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JOHN CLARK  
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BOOK 361 PAGE 54  
OF 62 INST# 108

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Book # 435  
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**BUSINESS PROPERTY LEASE**

THIS LEASE is entered into as of the 1<sup>st</sup> day of August, 2007, between ROBERT W. BURKLEY and KAREN T. BURKLEY, Husband and Wife (collectively "Landlord") and BURKLEY ENVELOPE COMPANY, a Nebraska corporation ("Tenant").

**PREMISES**

1. Landlord leases to Tenant and Tenant leases from Landlord the real property located at 1600 North Chestnut, Wahoo, Nebraska, and legally described in the attached Exhibit "A", including the buildings constructed thereon and all other improvements located thereon (the "Premises"), on the following terms and conditions.

**TERM**

2. This Lease shall be for a term of three (3) years beginning August 1, 2007, and ending on July 31, 2010, unless terminated earlier as provided in this Lease. If for any reason the Premises are delivered to Tenant on any date before or after the term commencement date, rent for the period between the date of possession and the term commencement date shall be adjusted on a pro rata basis. Such earlier or later taking of possession shall not change the termination date of this Lease. This Lease shall not be void or voidable in the event of a later delivery by Landlord, nor shall Landlord be liable to Tenant for any resulting loss or damage. Provided this Lease has not been earlier terminated and provided Tenant is not in default under this Lease, either at the time said option right is exercised or at the time such option period is to commence, Tenant is hereby granted the option to extend this Lease for 3 additional terms of 5 years each on the same terms and conditions as herein contained for the original term, except for increased rent to be determined by the parties. The options to extend may only be exercised by Tenant giving Landlord written notice of exercise at least six months prior to the expiration of the current term, failing which causes this option to become void.

agrees to pay rent to Landlord at 672 North 57<sup>th</sup> Street, Omaha, Nebraska 68132, or at any other place Landlord may designate in writing, in lawful money of the United States, in monthly installments in advance, on the first day of each month, as follows:

For the period from August 1, 2007, to July 31, 2010, **\$11,000.00** per month.

(b) *Operating Expenses.* In addition to the Base Rent, Tenant shall pay the operating expenses of the real estate of which the Premises, the parking areas and grounds are a part (the "Real Estate"). "Operating expenses" shall mean all costs of maintaining and operating the Real Estate, including but not limited to all taxes and special assessments levied upon the Real Estate, fixtures, and personal property used by Landlord at the Real Estate, all casualty, liability and rent insurance costs, all costs of labor, material and supplies for maintenance, repair, replacement, and operating of the Real Estate, including but not limited to line painting, lighting, snow removal, trash removal, mowing, landscaping, irrigating, cleaning, depreciation of machinery and equipment used in such maintenance, repair and replacement, and management costs, and excluding only the maintenance, repairs and replacements specifically required to be made by Landlord or Tenant under the terms of this Lease. Operating Expenses shall not include property additions and capital improvements to the Real Estate, depreciation of the Real Estate, debt service on long term debt, or income taxes paid by Landlord.

The Operating Expenses shall be determined on an annual basis for each calendar year ending on December 31 and shall be pro rated for the number of months Tenant occupied the Premises if Tenant did not occupy the Premises the full year. Tenant shall pay \$\_\_\_\_\_ per month, on the first of each month in advance with rent for the Operating Expenses. Landlord may change this amount at any time upon written notice to Tenant. After the end of each year, an analysis of the total year's Operating Expenses shall be presented to Tenant and Tenant shall pay the amount, if any, by which the Tenant's share of the Operating Expenses for the year exceeded the amount of the Operating Expenses paid by Tenant. Tenant shall pay any such excess charge to the Landlord within thirty (30) days after receiving the statement. In the event this Lease terminates at any time other than the last day of the year, the excess Operating Expenses shall be determined as of the date of termination. Upon termination of this Lease, any overpayment of Operating Expenses by Tenant shall be applied to the amounts due Landlord from Tenant under this Lease and any remaining overpayment shall be refunded to Tenant.

