

CURRENT LEASE



COMMERCIAL LEASE AGREEMENT

THIS LEASE, made this 5th day of January, 2006, by and between
Minglewood Corporation

("Landlord") whose address is
406 Springdale Drive, Winston-Salem, NC 27104
and

Universal Packaging, Inc.
WLE

("Tenant") whose address is
3500 Lake Herman Drive, Brown Summit, NC 27214

WITNESSETH:

PREMISES

1. Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and covenanted to be paid, kept and performed by Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property (hereinafter called the Premises), to wit:

Address:
750 Fieldcrest Drive, Eden, NC 27288

Legal Description:
Being approximately 15.64 +/- acres containing an industrial building being 139,000 +/- square feet

See attached Exhibit A for legal description of premises.

TERM

2. The Tenant shall have and hold the Premises for a term of two years and fifteen days beginning on the 15th 18 day of January, 2006, and ending on the 31st day of January, 2008, at midnight, unless sooner terminated as hereinafter provided. The first Lease Year Anniversary shall be the date twelve (12) calendar months after the first day of the first full month of the term hereof and successive Lease Year Anniversaries shall be the date twelve (12) calendar months from the previous Lease Year Anniversary.

RENTAL

3. Tenant agrees to pay Landlord or its Agent without demand, deduction or set off, an annual rental of \$ 243,249.96 payable in equal monthly installments of \$ 20,270.83 in advance on the first day of each calendar month during the term hereof. Upon execution of this Lease, Tenant shall pay to Landlord the first month's rent due hereunder. Rental for any period during the term hereof which is less than one month shall be the pro-rated portion of the monthly rental due. On each Lease Year Anniversary the annual rental payable hereunder (and accordingly the monthly installments) shall be adjusted:

by any change in the Consumer Price Index, Urban Wage Earners and Clerical Workers, All Cities (CPI-W, 1982-1984=100) ("Index") by multiplying the then effective annual rental by the value of said Index for the month two months prior to the Lease Year Anniversary and dividing the product by the value of said Index for the month two months prior to the previous Lease Year Anniversary (in the instance of the first Lease Year Anniversary the value of the Index for the month two months prior to the first full month of the term hereof). In the event the Index ceases to be published there shall be substituted for the Index the measure published by the US Department of Labor which most nearly approximates the Index;

as follows:
n/a



If this box is checked, Tenant shall pay all rental to Landlord's Agent at the following address:
Baldwin Commercial Properties c/o Trip Smithdeal, 1500 S. Hawthorne Rd., Winston-Salem, NC 27103

LATE CHARGES

4. If Landlord fails to receive any rent payment within five days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to five percent (5.00 %) of the overdue amount or \$ n/a whichever is greater, plus any actual bank fees incurred for returned or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

SECURITY DEPOSIT

5. Tenant shall deposit with Landlord or its Agent upon execution of this Lease \$ 20,270.83 as a security deposit which shall be held as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease. If any of the rents or other charges or sums payable by Tenant shall be over-due and unpaid or should payments be made on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord or its Agent may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary, to compensate toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of the Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event Tenant furnishes Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant's other obligations under this Lease, the security deposit shall be returned in full to Tenant within thirty (30) days after the date of the expiration or sooner termination of the term of this Lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease. **The Security Deposit may be placed in an interest bearing account and any interest thereon shall be the property of the party holding the same.**

If this box is checked, Agent shall hold the Security Deposit and shall be entitled to the interest thereon.

UTILITY BILLS

6. (a) Tenant shall pay the following utilities:
All utilities associated with the land and building will be paid by the Tenant directly to the applicable utility providers.
(b) Landlord shall pay the following utilities:
none

Responsibility to pay for a utility service shall include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in said party's name.

COMMON AREA COSTS; RULES AND REGULATIONS

7. ~~If the Premises are part of a larger building or group of buildings, Tenant shall pay as additional rental monthly, in advance, its pro rata share of common area maintenance costs as hereinafter more particularly set forth in the Special Stipulations (see Paragraph 38). The Rules and Regulations, if any, attached hereto are made a part of this Lease. Tenant agrees to perform and abide by these Rules and Regulations, if any, and such other Rules and Regulations, if any, as may be made from time to time by Landlord.~~

USE OF PREMISES

8. The Premises shall be used for warehouse, light manufacturing and/or light assembly purposes only and no other. Tenant further specifically agrees not to alter the building in any way that would penetrate the roof structure. Tenant further agrees that any use or expansion will comply with the Eden Industrial Center Guidelines. purposes only and no other. The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. In the event Tenant's use of the Premises results in an increase in the rate of insurance on the Premises, Tenant shall pay to Landlord, upon demand and as additional rental, the amount of any such increase.

