ID		TIME		CONTROL NO.
SAMPLE DATE		BEL. NO.		

1. General Environmental:

Acidity	( )	VSS	( )	Sampling Witness:	
Ammonia as N	( )	Alkalinity	( )	Date / Time:	
BOD-5	( )	Bicarbonate	( )	Relinquished by:	
Chloride	( )	Bromide	( )		
COD	( )	Chlorine, Res.	( )____	Date/Time:	
Conductivity	( )____	Color (ADMI)	( )	Received by:	
Dissolved Oxygen	( )____	Color (Pt-Co)	( )		
Hardness	( )	Cyanide	( )	Date/Time:	
Moisture %	( )	Fluoride	( )	Relinquished by:	
Nitrite	( )	Iodide	( )		
Oil+Grease	( )	Nitrate	( )	Date/Time:	
Phenol	( )	Nitrate + Nitrite	( )	Received by:	
Phosphorus, Total	( )	pH	( )____		
Sett Solids mg/L	( )	Phosphate, Ortho	( )	Date/Time:	
Sulfate	( )	Sett. Solids mL/L	( )		
Sulfite	( )	Solids, Total	( )		
TDS	( )	Sulfide	( )		
Temperature	( )____	Surfactant	( )		
TOC	( )	TSS	( )		
Asbestos in Air	( )	TKN	( )		
TVS	( )	Turbidity	( )		
Total Nitrogen		Carbonate	( )		

2. Metals:

Aluminum	(Al)	( )	Cadmium	(Cd)	( )
Chromium	(Cr)	( )	Copper	(Cu)	( )
Iron	(Fe)	( )	Lead	(Pb)	( )
Manganese	(Mn)	( )	Mercury	(Hg)	( )
Nickel	(Ni)	( )	Selenium	(Se)	( )
Silver	(Ag)	( )	Tin	(Sn)	( )
Zinc	(Zn)	( )	Arsenic	(As)	( )
Barium	(Ba)	( )	Boron	(B)	( )
Antimony	(Sb)	( )	Beryllium	(Be)	( )
Bismuth	(Bi)	( )	Calcium	(Ca)	( )
Chromium, VI	(CrVI)	( )	Cobalt	(Co)	( )
Magnesium	(Mg)	( )	Molybdenum	(Mo)	( )
Potassium	(K)	( )	Silicon	(Si)	( )
Sodium	(Na)	( )	Strontium	(Sr)	( )
Thallium	(Tl)	( )	Titanium	(Ti)	( )
Vanadium	(V)	( )	Lithium	(Li)	( )

3. RCRA/Hazardous wastes

Ignitability (Flash Pt.)	( )	Corrosivity	( )
Reactivity (CN & S)	( )	TCLP	( )
RCRA Metals	(X)	Organics-Pest/Herb	( )
Organics-BNA	( )	Organics-VOA	( )
TOX	( )		

4. Specific Organics

Volatiles	( )	Phenols GC	( )
Pesticides/PCB's	( )	Semi-Volitiles (BNA)	( )
Herbicides	( )	PCB's Only	( )
BTEX	( )	TPH 418.1	( )
TTO & Dioxin	( )	TTO	( )
		TPH 8015	( )
		Lindane	( )

5. Microbiology

Fecal Coliform	( )	Total Coliform	( )

Comments:

Matrix:

air	( )	water	( )	sludge	( )
liquid	( )	soil	( )	solid	( )
oil	( )	mixed	(X)	other	( )

Specify: Mixed

Sample type legend:

grab samples	x
composite samples	xx

Turnaround time:

1 day	( )
2 days	( )
3 days	( )
5 days	( )

Sampling Equipment:

Automatic Sampler	( )
Sample Pick Up	( )

Note: normal turnaround time is ten (10) working days; additional charges apply for rush orders.

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Client

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'D090405640

Form Approved. OMB No. 2050-0039.

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No. [illegible] Manifest Document No. [illegible]

2. Page 1 of [illegible] Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address
[illegible]

4. Generator's Phone ([illegible])

5. Transporter 1 Company Name
[illegible]

6. US EPA ID Number
[illegible]

7. Transporter 2 Company Name
[illegible]

8. US EPA ID Number
[illegible]

9. Designated Facility Name and Site Address
TEPIS
[illegible] AMERICAN CIRCLE
EL DORADO, AR [illegible]

10. US EPA ID Number
[illegible]

A. State Manifest Document Number

B. State Generator's ID

C. State Transporter's ID [illegible]

D. Transporter's Phone (787) 641-5393

E. State Transporter's ID

F. Transporter's Phone (787) 749-[illegible]

G. State Facility's ID

H. Facility's Phone (870) 863-7173

GENERATOR

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)

	HM		12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X	X	WASTE CORROSIVE LIQUID ACIDIC INORGANIC NOS, 8, UN[illegible], PG:II, (NITRIC AID, SULFURIC ACID), (ERG:)	0.0.1	[illegible] D F	00030	G	D002
b. X	X	HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	0.0.2	[illegible] C F	00400	P	D009
c. X	X	HAZARDOUS WASTE, LIQUID, N.O.S., 9, NA3082, PG:III, (TRICHLOROETHYLENE), (ERG:171)	0.0.8	[illegible] D M	00440	G	D040
d. X	X	[illegible]	0.0.1	[illegible] D G	00500	P	[illegible]

J. Additional Descriptions for Materials Listed Above
11A:, 01350174,11B:, 50046529,11C: P002, 50054399 11D, 50054620

K. Handling Codes for Wastes Listed Above
S01, H141

15. Special Handling Instructions and Additional Information

JOB#0052-06W SHIP# CONTAINER#

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway and water according to applicable international and national government regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; **OR**, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name [illegible] Signature [illegible] Month Day Year

TRANSPORTER

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed/Typed Name [illegible] Signature [illegible] Month Day Year [illegible]

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed/Typed Name Signature Month Day Year

FACILITY

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.

Printed/Typed Name Signature Month Day Year

Style CF 17 LABELMASTER® (800) 621-5808 www.labelmaster.com

EPA Form 8700-22 (Rev. 9-88) Previous editions are obsolete.

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UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No. PRD009005648 — Manifest Document No. 000001

2. Page 1 of 4 — Information in the shaded areas is not required by Federal law.

GENERATOR

3. Generator's Name and Mailing Address
WALMART INTERNATIONAL DE PR
ATTN: IRIS BONILLA
CALLE B KM 56 HCTRO IND. PARK
SAN SEBASTIAN PR 00685

4. Generator's Phone (787) 896-2065

A. State Manifest Document Number

B. State Generator's ID

5. Transporter 1 Company Name: ENSCO CARIBE, INC

6. US EPA ID Number: PRD000012688

C. State Transporter's ID: HW-32

D. Transporter's Phone: (787) 841-5393

7. Transporter 2 Company Name: CSX LINES

8. US EPA ID Number: PRD082270283

E. State Transporter's ID

F. Transporter's Phone: (787) 749-5686

9. Designated Facility Name and Site Address
TERIS
309 AMERICAN CIRCLE
EL DORADO, AR 71730

10. US EPA ID Number: ARD069748192

G. State Facility's ID

H. Facility's Phone: (870) 863-7173

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	HM	12. Containers No.	12. Containers Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. WASTE CORROSIVE LIQUID ACIDIC INORGANIC NOS, 8, UN3264, PG:II, (NITRIC AID, SULFORIC ACID), (ERG:)	X	001	30 DF	00030	G	D002
b. HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	X	002	9 CF	00400	P	D009
c. HAZARDOUS WASTE, LIQUID, N.O.S., 9, NA3082, PG:III, (TRICHLOROETHYLENE), (ERG:171)	X	008	55 DM	00440	G	D040
d. X WASTE CORROSIVE SOLID, SODIUM hydroxide, P.G.S, 8, UN1823, PG:II	X	001	55 DF	00500	P	D002

J. Additional Descriptions for Materials Listed Above
11A: 01350174,11B: S0046529,11C: 8003, S0054599, ID, 5005, 7650

K. Handling Codes for Wastes Listed Above
S01, H141

15. Special Handling Instructions and Additional Information
JOB#0052-06W SHIP# CONTAINER#

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway and water according to applicable international and national government regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; **OR**, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name	Signature	Month Day Year
Edwin Cabrera		

TRANSPORTER

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Month Day Year
Enrique Clemente		05/16/06

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Month Day Year

FACILITY

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.