(c) *Payment of Rent.* Tenant agrees to pay the Base Rent as and when due, together with the Operating Expenses and all other amounts required to be paid by Tenant under this Lease. In the event of nonpayment of any amounts due under this Lease, whether or not designated as rent, Landlord shall have all the rights and remedies provided in this Lease or by law for failure to pay rent.

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(d) *Late Charge.* If the Tenant fails to pay the Base Rent together with the Operating Expenses and all other amounts required to be paid by Tenant under this Lease, on or before the third day after such payments are due, Tenant agrees to pay Landlord a late charge of eight percent (8%) of the total amount due.

(e) *Security Deposit.* As partial consideration for the execution of this Lease, the Tenant has delivered to Landlord the sum of \$\_\_\_\_\_ as a Security Deposit. The Security Deposit will be returned to Tenant (without interest) at the expiration of this Lease, if Tenant has fully complied with all covenants and conditions of this Lease.

#### **SERVICES**

5. Landlord shall furnish no services to the Premises. Tenant shall pay when due, all water, gas, electricity, telecommunications, sewer use and trash removal fees, incurred at or chargeable to the Premises.

#### **ASSIGNMENT OR SUBLEASE**

6. Tenant shall not assign this Lease or sublet the whole or any part of the Premises, transfer this Lease by operation of law or otherwise, or permit any other person except agents and employees of Tenant to occupy the Premises, or any part thereof, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Without limitation, Landlord may consider the following in determining whether to withhold consent: (a) financial responsibility of the new tenant, (b) identity and business character of the new tenant, (c) nature and legality of the proposed use of the Premises. No assignment or subletting shall release Tenant from any of its obligations under this Lease, including the payment of rent. Landlord shall have the right to assign its interest under this Lease or the rent hereunder reserved.

#### **TENANT'S IMPROVEMENTS**

7. Tenant shall not make any alterations, additions or improvements to the Premises, including changes to electrical or mechanical systems, without Landlord's prior written consent to the proposed work, which consent shall not be unreasonably withheld. Tenant shall timely pay for all labor and materials furnished to the Premises at Tenant's request, indemnify and hold Landlord harmless from any liability therefore, and shall cause any construction lien therefore filed against the Premises to be released within 30 days of notice from Landlord. Without limiting the foregoing, Tenant shall not make any alterations, additions or installations on or to the exterior of the Building or the roof or penetrate the roof without Landlord's prior written consent, and then only in compliance with Landlord's conditions to giving such consent. Upon termination of this Lease, at Landlord's option, Tenant will repair and restore the Premises to its former condition, at Tenant's expense, or any such improvements, additions, or alterations installed or

made by Tenant, except Tenant's trade fixtures, shall become part of the Premises and the property of the Landlord. Tenant may remove its trade fixtures at the termination of this Lease, provided Tenant is not then in default and provided further that Tenant repairs any damage caused by such removal.

**MAINTENANCE AND REPAIRS**

8. Tenant agrees to maintain in good order and condition, and to repair and replace as necessary the entire Premises, including the foundations, structure, exterior walls and roof of the building, the heating, air conditioning, ventilating, plumbing and electrical systems, and all interior and exterior improvements, including parking, drive, sidewalk and landscaped areas.

**CONDITION OF PREMISES**

9. Except as provided herein, Tenant agrees that no promises, representations, statements, or warranties have been made on behalf of Landlord to Tenant respecting the condition of the Premises, or the manner of operating the Real Estate, or the making of any repairs to the Premises. By taking possession of the Premises, Tenant acknowledges that the Premises were in good and satisfactory condition when possession was taken. Tenant shall, at the termination of this Lease, by lapse of time or otherwise, remove all of Tenant's property and surrender the Premises to Landlord in as good condition as when Tenant took possession, normal wear excepted.

**PERSONAL PROPERTY AT RISK OF TENANT**

10. All personal property in the Premises shall be at the risk of Tenant only. Landlord shall not be liable for any damage from any cause to any property of Tenant or its agents or employees in the Premises.