TAX AND INSURANCE ESCALATION

9. Tenant shall pay upon demand as additional rental during the term of this Lease, and any extension or renewal thereof;

The amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year n/a; or

All taxes (including, but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year.

In the event the Premises are less than the entire property assessed for such taxes for any such tax year, then the tax for any such year applicable to the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable

floor area of the entire property assessed. If the final year of the Lease term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the property for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease year. Tenant shall further pay upon demand as additional rental during the term of this Lease, and any extension or renewal thereof:

- the excess cost of fire and extended coverage insurance including any and all public liability insurance on the building over the cost of the first year of the Lease term for each subsequent year during the term of this Lease; or
- all fire and extended coverage insurance including any and all public liability insurance on the building.

In the event the Premises are less than the entire property, then the insurance payable by Tenant for the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the entire property. Tenant shall pay all taxes and insurance as provided herein within fifteen (15) days after receipt of notice from Landlord as to the amount due. Tenant shall be solely responsible for insuring Tenant's personal and business property and for paying any taxes or governmental assessments levied thereon.

INDEMNITY; INSURANCE

10. Tenant agrees to and hereby does indemnify and save Landlord harmless against all claims for damages to persons or property by reason of Tenant's use or occupancy of the Premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, Tenant shall during the term of this Lease and any extension or renewal thereof, and at Tenant's expense, maintain in full force and effect comprehensive general liability insurance with limits of \$ see Exhibit "B" per person and \$ see Exhibit "B" per accident, and property damage limits of \$ see Exhibit "B", which insurance shall contain a special endorsement recognizing and insuring any liability accruing to Tenant under the first sentence of this paragraph and naming Landlord as additional insured. Tenant shall provide evidence of such insurance to Landlord prior to the commencement of the term of this Lease. Landlord and Tenant each hereby release and relieve the other, and waive any right of recovery, for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees, to the extent that such loss or damage is within the policy limits of said comprehensive general liability insurance. Landlord and Tenant shall, upon obtaining the policies of insurance required, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

REPAIRS BY LANDLORD

11. Landlord agrees to keep in good repair the roof, foundation and exterior walls of the Premises (exclusive of all glass and exclusive of all exterior doors) and underground utility and sewer pipes outside the exterior walls of the building, except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its agents, employees or invitees. If the Premises are part of a larger building or group of buildings, then to the extent that the grounds are common areas, Landlord shall maintain the grounds surrounding the building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair and failure to report such conditions shall make Tenant responsible to Landlord for any liability incurred by Landlord by reason of such conditions.

REPAIRS BY TENANT

12. Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain in good order and repair the Premises, including the building, heating and air conditioning equipment (including but not limited to replacement of parts, compressors, air handling units and heating units) and other improvements located thereon, except those repairs expressly required to be made by Landlord hereunder. Unless the grounds are common areas of a building(s) larger than the Premises, Tenant further agrees to care for the grounds around the building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant agrees to return the Premises to Landlord at the expiration or prior termination of this Lease, in as good condition and repair as when first received, natural wear and tear, ~~damage by storm, fire, lightning, earthquake or other casualty, alone~~ excepted. Tenant, Tenant's employees, agents, contractors or subcontractors shall take no action which may void any manufacturers or installers warranty with relation to the Premises. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph.

ALTERATIONS

13. Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of

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the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

REMOVAL OF FIXTURES

14. Tenant may (if not in default hereunder) prior to the expiration of this Lease, or any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.

DESTRUCTION OF OR DAMAGE TO PREMISES

15. ~~If the Premises are totally destroyed by storm, fire, lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date. If the premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as effective use of the Premises has been affected and Landlord shall restore Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence.~~

GOVERNMENTAL ORDERS

16. Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Premises. Landlord agrees to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between Landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then Landlord or Tenant, whichever is obligated to comply with such requirements, may terminate this Lease by giving written notice of termination to the other party by registered mail, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements by giving such notice unless the party giving such notice of termination shall, before termination becomes effective, pay to the party giving notice all cost of compliance in excess of one year's rent, or secure payment of said sum in manner satisfactory to the party giving notice.