Printed/Typed Name	Signature	Month Day Year

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

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UNIFORM HAZARDOUS WASTE MANIFEST (Continuation Sheet)

21. Ge[illegible]or's US EPA ID No. | Manifest Document Nu[illegible] | 2. Page [illegible] | Information in the shaded areas is not required by Federal law.

23. Generator's Name

L. State Manifest Document Number

M. State Generator's ID

24. Transporter 3 Company Name | 25. US EPA ID Number | N. State Transporter's ID

O. Transporter's Phone

26. Transporter ___ Company Name | 27. US EPA ID Number | P. State Transporter's ID

Q. Transporter's Phone

28. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	HM	29. Containers No.	29. Containers Type	30. Total Quantity	31. Unit Wt/Vol	R. Waste No.
a.						
b.						
c.						
d.						
e.						
f.						
g.						
h.						
i.						

S. Additional Descriptions for Materials Listed Above

T. Handling Codes for Wastes Listed Above

32. Special Handling Instructions and Additional Information

GENERATOR

TRANSPORTER

33. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name | Signature | Date: Month Day Year

34. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name | Signature | Date: Month Day Year

FACILITY

35. Discrepancy Indication Space

IN CASE OF EMERGENCY OF SPILL, IMMEDIATELY CALL THE ENVIRONMENTAL QUALITY BOARD (809) 722-0439

EPA Form 8700-22A (Rev. 9-88) Previous editions are obsolete.

COPY 6 DISPOSED STATE - MAILED BY GENERATOR

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UNIFORM HAZARDOUS WASTE MANIFEST (Continuation Sheet)

21. Generator's US EPA ID No.	Manifest Document No.	22. Page	Information in the shaded areas is not required by Federal law.

23. Generator's Name

L. State Manifest Document Number

M. State Generator's ID

24. Transporter ___ Company Name

25. US EPA ID Number

N. State Transporter's ID

O. Transporter's Phone

26. Transporter ___ Company Name

27. US EPA ID Number

P. State Transporter's ID

Q. Transporter's Phone

	28. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	HM	29. Containers No.	29. Containers Type	30. Total Quantity	31. Unit Wt/Vol	R. Waste No.
a.							
b.							
c.							
d.							
e.							
f.							
g.							
h.							
i.							

S. Additional Descriptions for Materials Listed Above

T. Handling Codes for Wastes Listed Above

32. Special Handling Instructions and Additional Information

IN CASE OF EMERGENCY OF SPILL, IMMEDIATELY CALL THE ENVIRONMENTAL QUALITY BOARD (809) 722-0439

GENERATOR

TRANSPORTER

33. Transporter ___ Acknowledgement of Receipt of Materials

Printed/Typed Name | Signature | Date (Month Day Year)

34. Transporter ___ Acknowledgement of Receipt of Materials

Printed/Typed Name | Signature | Date (Month Day Year)

FACILITY

35. Discrepancy Indication Space

EPA Form 8700-22A (Rev. 9-88) Previous editions are obsolete.

COPY 7 GENERATOR STATE - MAILED BY GENERATOR

Please print or type. (Form designed for use on elite (12-pitch) typewriter.)

Form Approved. OMB No. 2050-0039.

UNIFORM HAZARDOUS WASTE MANIFEST
(Continuation Sheet)

21. Generator's US EPA ID No.	Manifest Document No.	Page	Information in the shaded areas is not required by Federal law.

23. Generator's Name

L. State Manifest Document Number

M. State Generator's ID

24. Transporter ___ Company Name

25. US EPA ID Number

N. State Transporter's ID

O. Transporter's Phone

26. Transporter ___ Company Name

27. US EPA ID Number

P. State Transporter's ID

Q. Transporter's Phone

28. US DOT Description *(Including Proper Shipping Name, Hazard Class, and ID Number)*	HM	29. Containers No.	29. Containers Type	30. Total Quantity	31. Unit Wt/Vol	R. Waste No.
a.						
b.						
c.						
d.						
e.						
f.						
g.						
h.						
i.						

S. Additional Descriptions for Materials Listed Above

T. Handling Codes for Wastes Listed Above

32. Special Handling Instructions and Additional Information

TRANSPORTER

33. Transporter ___ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)

34. Transporter ___ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)

FACILITY

35. Discrepancy Indication Space

GENERATOR

IN CASE OF EMERGENCY OF SPILL, IMMEDIATELY CALL THE ENVIRONMENTAL QUALITY BOARD (809) 722-0439

LAND DISPOSAL RESTRICTION NOTIFICATION FORM

For Wastes Subject to the Treatment Standards Found in 40 CFR 268

Generator Name: WALLACE INTERNATIONAL DE PR

Manifest Document Number: 06001

EPA ID Number: PRD090405648

State Document Number:

LAND DISPOSAL RESTRICTION NOTIFICATION FORM

Sequence	Profile	Wastewater	Labpack	Drum ID's / Waste Codes / UHC	Special Condition
11A	01350174	N		/D002(CWA), /	
11B	50046529	N		/D040(), F002(), D009(),/	
11C	50054599	N		/D040(), F002(), /	

11D 50054620 ✓ /D002(CWA), /

*Regulated Hazardous Constituents, not the Underlying Hazardous Constituents (UHC's), must be identified for waste streams which carry the EPA Waste Codes, F001-F005, F039 and for California List wastes (40CFR268.32). UHC's must be identified for D001 (If Not Treated by CMBST or RORGS), D002, D012-D043 (if treated in Non-CWA, Non-CWA equivalent or Non-SDWA facilities). Wastewater forms of D012-D017 do not require that UHC's be identified. List the constituents on the corresponding line or include a marked copy of the Universal Treatment Standards Sheet for each affected WMDS.

Special Conditions:

A. Waste Requiring No Further Treatment
B. Lab Pack Waste Qualifying for Alternative Treatment under 40 CFR 268.42(c)
C. Hazardous Waste Debris subject to standard treatment requirements, 40 CFR 268.40.
D. Hazardous Waste Debris subject to alternative standards in 40 CFR 268.45. (List Contaminants)
E. Waste Qualifying for Exemption and not subject to Land Disposal Restriction (Explain)
F. Characteristic wastes that are subject to treatment standards in 40 CFR 268.4D (other than those expressed as a required method of treatment) that are reasonably expected to contain underlying hazardous constituents as defined in 40 CFR 268.2(i);are treated on-site to remove the hazardous characteristic; and then are sent off-site for treatment of underlying hazardous constituents (list constituents).
G. Characteristic wastes that contain underlying hazardous constituents as defined in 40 CFR 268.2(i) that are treated on-site to remove the hazardous characteristic and the underlying hazardous constituents to levels in 40 CFR 268.48 Universal Treatment Standards.
H. For Chemical Manufacturers, Petroleum Refineries, Coke By-Product Facilities and RCRA TSDFs handling wastes subject to 40 CFR 61 subpart FF ONLY:
This waste is a "Controlled Benzene Waste" which is subject to the notification requirements of 40 CFR 61 subpart FF.
I. Certification for contaminated soil indicating the presence or absence of characteristic and/or listed hazardous wastes.
J. Certification for contaminated soil treated in accordance with 40 CFR 268.49.

Waste analysis is attached where available, otherwise, the information contained herein is based upon my thorough knowledge of the waste(s).

I hereby certify that I believe that the information I submitted is true, accurate and complete.

Signature _____ Title Facility Manager Date 7-31-06

Waste Streams Identified by Special Condition A:

I certify under penalty of law that I personally have examined and am familiar with the wastethrough analysis and testing or through knowledge of the waste to support this certification that the waste complies with the treatment standards specified in 40 CFR Part 268 Subpart D and all applicable prohibitions set forth in 40CFR 268.32 or RCRA section 3004(d). I believe that the information I submitted is true, accurate and complete. I am aware that there are significant penalties for submitting a false certification, including the possibility of a fine and imprisonment.

Waste Streams Identified by Special Condition B:

I certify under penalty of law that I personally have examined and am familiar with the waste and that the lab pack contains only wastes which have not been excluded under appendix IV to 40 CFR 268 and that this lab pack will be sent to a combustion facility in compliance with the alternative treatment standards for lab packs at 40 CFR 268.42(c). I am aware that there are significant penalties for submitting a false certification, including the possibility of a fine and imprisonment.

Waste Streams Identified by Special Condition F:

I certify under penalty of law that the waste has been treated in accordance with the requirements of 40 CFR 268.40 to remove the hazardous characteristic. This decharacterized waste contains underlying hazardous constituents that require further treatment to meet universal treatment standards. I am aware that there are significant penalties for submitting a false certification, including the possibility of a fine and imprisonment.

Waste Streams Identified by Special Condition G:

I certify under penalty of law that the waste has been treated in accordance with the requirements of 40 CFR 268.40 to remove the hazardous characteristic, and that underlying hazardous constituents, as defined in 268.2, have been treated on-site to meet the 268.48 Universal Treatment Standards. I am aware that there are significant penalties for submitting a false certification, including the possibility of a fine and imprisonment.

Waste Streams Identified by Special Condition I:

I certify under penalty of law that I have personally examined this contaminated soil and it [DOES / DOES NOT] contain listed hazardous waste and [does / does not] exhibit a characteristic of hazardous waste and requires treatment to meet the soil treatment to meet the soil treatment standards as provided by 268.49(c).

Waste Streams Identified by Special Condition J:

I certify under penalty of law that I have personally examined and am familiar with the treatment technology and operation of the treatment process used to support this certification and believe that it has been maintained and operated properly so as to comply with treatment standards specified in 40 CFR 268.49 without impermissible dilution of the prohibited wastes. I am aware there are significant penalties for submitting a false certification, including the possibility of fine and imprisonment.

ENSCO CARIBE, INC.

CUSTOMER'S COPY

JOB REPORT

DATE 07-31-06

NUMBER #JOB: 0952-06U

PROJECT OR JOB NAME	PURCHASE ORDER NO.	SHIPMENT NO.
CUSTOMER'S NAME Wallace International DE P.R.	CONTACT	TITLE
PHYSICAL ADDRESS OR SERVICE Calle B El Retiro Ind Park San German P.R. 00683		TELEPHONE
PROJECT DESCRIPTION 1 Manifest #06001		
PROJECT DESCRIPTION 2		EPA ID# PRD090405648

HUMAN RESOURCES

TYPE	NAME	TRAVEL	TIME IN	TIME OUT	TOTAL HOURS
	Enrique Clemente	3	10:30/AM	12:15/PM	
	Carlos R. Ortiz	3	10:30/AM	12:15/PM	

MATERIALS, PERSONAL PROTECTIVE GEAR AND OTHER EQUIPMENT

DESCRIPTION	QUANTITY	DESCRIPTION	QUANTITY	DESCRIPTION	QUANTITY
Drones de 8'	2-ea				
Dampers					
Drones de poly	1-ea	N/A		N/A	
64-30 gls of					

PICK-UP OF BULK, LAB-PACK OR TANK

APPROVAL CODE	DESCRIPTION	DRUM QUANTITY	TYPE OR SIZE	WEIGHT OR VOLUME
01350174	Nitric Acid Sulfuric Acid	001	30/gls	00030-G
50046529	Mercury	002	8' carton	00400-P
50054599	Trichloroethylene	008	55-gls	00440-G
50054620	Hydroxids Sodium	001	55/gls	00500-P

SUMMARY OF THE DAY AND COMMENTS

Se recogieron 2 drones de 8' con la cantidad 1 con 56 y 1 con 59 tubos

I certify that the statements made on this report are true and that the materials to be transported are described, classified, marked, labeled and are in proper condition according to Local and Federal EPA / DOT regulations. In addition, the contracted work has been completed to the satisfaction of both parties.

ENSCO CARIBE, INC.	NAME (BLOCK LETTERS)	CUSTOMER'S SIGNATURE	NAME (BLOCK LETTERS PLEASE)
Enrique Clemente	Enrique Clemente	[signature]	Edwin Colón Cupeles
AUTHORIZED SIGNATURE		AUTHORIZED SIGNATURE	

ESTADO LIBRE ASOCIADO DE PUERTO RICO / OFICINA DE LA GOBERNADORA

Junta de Calidad Ambiental

Apartado 11488, Santurce PR 00910

Manifiesto de Transportación de Aceite Usado **Núm. Manifiesto: M-**

6

Generador

1. Nombre y Dirección del Generador

2.Numero de Identificación

AU-

3. Teléfono

(787)

4. Número de identificación patronal del generador o número de seguro social de individuo. Indicar el número de la compañía o persona a la que pertenece el número. Si está cediendo a un procesador el derecho de recibir pagos por acarreo y disposición del aceite usado, deberá indicar el nombre y el número de identificación patronal del mismo.

Nombre

P. R. Used Oil Collectors 6 6 0 5 0 1 3 3 9

5. Descripción	6. Tipo de envase*	7. Volumen total (gal.)
a) aceite usado contaminado **		
b) aceite usado sin contaminar		

* Bidones ("drones")- B Tanque-T **Especificar contaminante en el encasillado 22

8. Cantidad en palabras de aceite usado sin contaminar

9. Certificación del Generador: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado descrita en los encasillados de la columna 7 y el encasillado 8 es correcta. Además, certifico que el pago por acarreo y disposición debe ser realizado a la entidad en el encasillado 4.

Nombre en letra de molde | Firma | Fecha (D/M/A)

Transportador

10. Nombre del Transportador

Puerto Rico Used Oil Collectors, Inc.
P.O. Box 190837
San Juan, PR 00919-0837

11. Número de permiso

SR-11-0024

12. Teléfono

(787) 740-1110

13. Certificación del Transportador: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recogido está descrita correctamente en los encasillados de la columna 7 y el encasillado 8.

Nombre en letra de molde | Firma | Fecha (D/M/A)

Instrucciones

Copia 1 - Copia de la JCA: Enviada por el Destinatario a la JCA
Copia 2 - Copia del Generador: enviada por el Destinatario al Generador
Copia 3 - Copia del Destinatario Final: la retiene el Destinatario
Copia 4 - Copia del Transportador: la retiene el Transportador
Copia 5 - Copia de la JCA: enviada por el Generador a la JCA
Copia 6 - Copia del Generador: retenida por el Generador

Este documento tiene que acompañar el cargamento de aceite usado. Los encasillados del 1 al 8 tienen que estar llenos al momento de firmar la certificación en el encasillado número 9. La información debe estar legible en todas las copias del formulario. De necesitar ayuda para llenar el formulario, favor de comunicarse con cualquiera de las oficinas de la JCA.

Area Metro	Arecibo	Ponce	Mayagüez	Guayama	Humacao
767-8124	880-0013	840-4070	833-1188	864-0103	502-4102

Destinatario

14. Nombre y Dirección del Destinatario

Puerto Rico Used Oil Collectors, Inc.
PO Box 190837
San Juan, Puerto Rico 00919-0837

15. Número de permiso

IDF-11-0037

16. Teléfono

(787) 740-1110

17. Certificación del Destinatario: Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recibida corresponde a la cantidad descrita en los encasillados de la columna 7 y el encasillado 8.

Gloria Cordero

Nombre en letra de molde | Firma | Fecha (D/M/A)

Estación de Trasbordo

18. Nombre de la Estación de Trasbordo

19. Número de permiso

20. Teléfono

(787)

21. Certificación de la Estación : Sujeto a ser procesado criminal y civilmente por declaraciones falsas u omisiones, declaro que la cantidad de aceite usado recibida corresponde a la cantidad descrita en los encasillados de la columna 7 y el encasillado 8.