CONDEMNATION

17. If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, is condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemnor. It is further understood and agreed that Tenant shall not have any rights in any award made to Landlord by any condemnation authority.

ASSIGNMENT AND SUBLETTING

18. Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. The Assignee of Tenant, at option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

EVENTS OF DEFAULT

19. The happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons or vacates the Premises; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred; (g) Tenant makes an assignment for benefit of creditors; or (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

REMEDIES UPON DEFAULT

20. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law: (a) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default within five (5) days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and Tenant fails to cure such default within fifteen (15) days after receipt of written notice of default from Landlord, Landlord may terminate this Lease by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) if the Event of Default involves any matter other than those set forth in item (a) of this paragraph, Landlord may terminate this

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Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) upon any Event of Default, Landlord, as Tenant's agent, without terminating this Lease, may enter upon and rent the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlord for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable for reasonable attorney's fees and all costs of collection.

EXTERIOR SIGNS

21. Tenant shall place no signs upon the outside walls or roof of the Premises, except with the express written consent of the Landlord. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

LANDLORD'S ENTRY OF PREMISES

22. Landlord may advertise the Premises "For Rent" or "For Sale" 120 days before the termination of this Lease. Landlord may enter the Premises at reasonable hours to exhibit same to prospective purchasers or tenants and to make repairs required of Landlord under the terms hereof or to make repairs to Landlord's adjoining property, if any.

EFFECT OF TERMINATION OF LEASE

23. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

MORTGAGEE'S RIGHTS

24. Tenant's rights shall be subject to any bona fide mortgage, deed of trust or other security interest which is now or may hereafter be placed upon the Premises by Landlord. Tenant shall, if requested by Landlord, execute a separate agreement reflecting such subordination, and shall be obligated to execute such documentation as may facilitate Landlord's sale or refinancing of the Premises, including, but not limited to, estoppel certificates, subordination or attornment agreements.

QUIET ENJOYMENT

25. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof. Provided, however, that in the event Landlord shall sell or otherwise transfer its interest in the Premises, Tenant agrees to attorn to any new owner or interest holder and shall, if requested by Landlord, execute a separate agreement reflecting such attornment, provided that said agreement requires the new owner or interest holder to recognize its obligations and Tenant's rights hereunder.

HOLDING OVER

26. ~~If Tenant remains in possession of the Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will at the rental rate which is in effect at end of this Lease and there shall be no renewal of this Lease by operation of law. If Tenant remains in possession of the Premises after expiration of the term hereof without Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month or fraction thereof during which Tenant so remains in possession of the premises, be twice the monthly rental otherwise payable under Paragraph 3 above.~~

ATTORNEY'S FEES

27. In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees and costs.

RIGHTS CUMULATIVE

28. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

WAIVER OF RIGHTS

29. No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliance by Tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's right to demand exact compliance with the terms hereof.

ENVIRONMENTAL LAWS

30. (a) Tenant shall not bring onto the Premises any Hazardous Materials (as defined below) without the prior written approval by

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Landlord. Any approval must be preceded by submission to Landlord of appropriate Material Safety Data Sheets (MSD Sheets). In the event of approval by Landlord, Tenant covenants that it will (1) comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, ordinances, rules and regulations, and laws, whether now in force or hereafter adopted relating to Tenant's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any hazardous, flammable, toxic, or dangerous materials, waste or substance, the presence of which is regulated by a federal, state, or local law, ruling, rule or regulation (hereafter collectively referred to as "Hazardous Materials"); (2) comply with any reasonable recommendations by the insurance carrier of either Landlord or Tenant relating to the use by Tenant on the Premises of such Hazardous Materials; (3) refrain from unlawfully disposing of or allowing the disposal of any Hazardous Materials upon, within, about or under the Premises; and (4) remove all Hazardous Materials from the Premises, either after their use by Tenant or upon the expiration or earlier termination of this lease, in compliance with all applicable laws.

(b) Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifests, filings, lists and invoices covering those Hazardous Materials and Tenant shall provide Landlord with copies of all such items upon request. Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any environmental law or regulation by Tenant, or related in any manner to Hazardous Materials. In addition, Tenant shall provide Landlord with copies of all responses to such correspondence at the time of the response.