Nombre en letra de molde | Firma | Fecha (D/M/A)

22. Discrepancias: Al hacer cualquier corrección, favor de indicar el número y letra (si aplica) del encasillado que se está corrigiendo. Firmar al lado de la corrección.

Oil Energy System, Inc.

*P. O. Box 711 Mayagüez, Puerto Rico, 00681 – Tels. (787) 832-5757 / 832-5790 * Fax (787) 833-8060*

Favor de guardar para su record, como evidencia de recogido de desperdicio y/o entrega o recogido de equipo.

Gracias por su patrocinio.

NON - HAZARDOUS WASTE TRANSPORTATION ACCEPTANCE DOCUMENT

Oil Energy System, Inc.
PO Box 711 Mayagüez, PR 00681
Tels. (787)832-5790 / 265-5880 Fax (787) 833-8060
Facility Permit Number: IP-50-0041-RM
Transporter ID Number: SR-50-0199
EPA ID Number: PRR-000008524

Name	Wallace International San German
Address	PO BOX 1177 San German, PR 00683
Phone no.	892-2065
P.O. Number	
Control no.	4992

Quantity of Equipment	Delivery Equipment	Description and Classification of Material	Total Quantity	Unit (Wt/Vol)	Comments
		Recogido de drones			
		vacios	12 Dras		

GENERATOR'S CERTIFICATION: This is to certify that the above named materials are properly classified, described, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation, U.S. EPA and the Commonwealth of P.R. The waste described above were consigned to the Transporter named. The Treatment, Storage or Disposal Facility can and will accept the shipment of waste, and has a valid permit to do so. I certify that the foregoing is true and correct to the best of my knowledge.

Generator's Name:	Edwin Colon Capeles	JCA Identification no.	
Generator's Signature	[signature]	Date Shipped:	9-agosto-06

Transporter Name:	Omar Morales	Transporter I.D. No.:	SR-0199
Transporter Signature:	Omar Morales	Date Shipped:	9-agosto-06
Company Name:	Oil Energy System	Vehicle ID No.	

Facility Name:	Oil Energy System	Facility ID Number:	IP-50-0041
Facility Signature:	[signature]	Date Received:	8/9/06

NP 6366-2002

METALLIX

Refining Redefined – A Precious Metal Refining Company

64C Bridge Avenue • Red Bank, New Jersey 07701
Telephone: 800.327.7938 • Fax 732.936.0029
www.metallixrefining.com

ISO 9001:2000

Wallace Silversmiths of Puerto Rico, LTD
B Street EL Retiro Industrial Park
San German, PR 00683

7/31/2006

The following information is the estimated value of the submitted sample. The estimated value is an advisory only and may not reflect the value of a larger shipment due to inconsistencies in the material and collection thereof. Metallix does not represent or warranty the value of any scrap shipments based on the sample submitted.

Sample Description	Au t/o lb	Ag t/o lb	Pt t/o lb	Pd t/o lb	Rh t/o lb	Cu lbs / lb
Ag Sludge		.070				

Minimum size shipment of this material is: this material is too low grade for processing

Vazquez, Aracelis

From: Nina Daniels [ninad@metallixrefining.com]
Sent: Tuesday, November 01, 2005 11:55 AM
To: Vazquez, Aracelis
Subject: Not Enough Silver

Hi Aracelis.

Good morning.
We completed the analytics on your sludge sample. It's too low-grade to process. The silver content is not sufficient to off-set the costs to process the material.
Drat - we were hoping there would be another waste stream for us to get involved in handling....
Hope all is well.

Thanks,

Nina Daniels
Metallix Inc
251 Industrial Ave
Greenville NC 27834
Toll Free:800-327-7938
Direct: 252-558-0230
Fax: 252-413-0637
www.metallixrefining.com

Autoridad de Acueductos
y Alcantarillados

Will Certificación

AUTORIDAD DE ACUEDUCTOS Y ALCANTARILLADOS

Oficina Comercial de San Germàn

CERTIFICACIÒN SERVICIOS PRESTADOS

La Autoridad de Acueductos y Alcantarillados de Puerto Rico ha prestado los servicios que se describen a continuaciòn, bajo las condiciones especìficadas:

0 1. Nombre del abonado: International silver

2. Nombre del Usuario: (si diferente)

3. Direcciòn del servicio: **urb industrial**

4. Nùmero de Cuenta: **12287605-001**

5. Depòsito a) nùmero

b) cantidad:

c) fecha: **7/24/1978**

7. Observaciones: **servicio no esta activo desde 05/28/2004**

8. Informaciòn preparada por: *nestor camacho laboy*

9. Certificada por el Gerente:

a) Nombre: *Sra. Carmen Santiago Vega*

b) Firma: *por nestor camacho laboy*

c) Fecha: 3 de agosto del 2006

```
450I                AUTOR  AD ACUEDUCTOS Y ALCANTARILL.  S          08/08/06
CU010I                        CUSTOMER MAINTENANCE                  09:17:09
CU010M1          CUSTOMER INQUIRY - GENERAL INFORMATION             Change  N
Account No: 11287605 - 001  Check Digit: 7     URB INDUSTRIAL
Office No: 04  District No: 38   Cycle: 26                 Services:   S   M
Customer Name:  INTERNATIONAL SILVER                        Status: TERMINATED
Search Name:    INTERNATIONAL SILVER
Spouse Name:    SR. LUIS SANTIAGO                  Initiation Date: 07/24/1978
Telephone: Bus: _____________                   Termination Date: 05/28/2004
           Home:( 787 ) 892 - 2065      Credit Card No: ____________________
Drivers  Lic:  _____________________    Social Security Number: ___________
Employer Name: _____________            Transfer-To Account:    00000000   000
                                        Transfer-From Account:  00000000   000
Bill-To No:   _____              Care-Of Code:   ___
Name Line 2:  ____________________________________
Mail Line 1:  PO BOX 1177
Mail Line 2:  SAN GERMAN PR
Mail Line 3:  ____________________________________________________________
Mail Line 4:  ____________________________________________________________
Mail Line 5:  ____________________________
Postal Code:  006831177
______ Fastpath Code
CMD KEYS:  1-Refresh Screen / 7-Return to Menu / 11-General Information
CMD KEYS: 12-Flags and Codes / 13-Tax / 14-Deposit / 15-Consolidated Info.
```

LAMP RECYCLING COMPANY, INC.

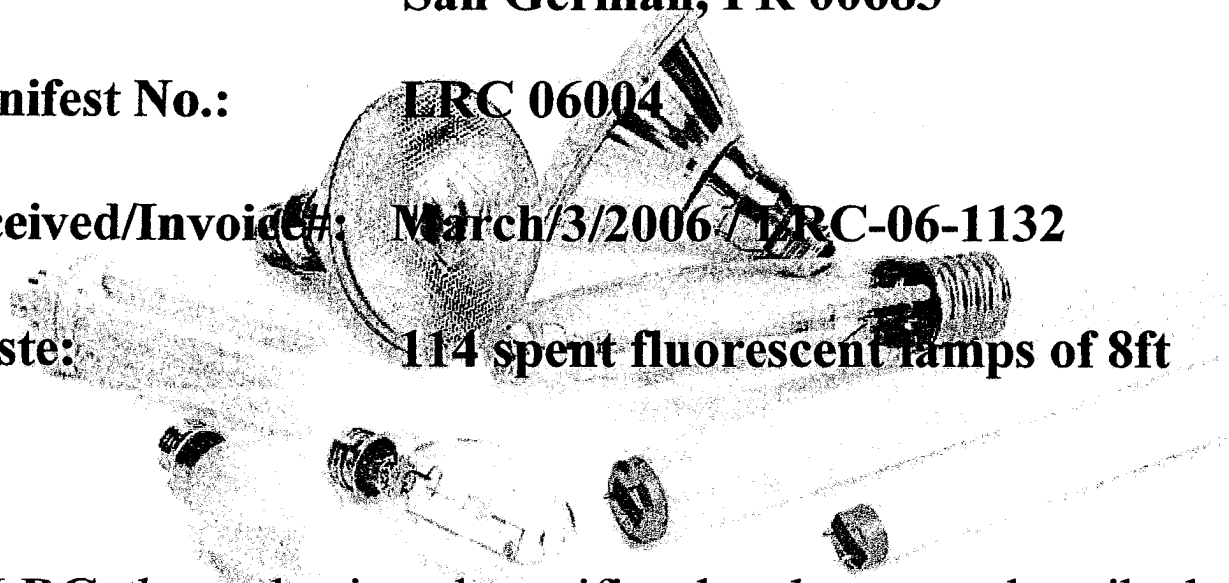
CERTIFICATE OF RECYCLING

Issued to: **Wallace-International de PR**
Urb. El Retiro Industrial Calle 3
San Germán, PR 00683

Manifest No.: **LRC 06004**

Received/Invoice#: **March/3/2006 / LRC-06-1132**

Waste: **114 spent fluorescent lamps of 8ft**



LRC, the undersigned, certifies that the waste described above has been accepted and recycled at the Lighting Resources, Inc., facility in Greenwood, IN, in accordance with the United States Environmental Protection Agency and the State of Indiana Department of Environmental Management.

Name: Angel L. Canetty **Date: May/26/2006**
Title: Operations Manager

_____

Authorized Signature

1002 Ave. Muñoz Rivera Apt. 403 Cond. Olimpo Plaza, PR 00927-5001

Lamp Recycling Co. Inc.

Lamp Reclying Co. Inc.
1002 Muñoz Rivera Ave.
Cond. Olimpo Plaza.Suite 403
San Juan, PR 00927-5001

Invoice

Date	Invoice #
3/23/2006	LRC-06-1132

Bill To

Wallace-International de P. R.
Urb. El Retiro Industrial
Calle 3
San Germán., PR 00927-5001 00683

P.O. No.	Terms	Project
W13683	Due on receipt	

Quantity	Description	Rate	Amount
912	Pick up, storage, transportation and recycling of fluorescent, Lamps of 8 ft. 114 x8'= 912 ft	0.28	255.36

Total $255.36

ALLIED WASTE

GENERATOR WASTE PROFILE SHEET (continued)

Waste Profile #

V. Physical Characteristics of Waste

Characteristic Components	% by Weight (range)
1. SOIL	100%
2.	
3.	
4.	
5.	

Color	Odor (describe)	Free Liquids	% Solids	pH:	Flash Point	Phenol
BROWN	NONE	☐ YES or ☒ NO Content ___ %	100 %	—	— °F	— ppm

Attach Laboratory Analytical Report (and/or Material Safety Data Sheet) Including Required Parameters Provided for this Profile

Does this waste or generating process contain regulated concentrations of the following Pesticides and/or Herbicides: Chlordane, Endrin, Heptachlor (and it epoxides), Lindane, Methoxychlor, Toxaphene, 2,4-D, or 2,4,5-TP Silvex as defined in 40 CFR 261.33?	☐ Yes or ☒ No
Does this waste or generating process cause it to exceed OSHA exposure limits from high levels of Hydrogen Sulfide or Hydrogen Cyanide as defined in 40 CFR 261.23?	☐ Yes or ☒ No
Does this waste contain regulated concentrations of Polychlorinated Biphenyls (PCBs) as defined in 40 CFR Part 761?	☐ Yes or ☒ No
Does this waste contain regulated concentrations of listed hazardous wastes defined in 40 CFR 261.31, 261.32, 261.33, including RCRA F-Listed Solvents?	☐ Yes or ☒ No
Does this waste contain regulated concentrations of 2,3,7,8-Tetrachlorodibenzodioxin (2,3,7,8-TCDD), or any other dioxin as defined in 40 CFR 261.31?	☐ Yes or ☒ No
Is this a regulated Toxic Material as defined by Federal and/or State regulations?	☐ Yes or ☒ No
Is this a regulated Radioactive Waste as defined by Federal and/or State regulations?	☐ Yes or ☒ No
Is this a regulated Medical or Infectious Waste as defined by Federal and/or State regulations?	☐ Yes or ☒ No
Is this waste generated at a Federal Superfund Clean Up Site?	☐ Yes or ☒ No

VI. Generator Certification

I hereby certify that to the best of my knowledge and belief, the information contained herein is a true, complete and accurate description of the waste material being offered for disposal and all known or suspected hazards have been disclosed. All Analytical Results/Material Safety Data Sheets submitted are truthful and complete and are representative of the waste. I further certify that by utilizing this profile, neither myself nor any other employee of the company will deliver for disposal or attempt to deliver for disposal any waste which is classified as toxic waste, hazardous waste or infectious waste, or any other waste material this facility is prohibited from accepting by law. I shall immediately give written notice of any change or condition pertaining to the waste not provided herein. Our company hereby agrees to fully indemnify this disposal facility against any damages resulting from this certification being inaccurate or untrue. I further certify that the company has not altered the form or content of this profile sheet as provided by Allied Waste.

LUIS SANTIAGO — Authorized Representative Name And Title (Printed)

WALLACE SILVER SMITH — Company Name

Authorized Representative Signature

Date

VII. Allied Waste Decision

☐ Approved ☐ Rejected Expiration: ___

Conditions:

Name, Title Signature Date

© Allied Waste February 2001

ALLIED WASTE

GENERATOR WASTE PROFILE SHEET

Requested Disposal Facility: BFI PONCE LANDFILL
an Allied Waste Company

Waste Profile #	
AWI Sales Rep:	
Date:	

I. Generator Information

Generator Name: WALLACE SILVER SMITH			
Generator Site Address:			
City: SAN GERMAN	County: P.R.	State: USA	Zip: 00683
State ID/Reg No:	State Approval/Waste Code: (if applicable)		SIC Code:
Generator Mailing Address (if different): PO BOX 1177			
City: SAN GERMAN	County: P.R.	State: USA	Zip: 00683
Generator Contact Name: LUIS SANTIAGO			
Phone Number: XXX 787-923-1324		Fax Number: 787-892-5550	

IIa. Transporter Information

Transporter Name: CARIBE HYDROBLASTING CORP.		Contact Name: ING. ELDWIN VELAZQUEZ	
Transporter Address: ROAD 385, KM 2.7 BO. TALLABOA			
City: PENUELAS,	County: P.R.	State:	Zip: 00624
Phone Number: 787-836-1110	Fax Number 787-836-0577	State Transportation Number:	

IIb. Billing Information

Bill To: CARIBE HYDROBLASTING CORP.		Contact Name: SR. JOSE L. RENTAS	
Billing Address: PO BOX 790			
City: PENUELAS,	State: P.R.	Zip: 00624	Phone Number: 836-1110

II. Waste Stream Information

Name of Waste: SOIL CONTAMINATED WITH SILVER

Process Generating Waste: SILVER SPILL CLEANING

Type of Waste: ☑ INDUSTRIAL PROCESS WASTE or ☐ POLLUTION CONTROL WASTE

Physical State: ☑ SOLID ☐ SEMI-SOLID ☐ POWDER ☐ LIQUID ☐ OTHER: ____

Method of Shipment: ☐ BULK ☑ DRUM ☐ BAGGED ☐ OTHER: ____

Estimated Annual Volume: ☐ CUBIC YARDS: ____ ☐ TONS: ____ ☐ GALLONS ____ ☐ OTHER: 30 Drs

Frequency: ☐ ONE TIME ☐ DAILY ☐ WEEKLY ☑ MONTHLY ☐ OTHER:

Special Handling Instructions: AS PER OSHA AND NIOSH GUIDELINES

IIc. Representative Sample Certification

☐ NO SAMPLE TAKEN

Is the representative sample collected to prepare this profile and laboratory analysis, collected in accordance with U.S. EPA 40 CFR 261.20(c) guidelines or equivalent rules?	☐ YES or ☐ NO
Sample Date: 08-15-06	Type of Sample: ☐ COMPOSITE SAMPLE ☐ GRAB SAMPLE
Laboratory: BECKTON ENVIRONMENTAL LAB.	Sample ID Numbers: BEL#0606483 - 0606486
Sampler's Employer: BECKTON LAB.	
Sampler's Name (printed): L. MELENDEZ	Signature: Supervisor

© Allied Waste, February 2001

20TH ANNIVERSARY CHED 1977 • 1997

No. 02893

NON-HAZARDOUS SPECIAL WASTE MANIFEST

GENERATOR

Generator Name: Wallace Silver Smith

Generating Location: Wallace Silver Smith

Address: PO Box 1177
San Hermon, PR 00683

Address: El Retiro Ind. Park
San Hermon, PR 00683

Phone No. 787-9231324

Phone No. ___-_____

Ched Waste Code: Not Need

Description of Waste: Drones limpios y vacios

Quantity	Units	Containers No.	Containers Type
			D

Type: D - Drum, C - Carton, B - Bag, T - Truck, P - Pounds, Y - Yards, 0 - Other

I hereby certify that the above named material does not contain free liquid as defined by 40 CFR Part 260.10 or any applicable state law, is not a hazardous waste as defined by 40 CFR Part 261 or any applicable state law, has been properly described, classified and packaged, and is in proper condition for transportation according to applicable regulations.