(c) Tenant hereby indemnifies and holds harmless Landlord, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, from time to time, and regulations promulgated thereunder, any so-called state or local "Superfund" or "Superlien" law, or any other federal, state or local statute, law or ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Materials) paid, incurred or suffered by, or asserted against, Landlord as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Premises of any Hazardous Materials caused by Tenant or Tenant's agents, employees, invitees or successors in interest. This indemnity shall also apply to any release of Hazardous Materials caused by a fire or other casualty to the premises if such Hazardous Materials were stored on the Premises by Tenant, its agents, employees, invitees or successors in interest.

(d) If Tenant fails to comply with the Covenants to be performed hereunder with respect to Hazardous Materials, or if an environmental protection lien is filed against the premises as a result of the actions of Tenant, its agents, employees or invitees, then the occurrence of any such events shall be considered a default hereunder.

(e) Tenant will give Landlord prompt notice of any release of Hazardous Materials, reportable or non-reportable, to federal, state or local authorities, of any fire, or any damage occurring on or to the Premises.

(f) Tenant will use and occupy the Premises and conduct its business in such a manner that the Premises are neat, clean and orderly at all times with all chemicals or Hazardous Materials marked for easy identification and stored according to all codes as outlined above.

(g) The warranties and indemnities contained in this Paragraph shall survive the termination of this Lease.

TIME OF ESSENCE

31. Time is of the essence in this Lease.

ABANDONMENT

32. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the premises or be dispossessed by process of law, any Personal Property belonging to Tenant and left on the Premises shall, at the option of Landlord, be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

DEFINITIONS

33. "Landlord" as used in this Lease shall include the undersigned, its heirs, representatives, assigns and successors in title to the Premises. "Agent" as used in this Lease shall mean the party designated as same in Paragraph 34, its heirs, representatives, assigns and successors. "Tenant" shall include the undersigned and its heirs, representatives, assigns and successors, and if this Lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublessees as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

NOTICES

34. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. certified mail, return receipt requested, postage prepaid. Notices to Tenant shall be delivered or sent to the address shown at the beginning of this Lease, except that upon Tenant taking possession of the Premises, then the Premises shall be Tenant's address for such purposes. Notices to Landlord

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Landlord(s): [Signature]

shall be delivered or sent to the address shown at the beginning of this Lease and notices to Agent, if any, shall be delivered or sent to the address set forth in Paragraph 3 hereof.

All notices shall be effective upon delivery. Any party may change its notice address upon written notice to the other parties, given as provided herein.

ENTIRE AGREEMENT

35. This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing signed by all the parties hereto.

AUTHORIZED LEASE EXECUTION

36. Each individual executing this Lease as director, officer, partner, member, or agent of a corporation, limited liability company, or partnership represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of such corporation, limited liability company, or partnership.

TRANSFER OF LANDLORD'S INTEREST

37. In the event of the sale, assignment or transfer by Landlord of its interest in the Premises or in this Lease (other than a collateral assignment to secure a debt of Landlord) to a successor in interest who expressly assumes the obligations of Landlord under this Lease, Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior to such sale, assignment or transfer; and Tenant agrees to look solely to the successor in interest of Landlord for the performance of those covenants accruing after such sale, assignment or transfer. Landlord's assignment of this Lease, or of any or all of its rights in this Lease, shall not affect Tenant's obligations hereunder, and Tenant shall attorn and look to the assignee as Landlord, provided Tenant has first received written notice of the assignment of Landlord's interest.

SPECIAL STIPULATIONS

38. Any special stipulations are set forth in the attached Exhibit B _____ . Insofar as said Special Stipulations conflict with any of the foregoing provisions, said Special Stipulations shall control.

MEMORANDUM OF LEASE

39. Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Base Monthly Rent and other sums due) as either party may wish to incorporate. The cost of recording such memorandum of lease shall be borne by the party requesting execution of same.

THIS DOCUMENT IS A LEGAL DOCUMENT. EXECUTION OF THIS DOCUMENT HAS LEGAL CONSEQUENCES THAT COULD BE ENFORCEABLE IN A COURT OF LAW. THE NORTH CAROLINA ASSOCIATION OF REALTORS® MAKES NO REPRESENTATIONS CONCERNING THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION TO WHICH IT RELATES AND RECOMMENDS THAT YOU CONSULT YOUR ATTORNEY.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, the date and years first above written.

LANDLORD:

Minglewood Corporation
LANDLORD Reynolds B. Lassiter, President (SEAL)
By: Reynolds B. Lassiter

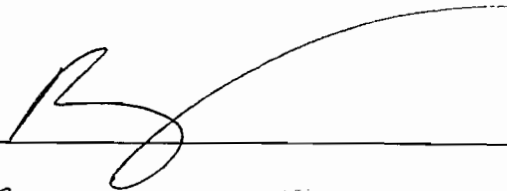
TENANT:

Universal Packaging, Inc.

TENANT

(SEAL)

By: Rocky Manning



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TENANT

(SEAL)

By: Rocky Manning



North Carolina Association of REALTORS®, Inc.

PREPARED BY: Foss T. Smithdeal, III, Vice President

Standard Form 590-T, Commercial Lease Agreement. North Carolina Association of REALTORS®, Inc.

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Exhibit "A"

Lying and being in the city of Eden, Leaksville Township, Rockingham County, North Carolina, and being further described as follows:

BEGINNING at an existing iron stake in the southern right of way of Fieldcrest Road (N.C. Highway 700), said existing iron stake being in the eastern right of way (50' right-of-way) of Norfolk Southern Railway; thence, from said beginning point with the southern right-of-way of Fieldcrest Road, South 88° 21' 02" East 828.48 feet to a point; thence, with said right-of-way as it curves to the left, a chord bearing and distance of North 89° 01' 08" East 527.48 feet chord and 527.67 feet arc to an existing iron stake in the western right-of-way of Eden Avenue, said street having a 100 foot right-of-way; thence, with the western right-of-way of Eden Avenue, South 4° 27' 30" East 492.98 feet to an existing iron stake; thence, South 42° 07' 30" West 34.16 feet to an existing iron stake in the northern right-of-way of Commerce Drive, said drive having a 100 foot right-of-way; thence, with the northern right-of-way of Commerce Drive, South 88° 42' 30" West 766.00 feet to an existing iron stake; thence, on a curve to the right a chord, course, and distance of North 71° 19' 10" West 44.40 feet chord and 45.32 feet arc to an existing iron stake, thence, on a curve to the left, a chord course and distance of South 80° 12' 45" West 127.21 feet chord and 143.73 feet arc to an existing iron stake; thence, leaving Commerce Drive, North 58° 13' 40" West 629.85 feet to an existing iron stake in the eastern right-of-way of Norfolk Southern Railway; thence, with said right-of-way, North 23° 30' 22" East 245.00 feet chord and 245.72 feet arc to the point of BEGINNING, and containing 15.648 acres as shown on a plat of survey entitled 'As-Built Survey for Minglewood Corporation, dated June 20, 2000, prepared by C. E. Robertson & Associates, Registered Land Surveyors.

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Exhibit "B"

Landlord: Minglewood Corporation
Reynolds Lassiter, President
406 Springdale Drive
Winston-Salem, NC 27104

Tenant: Universal Packaging, Inc.
Rocky Manning, Principal
3500 Lake Herman Dr.
Brown Summit, NC 27214

The following provisions amend the Lease and should there be any conflict between the terms of the Lease and the terms set out in this Exhibit B, the terms set out in this Exhibit B shall control.

1. Provided Tenant is not then in default of any material term, condition or covenant contained in this Lease, Tenant shall have the option of renewing this Lease for two (2) additional years on the same terms and conditions as provided herein except the annual lease for the period of February 1, 2009 to January 31, 2010 shall be \$278,000.00 payable in equal monthly installments of \$23,166.67. Notice of the exercise of such option shall be given by Tenant to Landlord in writing no later than one hundred and twenty (120) days prior to the expiration of the Primary Term. If the Landlord does not receive notice in prescribed manner then the right to renew this Lease shall become void.
2. Landlord and Tenant further agree that no rent shall be due for the period January 15, 2006 to March 14, 2006. Tenant agrees to submit one half month's rent and the full security deposit upon execution of the Lease. The next rental payment will be due on April 1, 2006.
3. Paragraph 7, Common Areas, is deleted.
4. Paragraph 9.A., Tax and Insurance Escalation of the Lease is amended to add the following language as a separate paragraph at the end:

The Tenant shall be responsible for payment of any special assessments imposed by any lawful agency on the Premises or the use of the Premises. Tenant shall also be responsible for payment in a timely manner of any new taxes (e.g. a "Rain" or water runoff tax) which may be subsequently created and imposed upon the Premises by any lawfully qualified agency.