Generator Authorized Agent Name: [illegible]

Signature: [illegible]

Shipment Date: _____

TRANSPORTER

Truck No. _____

Phone No. _____

Transporter Name: Caribe Hydrolisting

Driver Name (Print): Nestor Hernandez

Address: PO Box 790
Cayuelas, PR 00674

Vehicle License No./State: [illegible]

Vehicle Certification _____

I hereby certify that the above named material was picked up at the generator site listed above.

Driver Signature: [illegible]

Shipment Date: _____

I hereby certify that the above named material was delivered without incident to the destination listed below.

Driver Signature: [illegible]

Delivery Date: _____

DESTINATION

Site Name _____

Phone No. ___-_____

Address _____

I hereby certify that the above named material has been accepted and to the best of my knowledge the foregoing is true and accurate.

Name of Authorized Agent _____

Signature _____

Receipt Date _____

PASS CODE _____

GENERATOR RETAIN

NON - HAZARDOUS WASTE TRANSPORTATION ACCEPTANCE DOCUMENT

Oil Energy System, Inc.
PO Box 711 Mayagüez, PR 00681
Tels. (787)832-5790 / 265-5880 Fax (787) 833-8060
Facility Permit Number: IP-50-0041-RM
Transporter ID Number: SR-50-0199
EPA ID Number: PRR-000008524

Name	Wallace International San Germán
Address	
Phone no.	
P.O. Number	
Control no.	4332

Quantity of Equipment	Delivery Equipment	Description and Classification of Material	Total Quantity	Unit (Wt/Vol)	Comments
		Recogido de Drenes			
		Vacios	17 DRS		

GENERATOR'S CERTIFICATION: This is to certify that the above named materials are properly classified, described, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation, U.S. EPA and the Commonwealth of P.R. The waste described above were consigned to the Transporter named. The Treatment, Storage or Disposal Facility can and will accept the shipment of waste, and has a valid permit to do so. I certify that the foregoing is true and correct to the best of my knowledge.

Generator's Name:		JCA Identification no.	
Generator's Signature		Date Shipped:	9- agosto -06

Transporter Name:	Omar Morales.	Transporter I.D. No.:	SR - 0199
Transporter Signature:		Date Shipped:	9- agosto -06
Company Name:	Oil Energy System	Vehicle ID No.	

Facility Name:		Facility ID Number:	
Facility Signature:		Date Received:	

NP 6366-2002

X712487 60

Please print or type. (Form designed for use on elite (12 ...n) typewriter.)

Form Approved OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No. PRD 3 9 0 4 0 5 6 4 8 — Manifest Document No. 0 6 0 0 2

2. Page 1 of 2 — Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address
WALLACE INTERNATIONAL DE PR
ATTN: IRIS BONILLA
CALLE 3 EL RETIRO IND. PARK
SAN GERMAN PR 00683

4. Generator's Phone ((787) 892-2065

A. State Manifest Document Number

B. State Generator's ID
SAME

5. Transporter 1 Company Name
ENSCO CARIBE, INC.

6. US EPA ID Number
PRR 0 0 0 0 1 3 6 6 4

C. State Transporter's ID HW-73

D. Transporter's Phone (787) 641-5393

7. Transporter 2 Company Name
CSX LINES

8. US EPA ID Number
PRD 9 8 0 5 2 7 0 2 2

E. State Transporter's ID

F. Transporter's Phone (787) 749-6606

9. Designated Facility Name and Site Address
TERIS
309 AMERICAN CIRCLE
EL DORADO, AR 71730

10. US EPA ID Number
ARD 0 6 9 7 4 8 1 9 2

G. State Facility's ID

H. Facility's Phone (870) 863-7179

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	HM	12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	X	001	CF	00093	P	D009
b.						
c.						
d.						

J. Additional Descriptions for Materials Listed Above
11A: , 50046529

K. Handling Codes for Wastes Listed Above
S01, H141

15. Special Handling Instructions and Additional Information
JOB#0952-05W SHIP# 06-099 CONTAINER# SCSU:450256

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway according to applicable international and national government regulations **AND WATER.**

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment. **OR**, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name	Signature	Month Day Year
Edwin Cotto Cupeles		08 02 06

TRANSPORTER

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Month Day Year
Edgardo Lopez		08 02 06

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Month Day Year
		08 10 06

FACILITY

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19

Printed/Typed Name	Signature	Month Day Year
		08 14 06

LABELMASTER (800) 621-5808 www.labelmaster.com

SOY INK

Please print or type. (Form designed for use on el ?-pitch) typewriter.)

Form Approved OMB No 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST (Continuation Sheet)

21. Gen or's US EPA ID No.	Manifest Document No	4. Page	Information in the shaded areas is not required by Federal law.
P R D 0 9 0 4 0 5 6 4 8	0 6 0 0 2	2 of 2	

23. Generator's Name: WALLACE INTERNATIONAL DE PR

L. State Manifest Document Number:

M. State Generator's ID:

24. Transporter Company Name	25. US EPA ID Number	N. State Transporter's ID
TRIAD TRANSPORT, INC.	OKD981588791	O. Transporter's Phone (800) 864-9232
26. Transporter Company Name	27. US EPA ID Number	P. State Transporter's ID
		Q. Transporter's Phone

	28. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	HM	29. Containers No.	29. Containers Type	30. Total Quantity	31. Unit Wt/Vol	R. Waste No.
a.							
b.							
c.							
d.							
e.							
f.							
g.							
h.							
i.							

S. Additional Descriptions for Materials Listed Above

T. Handling Codes for Wastes Listed Above

32 Special Handling Instructions and Additional Information

IN CASE OF EMERGENCY OF SPILL, IMMEDIATELY CALL THE ENVIRONMENTAL QUALITY BOARD (809) 722-0439

E, L, C 5-1-06

GENERATOR

TRANSPORTER

33. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)
Billy Putney	Billy Putney	5 22 06

34. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)

FACILITY

35. Discrepancy Indication Space

EPA Form 8700-22A (Rev. 3-05) Previous editions are obsolete.

X ~~[illegible]~~ HRZU 450929-6

Please print or type. (Form designed for use on elite (...ch) typewriter.) 712487

Form Approved OMB No 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST

1. Generator's US EPA ID No.: PRD090405648
Manifest Document No.: 05001

2. Page 1 of 2

Information in the shaded areas is not required by Federal law.