5. Paragraph 9.B., Tax and Insurance Escalation is amended to add the following language following the phrase "all fire and extended coverage insurance, including any and all public liability insurance on the building":
 - a) Tenant, at its expense, agrees to provide at all times during the Term of this lease, and during any use and occupancy or possession of the Premises prior to the Commencement of the Term of this Lease, public liability and property damage insurance as follows; provided that Landlord shall notify Tenant in writing, of the value of such improvements: (1) fire and extended coverage insurance covering all improvements erected on the Premises on a full replacement cost basis of \$6,371,379 (no deduction for depreciation) insuring against all risks of direct physical loss, and excluding only unusual perils such as nuclear attack, earthquake, flood and war, with deductibles consistent with insurance industry practices; and (2) limits of comprehensive general liability are as follows: \$2,000,000.00 each occurrence for property damage and bodily injury, \$2,000,000.00 annual aggregate, products/completed operations, \$2,000,000.00 Tenant's legal liability, umbrella liability includes \$5,000,000.00 each occurrence and in the aggregate, in excess of the underlying

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policy/ies, which includes comprehensive general liability. Such insurance policy shall be in the form commonly known as "comprehensive general liability" or "owner-landlord and tenant", and shall list Landlord, or its assigns, as an additional insured. Tenant further agrees to indemnify and hold Landlord harmless from and against all costs, expenses, liabilities, losses, damages, suits, fines, penalties, claims, and demands, including reasonable attorney's fees, resulting from personal injuries, death and property damage which occur as a result of the operation of Tenant's business in and about the Premises, or which result from any work done in and about the Premises by Tenant or any contractor selected by or for Tenant; unless caused by the gross negligence or willful misconduct of Landlord, its agents, employees, or contractors.

- b) Tenant further agrees to provide at all times during the Term of this lease, and during any use and occupancy or possession of the Premises prior to the Commencement of the Term of this lease, Workmen's Compensation Insurance covering all persons who may have a right to claim such benefits from Tenant as required by statutory limits required by law.
 - c) All such insurance shall be obtained from a company, with a Best rating of A or better, authorized to write insurance in the State of North Carolina, and a certificate evidencing the issuance of such policy or policies, together with evidence of the payment of premiums, shall be delivered to the Landlord before the Commencement of the Term of this lease or any renewal, or before any use, occupancy or possession of the Premises prior to the Commencement of the Term of this lease, whichever is sooner. All policies shall contain a provision by which the insurer shall agree that such policy shall not be canceled, including non-payment of premium except after thirty days written notice to Landlord and Mortgagee or their designees.
 - d) Tenant will be required to carry boiler and machinery insurance.
 - e) Landlord agrees to keep the current liability, property damage and "boiler and machinery" insurance policy in effect for a period of thirty days or until Tenant secures their own policy, whichever comes first. Tenant agrees to reimburse Landlord on a daily prorated status the cost of this insurance. Landlord will require evidence of Tenant's Workmen's Compensation Policy and Interruption of Business Policy (as described in Paragraph 7, Exhibit B) prior to occupancy.
6. Paragraph 10, Indemnity Insurance, of the Lease is amended as follows:

All terms of Paragraph 9 as amended shall be included as part of paragraph 10.

7. Paragraph 15, Destruction of or Damage to Premises, is deleted and replaced by the following language:
- (a) 1. If the Premises are totally destroyed by storm, fire, lightning, earthquake, or other casualty, this lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date. All insurance proceeds shall be payable to and become the property of the Landlord in such event.
 - (b) 1. In the event of partial damage to, or partial destruction of, the building and/or any improvements on the Premises, or of the fixtures and equipment therein, by fire or other casualty, which damage or destruction does not render the Premises wholly unfit to its intended use or occupancy by the Tenant, Tenant shall promptly, at its sole expense, repair, restore, or rebuild the same to substantially their condition on the commencement of the term hereof. Tenant shall diligently pursue such repairs or rebuilding in a good and workmanlike manner using only competent and reliable workers and first-class materials. Rent shall not abate, in proportion to the loss of use of the Premises, from the date of such damage until the Tenant reopens for business. The proceeds of any policies of fire or extended coverage insurance obtained pursuant to Articles 9 or 10 shall be made available to Tenant for use in making such repairs.