3. Generator's Name and Mailing Address: WALLACE INTERNATIONAL DE PR ATTN: IRIS BONILLA
CALLE B EL RETIRO IND. PARK
SAN GERMAN, PR 00683

4. Generator's Phone: (787)892-206

A. State Manifest Document Number

B. State Generator's ID

5. Transporter 1 Company Name: ENSCO CARIBE, INC.

6. US EPA ID Number: PRR000013664

C. State Transporter's ID: HW-72

D. Transporter's Phone: (787) 641-5392

7. Transporter 2 Company Name: CSX LINES

8. US EPA ID Number: PRD980527022

E. State Transporter's ID

F. Transporter's Phone: (787) 749-6686

9. Designated Facility Name and Site Address: TERIS
209 AMERICAN CIRCLE
EL DORADO, AR 71730

10. US EPA ID Number: ARD069748192

G. State Facility's ID

H. Facility's Phone: (870) 863-7173

11. US DOT Description (Including Proper Shipping Name, Hazard Class and ID Number)	HM	12. Containers No.	Type	13. Total Quantity	14. Unit Wt/Vol	I. Waste No.
a. X	X	WASTE CORROSIVE LIQUID ACIDIC INORGANIC NOS, 8, UN3264, PG:II, (NITRIC AID, SULFURIC ACID), (ERG:)	001	30/6 D F	00030	G	D002
b. X	X	HAZARDOUS WASTE, SOLID, N.O.S., 9, NA3077, PG:III, (MERCURY), (ERG:171)	002	8' C F	00400	P	D009
c. X	X	HAZARDOUS WASTE, LIQUID, N.O.S., 9, NA3082, PG:III, (TRICHLOROETHYLENE), (ERG:171)	008	55/6 D M	00440	G	D040
d. X	X	WASTE CORROSIVE solids sodium Hydroxids, N.O.S, 8, UN 1823, PG:II	001	55/6 D F	00500	P	D002

J. Additional Descriptions for Materials Listed Above

11A: , 01350174, 11B: , 50046529, 11C: F002,, 50054599 11D, 50054620

K. Handling Codes for Wastes Listed Above

S01, H141

15. Special Handling Instructions and Additional Information

JOB#0952-06W SHIP#: 06-097 CONTAINER#: HRZU 450929

16. **GENERATOR'S CERTIFICATION:** I hereby declare that the contents of this consignment are fully and accurately described above by proper shipping name and are classified, packed, marked, and labeled, and are in all respects in proper condition for transport by highway **and water** according to applicable international and national government regulations.

If I am a large quantity generator, I certify that I have a program in place to reduce the volume and toxicity of waste generated to the degree I have determined to be economically practicable and that I have selected the practicable method of treatment, storage, or disposal currently available to me which minimizes the present and future threat to human health and the environment; **OR**, if I am a small quantity generator, I have made a good faith effort to minimize my waste generation and select the best waste management method that is available to me and that I can afford.

Printed/Typed Name: * Edwin Colon Cupeles
Signature: [signature]
Month Day Year: 07 31 06

17. Transporter 1 Acknowledgement of Receipt of Materials

Printed/Typed Name: ENRIQUE CLEMENTE
Signature: [signature]
Month Day Year: 07 31 06

18. Transporter 2 Acknowledgement of Receipt of Materials

Printed/Typed Name: Alexis Santiago
Signature: [signature]
Month Day Year: 08 03 06

19. Discrepancy Indication Space

20. Facility Owner or Operator: Certification of receipt of hazardous materials covered by this manifest except as noted in Item 19.

Printed/Typed Name: Marion Smith
Signature: Marion Smith
Month Day Year: 08 03 06

GENERATOR

TRANSPORTER

FACILITY

Style CF 1 LABELMASTER (800) 621-5808 www.labelmaster.com

EPA Form 8700-22 (Rev. 9-88) Previous editions are obsolete

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Form Approved. OMB No. 2050-0039

UNIFORM HAZARDOUS WASTE MANIFEST (Continuation Sheet)

21. Generator's US EPA ID No.	Manifest Document No.	22. Page	Information in the shaded areas is not required by Federal law.
P R D 0 9 0 4 0 5 6 4 8	0 6 0 0 1	2 of 2	

23. Generator's Name: WALLACE INTERNATIONAL DE PR

L. State Manifest Document Number:

M. State Generator's ID:

24. Transporter 3 Company Name	25. US EPA ID Number	N. State Transporter's ID H-037
TRITAN TRANSPORT, INC.	[illegible]	O. Transporter's Phone (800) 354-9232
26. Transporter ___ Company Name	27. US EPA ID Number	P. State Transporter's ID
		Q. Transporter's Phone

	28. US DOT Description (Including Proper Shipping Name, Hazard Class, and ID Number)	HM	29. Containers No.	29. Containers Type	30. Total Quantity	31. Unit Wt/Vol	R. Waste No.
a.							
b.							
c.							
d.							
e.							
f.							
g.							
h.							
i.							

S. Additional Descriptions for Materials Listed Above

T. Handling Codes for Wastes Listed Above

32. Special Handling Instructions and Additional Information

TRANSPORTER

33. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)
Billy Putney	Billy Putney	3 22 06

34. Transporter ____ Acknowledgement of Receipt of Materials

Printed/Typed Name	Signature	Date (Month Day Year)

FACILITY

35. Discrepancy Indication Space

IN CASE OF EMERGENCY OF SPILL, IMMEDIATELY CALL THE ENVIRONMENTAL QUALITY BOARD (809) 722-0439

GENERATOR

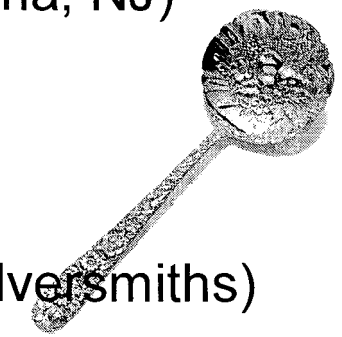
E&C 1-3706

EPA Form 8700-22A (Rev. 9-88) Previous editions are obsolete

37 Year Plant History in Puerto Rico

- Established in 1973 as International Silversmiths
  - Relocated manufacturing from Meriden, CT
- Merged with Wallace Silversmiths 1983 (from Wallingford, CT)
  - Re-incorporated as Wallace International de PR
  - Purchased by Syratech in 1986
- Towle Silversmiths acquired in 1992 (from Newburyport, MA)
- Flat stock manufacturing added in 1993 (casting and rolling mill)
- Asset Purchase by Lifetime Brands April 2006
  - Re-incorporated as Wallace Silversmiths de PR
- Assets of Gorham Silver acquired July 2007 (from Pomona, NJ)
  - Manufacturing start-up in October 2007
- Seasonal Ornaments added to plant January 2008
  - From Newport Silver (North Dighton, MA)
- Tiffany & Co., added 2009 (from Greenfield, MA, Lunt Silversmiths)

DRAFT



GOBIERNO DE PUERTO RICO
COMPAÑIA DE FOMENTO INDUSTRIAL

355 AVE. F.D. ROOSEVELT
HATO REY, PUERTO RICO 00918
TELEFONO (787) 758-4747

5 de octubre de 1997

LUCAS INSERTCO PHARMACEUTICAL PRINTING
Y/O WEENSER PUERTO RICO
WESTERN ENGINEERING SERVICES
P. O. Box 377
San Germán, P. R. 00683-0377

ATENCION: SR. RON SALZANO
GERENTE

Estimado señor Salzano:

REFERENCIA: MEJORAS A FACILIDADES
PROYECTO CFI: S-0551-0-60
SAN GERMAN, P. R.

Nos referimos a su carta solicitando autorización para la construcción de mejoras en el proyecto de referencia.

Le informamos que esta Compañía autoriza al ARRENDATARIO a realizar la construcción de las mejoras indicadas a continuación:

1. Construcción de áreas de oficinas de acuerdo al plano de distribución interna propuesto para el edificio, incluido con su petición.

NOTA: Con relación a la construcción de área de baños **no se aprueba** el uso de los pozos sépticos para disponer de las aguas usadas. Será por cuenta, costo, riesgo y responsabilidad del ARRENDATARIO el realizar los trabajos de conexión de la descarga de aguas servidas al sistema de la AAA existente en la Urb. Industrial, con la debida aprobación de esa agencia.

Esta autorización se otorga sujeta a las siguientes condiciones, así también, con las estipulaciones del Contrato de Arrendamiento vigente entre las partes:

CONDICIONES GENERALES:

1. Todos los trabajos serán por cuenta, costo, riesgos y responsabilidad del ARRENDATARIO.

2. El ARRENDATARIO tendrá que tramitar y obtener todos los endosos y permisos requeridos de las agencias con jurisdicción sobre el proyecto. Copia de todas las aprobaciones, endosos y pólizas de seguros serán enviadas al Ing. Ernesto J. Ferrer, Gerente de la División de Conservación previo al comienzo de los trabajos autorizados.