2. If Tenant shall not commence such repair or rebuilding within thirty (30) days after the receipt of insurance proceeds (although the cost of repairs is not limited by such proceeds) and the receipt of all necessary approvals or shall not prosecute the same thereafter with such dispatch as may be necessary to complete the same within a reasonable period of time (not to exceed, in any event, one hundred and eighty (180) days from the date of commencement of such repair or rebuilding; however, this time period may be extended in writing by Landlord if the delay in completion is caused by Acts of God, strikes, natural disaster, or other similar acts beyond the control of Tenant), then, the Landlord may declare the Tenant in default. Should any dispute arise between the parties as to the nature or repairs or rebuilding to be made under this paragraph or the time in which such repairs or rebuilding may reasonably be made then the parties shall submit that dispute to arbitration under the rules of the American Arbitration Association.

3. Before Tenant commences such repair, restoration, or rebuilding involving an estimated cost of more than Ten Thousand Dollars (\$10,000.00), plans and specifications therefore, prepared by a licensed architect or engineer reasonably approved by Landlord shall be submitted to Landlord for approval and Tenant shall furnish to Landlord: (i) an estimate of the cost of the proposed work, certified by the architect; (ii) evidence, satisfactory to the Landlord, of sufficient contractor's comprehensive general liability insurance covering Landlord and Tenant, builder's risk insurance, and worker's compensation insurance; and (iii) a performance and payment bond satisfactory in form and substance to Landlord. All sums arising by reason of loss under the insurance maintained by Tenant shall be applied to the repair, restoration or rebuilding of the Premises.

- (c) Tenant shall be obligated to maintain a policy of insurance to cover lost income and rent in the event of the interruption of business by reason of fire or other casualty. Said policy shall be issued by a company with a Best rating of A or better which is qualified to do business in North Carolina. In such policy Landlord and Landlord's Lender shall be listed as an additional loss payee and will be entitled to notice at least Thirty (30) days prior to the cancellation or expiration of such policy. Prior to the commencement of this Lease, Tenant shall deliver to Landlord a copy of certificates of insurance, evidencing the issuance of the business interruption insurance required by this section 15(c) and the insurance required under Section 9B(a) of this Lease, together with evidence of the payment of premiums for each such policy. Landlord and Landlord's Lender shall be listed thereon as additional Loss Payees and/or Additional Insureds. In the event Tenant fails to maintain insurance policies in effect as required under the terms of this lease or in the event that tenant fails to provide Landlord with evidence of such insurance within 5 days of landlord's written request for same, Landlord may purchase necessary insurance at Landlord's discretion and add the premium for same to amounts due and owing Landlord from Tenant.
- (d) The use and distribution of all insurance proceeds under this section shall be governed by any requirements of Landlord's Lender. All proceeds on any insurance policies relevant to this section shall be placed in escrow with a neutral third party to be disbursed as the work progresses and is approved by Landlord or its Lender.

8. Paragraph 16, Governmental Orders, is amended as follows:

To add the following language as a new sentence at the beginning of the paragraph:

"Tenant is accepting Premises "as is", and Tenant acknowledges that it has inspected the Premises; however, Landlord has no actual knowledge of any violations of any zoning laws or regulations to which the property is subject."

9. Paragraph 18, Assignment and Subletting, is amended to add the following language at the end:

Any potential sublease or assignment of all or any part of the Premises shall be deemed reasonable only if the following occur: (i) Landlord's mortgagee consents to the sublease or assignment; (ii) The Landlord is fully satisfied that the use proposed under the sublease or assignment does not violate any

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restrictive covenant, law, or ordinances to which the Premises are subject; (iii) The proposed use would be allowed under the lease; (iv) The Premises shall remain intact unless Landlord agrees to the contrary; (v) The successor shall have a good reputation in the area and be financially capable of fulfilling its obligations in the reasonable opinion of the Landlord and its Mortgagee; and (vi) Any proposed use of the Premises hereunder by the proposed sublessee/assignee will not violate or create an potential violation of any laws, nor will it violate any other agreements affecting the Premises, Landlord, or Landlord's Mortgagee.

10. Paragraph 19, Events of Default, is amended to add the following language at the end:

- (i) Tenant shall not permit to be created nor to remain undischarged and lien, encumbrance or charge arising out of an work claim of any contractor, mechanic, laborer of Tenant or material supplied by a materialman to the Tenant which might be, or become, a lien or encumbrance or charge upon the Premises. If any lien or notice of lien on account of an alleged debtor of Tenant or any notice or contract by a party engaged by Tenant or Tenant's contractor to work in the Premises shall be filed against the Premises, Tenant shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, bonded or insured over by Landlord's title company. Failure by Tenant to have the said materialman's lien discharged of record within thirty (30) days of notice to Tenant that such lien has been filed, will be an Event of Default.

11. Paragraph 20, Remedies of Default, is amended to add the following language:

The following language shall be added at the end of the paragraph.

"In the event the Lease is terminated and Tenant fails to so surrender the Premises, then the Landlord may, peaceably, and in accordance with applicable law, without prejudice to any other remedy it has for possession of the Premises or arrearages in Rent or other damages, re-enter and take possession of the Premises and expel or remove Tenant and any other person occupying the Premises or any part thereof."

12. Paragraph 24, Mortgagee's Rights, is amended to add the following language following the last sentence:

"Tenant's obligation to execute such estoppel certificates, subordination or attornment agreements shall be subject to the receipt of a subordination, non-disturbance, and attornment agreement in a commercially reasonable form reasonably acceptable to Landlord, Tenant and Landlord's Lender."

13. The language in paragraph 26, Holding Over, is deleted and replaced by the following:

If Tenant or any party claiming under Tenant remains in possession of the Premises or any part thereof after any termination or expiration of this Lease, Landlord, in Landlord's sole discretion, may do any of the following: (i) treat such holdover as automatic renewal of this Lease creating a tenancy at will subject to all the terms and conditions provided herein, except that rent will be at a rate 200% of the rental rate in effect at the time of termination or expiration of the Lease; or (ii) treat such holdover as a breach of the Lease entitling Landlord to all remedies including the right of re-entry. In the event Landlord elects to treat the holdover as a breach of the Lease, Landlord will be entitled to recover its actual damages; including, but not limited to, the greater of a sum equivalent to 200% of the rental rate in effect at the time of the termination or expiration of the Lease or a sum equivalent to any rent to which Landlord would be entitled to receive under the terms of any Lease of the premises to any other party which it had made in reliance upon Tenant's obligation to surrender the premises at the termination or expiration of this Lease. These provisions concerning damages will not prevent Landlord from recovering any other damages to it resulting from Tenant's holding over.

14. A new paragraph 40, Parking, will be deemed inserted containing the following language:

Tenant shall not permit or suffer any tractor-trailer or other heavy truck to park or travel across the parking lot at the West end of the Premises known as the "Employee" parking lot. All tractor-trailer or other heavy trucks shall use the gravel parking lot west of the employee parking lot. Any damage to the "Employee" parking lot by reason of use by tractor-trailers or other heavy trucks shall not be considered as a result of reasonable wear and tear and Tenant shall be fully responsible for such damage.

15. A new paragraph 41, Access to Premises, shall be deemed inserted containing the following language:

Upon reasonable prior notice, but in no event less than twenty-four (24) hours (except in the case of emergency), Landlord may enter the Premises during Tenant's business hours for purposes of inspection, or to show the Premises to prospective purchasers and lenders. Landlord shall have the right upon similar notice to Tenant to enter the Premises at any necessary time for the purpose of maintenance and repair, except that no notice shall be required in the event of an emergency. Upon similar notice to Tenant, Landlord shall have the right within one hundred twenty (120) days of the expiration of the Lease to enter the premises during Tenant's business hours for the purpose of showing the property to prospective Tenants.

16. A new paragraph 42, Upfitting Allowance, shall be deemed inserted containing the following language:

Tenant shall be entitled to an upfitting allowance in an amount not to exceed \$5,000.00 for the sole purpose of installing carpet in the office area of the Premises. Landlord will reimburse Tenant upon presentation of paid receipt for the actual cost of carpeting not to exceed \$5,000.00.

Tenant shall be further entitled to an upfitting allowance in an amount not to exceed \$3,500.00 for the sole purpose of improving the landscaping of the premises. Landlord will reimburse Tenant upon presentation of paid receipt for the actual cost of landscaping not to exceed \$3,500.00.

17. A new paragraph 43, Further Landlord Obligations, shall be deemed inserted containing the following language:

Landlord shall be responsible for the full removal of stored rubber product at the demised premises. Further, Landlord shall take measures reasonably necessary to remove any odor existing at the demised premises as a result of the prior Tenant's storage of rubber products.

Landlord shall also be responsible for repairing storm water runoff drainage at the front right corner of the building. After such repairs are made Tenant shall be responsible for maintenance and upkeep of area.

18. A new paragraph 44, Lender Approval, shall be deemed inserted containing the following language:

This lease shall be deemed to be in full force and effect, and binding on the parties hereto, only upon receipt of written approval of same from Landlord's lender, Liberty Life Insurance Co.