3. Todo el trabajo se realizará conforme a los planos sometidos a esta Compañía con su petición, según sean discutidos, corregidos o de alguna forma enmendados en esta carta.

4. El diseño cumplirá con todas las leyes y normas prevalecientes y aplicables según requerido por las agencias concernidas.

5. Todo trabajo se realizará de manera aceptable para esta Compañía y seguirá el mismo tipo de calidad de las construcciones existentes.

6. El ARRENDATARIO reparará a satisfacción de esta Compañía o pagará por cualquier daño causado a las propiedades arrendadas, o cualquier parte de éstas, durante la ejecución de este trabajo.

7. Una vez completada la construcción propuesta, ésta y sus instalaciones estarán cubiertas y sujetas a los términos aplicables y condiciones del Contrato de Arrendamiento.

8. Una vez terminado el contrato por expiración o por cualquier otra circunstancia, el ARRENDATARIO removerá o demolerá la construcción o instalaciones propuestas, reparará cualquier daño que ocurra durante su demolición o remoción y retornará las facilidades en su condición original, todo a su propio costo y esfuerzo. A opción de la Compañía de Fomento Industrial, el

ARRENDATARIO pagará una suma equivalente para la remoción o demolición de las mejoras así como para la restauración de la estructura original o dejará las instalaciones o construcciones para el servicio de esta Compañía por lo cual el ARRENDATARIO no será reembolsado ni compensado.

9. El ARRENDATARIO deberá indemnizar, mantener indemne y defender a la Compañía de Fomento Industrial y a sus agentes, servidores y empleados contra cualesquiera y todos los gastos, responsabilidades, multas, demandas, reclamaciones - incluyendo costas de abogado - y acciones de toda clase y naturaleza, y de todas ellas que surjan por causa de lesión a la persona o a la propiedad, incluyendo la pérdida en el uso que resultaré de la misma. De igual forma, el ARRENDATARIO deberá indemnizar, mantener indemne y defender a la Compañía de Fomento Industrial por cualquier violación de ley que ocurra en la propiedad ocasionada en todo o en parte por cualquier acto negligente u omisión de parte del ARRENDATARIO o un empleado (esté su acto o no dentro del ámbito de acción de su empleo), servidor, agente, persona autorizada, visitante, cesionario o subarrendatario del ARRENDATARIO, o por cualquier uso u ocupación en forma negligente de la propiedad, o cualquier violación o incumplimiento de cualquier convenio que deba ser observado o realizado por parte del ARRENDATARIO en este ARRENDAMIENTO.

   De acuerdo a lo anterior, el ARRENDATARIO deberá mantener durante el término de construcción de las mejoras propuestas, a su propio costo y gasto, una Póliza de Responsabilidad Pública General. Dicha póliza deberá: (I) ser por un límite sencillo y combinado de no menos de $500,000.00 en la que se incluya a la Compañía de Fomento Industrial como asegurado adicional, (II) mantener indemne a la Compañía de Fomento Industrial contra cualquier y toda responsabilidad según se establece en este Contrato y (III) copia de la póliza tendrá que ser enviada a esta Compañía de Fomento Industrial previo al comienzo de los trabajos. La Compañía de Fomento Industrial podrá requerir límites adicionales razonables para cubiertas y seguros de responsabilidad pública cuando así lo requieran las circunstancias cambiantes.

Lucas Insertco Pharmaceutical printing y/o
Western Engineering Services
San Germán, P. R.

CONDICIONES ESPECIALES

1. El ARRENDATARIO podrá adaptar el sistema existente de alumbrado y receptáculos en el proyecto a sus necesidades, pero el mismo no podrá ser removido.

2. Ningún trabajo de construcción interferirá con los cimientos existentes u otros elementos estructurales del edificio.

3. El ARRENDATARIO proveerá soportes adecuados a los elementos estructurales, paredes, etc. que puedan verse afectados por las excavaciones a llevarse a cabo en esta construcción.

4. No se permite la instalación de equipos eléctricos y mecánicos en el techo del edificio que puedan afectar el sistema estructural del mismo. De ser necesario, se coordinará la instalación con la División de Ingeniería y Construcción de la Compañía antes de comprar los equipos. Diseños de soportes y estudios necesarios serán pagados por el ARRENDATARIO.

5. No se permite interferencia con el sistema existente de impermeabilización en el techo del edificio. De ser necesario afectar el mismo, el ARRENDATARIO coordinará con la División de Conservación antes del comienzo de la construcción del proyecto y cumplirá con las recomendaciones que éste determine para no afectar las garantías de dicho sistema.

6. Los planos de estas mejoras y/o construcción deberán ser sometidos a la Administración de Reglamentos y Permisos, Autoridad de Energía Eléctrica, Junta de Calidad Ambiental, Servicio de Bomberos de Puerto Rico, etc. por un ingeniero o arquitecto licenciado.

7. Copia de los planos aprobados y de las aprobaciones pertinentes deberán ser sometidos a la División de Ingeniería y Construcción antes de comenzar la construcción del proyecto.

Si estas condiciones son de su aceptación, favor de indicarlo iniciando todas las páginas y firmando la última de la copia adjunta de esta carta. EL ARRENDATARIO puede comenzar con los trabajos una vez cumpla con todas las condiciones acordadas para satisfacer antes del inicio de la construcción.

Cordialmente,

Angel F. Santos
Gerente
División de Ingeniería y Construcción

ACEPTADO: _____
(Nombre de la Industria)

POR: _____

FECHA: _____

cf. División de Conservación
Expediente División de Ingeniería y Construcción
Expediente Carta de Autorización
Archivo Central

LRJ/RS/mma

Ing. Luis Rivera
R. Ant. Antuzzi

WEENSER PUERTO RICO

PREVENTIVE MAINTENANCE SYSTEM,
CONSTRUCTION & DESIGN

18 de agosto de 1998

Ing. Angel F. Santos
Gerente
División de Ingeniería
Compañía de Fomento Industrial
Apartado 362350
San Juan, Puerto Rico 00936-2350

ASUNTO: **EDIFICIO DE LUCAS INSERTCO.**

Estimado Ing. Santos:

Sirva la presente, para solicitar de su agencia, una variación al edificio de epígrafe.

La compañía LUCAS INSERTCO, adquirío un edificio que perteneció a la compañía Digital.

Dicho edificio contaba con unos baños en una sección del edificio hacia el lado oeste. Estos baños descargaban sus efluentes hacia unos pozos. Esto debido a que el edifcio no tiene sistema de descargas sanitaria en su parte frontal, excepto en sección hacia el este y sur-sureste.

La compañía LUCAS INSERTCO, a mudado sus operaciones industriales hacía este edificio.

Ellos ocupan otro edificio el cual han venido operando ininterrumpidamente por varios años.

LUCAS INSERTCO, desea mudar las oficinas hacia el edificio donde una vez estuvo Digital.

La compañía interesa utilizar los baños, que una vez utilizó Digital; pero estos desacargan hacia pozo. Estos han sido cubiertos con gravilla, pero los mismos pueden ser re-habilitados.

La compañía interesa el que se les permita utilizar dichos pozos, debido a que la descarga de los baños existentes se encuentran al mismo nivel de la tubería de los baños que interesamos utilizar para las oficina.

WESTERN ENGINEERING SERVICES
P.O. BOX 260
HORMIGUEROS, P. R. 00660
TEL./FAX (787) 849-3039
TEL. CELULAR 384-7973

Dándole las gracias por su atención; y en espera de su aprobación favorable, quedo de usted

Cordialmente,

Ing. Monserrate González Lugo
L.E. Lic. # 5283

P.D.

Esta Compañía actualmente tiene una empleomanía cercana a las cien personas; pero la misma espera ampliar sus operaciones a sobre doscientas personas. La sección de los baños es de vital importancia; toda vez; que el personal de oficinas tendrían que visitar los baños del área de producción. Las cuales se encuentran a mas de 100'-0" de distancia.