**LANDLORD'S RESERVED RIGHTS**

11. With reasonable notice to Tenant, Landlord, and Landlord's agents, shall have the right to inspect the Premises and show the Premises to prospective lenders, purchasers and tenants.

**INDEMNITY**

12. Tenant shall indemnify, hold harmless, and defend Landlord from and against, and Landlord shall not be liable to Tenant on account of, any and all costs, expenses, liabilities, losses, damages, suits, actions, fines, penalties, demands, or claims of any kind, including reasonable attorney's fees, asserted by or on behalf of any person, entity, or governmental authority arising out of or in any way connected with either (a) a failure by Tenant to perform any of the agreements, terms, or conditions of this Lease required to be performed by Tenant; (b) a failure by Tenant to comply with

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any laws, statutes, ordinances, regulations, or orders of any governmental authority; or (c) any accident, death, or personal injury, or damage to, or loss or theft of property which shall occur on or about the Premises, except as the same may be the result of the willful act or gross negligence of Landlord, its employees, or agents.

### INSURANCE

13. Tenant agrees to procure and maintain continuously during the entire term of this Lease, from a company or companies acceptable to Landlord, at Tenant's own cost and expense a policy or policies of fire and all risk extended casualty coverage for the full replacement cost of the building and all improvements on the Premises and commercial general liability insurance, insuring Landlord and Tenant from all claims, demands or actions. Such policy or policies shall in addition to insuring Tenant protect and name Landlord and Landlord's mortgage lender as additional insureds and shall provide liability coverage in a combined single limit per occurrence of at least \$2,000,000.00 for claims, demands or actions for bodily injury, death or property damage made by or on behalf of any person, persons, entity or entities arising from, related to, or connected with the conduct and operation of Tenant's business on the Premises, or arising out of and connected with the use and occupancy of the Premises by the Tenant. All such insurance policies shall provide that Landlord shall be given a minimum of thirty (30) days notice by the insurance company prior to cancellation, termination or change of such insurance. Tenant shall provide Landlord with copies of the policies or certificates evidencing that such insurance is in full force and effect and stating the term and provisions thereof. If Tenant fails to comply with such requirements for insurance, Landlord may, but shall not be obligated to, obtain such insurance and keep the same in effect, and Tenant agrees to pay Landlord, upon demand, the premium cost thereof.

Tenant shall not use or occupy the Premises or any part thereof in any manner which could invalidate any policies of insurance now or hereafter placed on the Real Estate or increase the risks covered by insurance on the Real Estate or necessitate additional insurance premiums or policies of insurance, even if such use may be in furtherance of Tenant's business purposes. In the event any policies of insurance are invalidated by acts or omissions of Tenant, Landlord shall have the right to terminate this Lease or, at Landlord's option, to charge Tenant for extra insurance premiums required on the Real Estate on account of the increased risk caused by Tenant's use and occupancy of the Premises.

### DAMAGE BY FIRE OR OTHER CASUALTY

14. If, during the term of this Lease, the Premises shall be so damaged by fire or any other casualty or cause so as to render the Premises untenable, the rent shall not be abated while the Premises remain untenable; and in the event of such damage, Landlord shall elect whether to repair the Premises or to cancel this Lease, and shall notify Tenant in writing of its election within sixty (60) days after such damage. In the event

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Landlord elects to repair the Premises, the work or repair shall begin promptly and shall be carried on without unnecessary delay. In the event Landlord elects not to repair the Premises, the Lease shall be deemed canceled as of the date of the damage. Such damage shall not extend the Lease term.

#### **CONDEMNATION**

15. If the whole or any part of the Premises shall be taken by public authority under the power of eminent domain, then the term of this Lease shall cease on that portion of the Premises so taken, from the date of possession, and the rent shall be paid to that date, with a proportionate refund by Landlord to Tenant of such rent as may have been paid by Tenant in advance. If the portion of the Premises taken is such that it prevents the practical use of the Premises for Tenant's purposes, then Tenant shall have the right either (a) to terminate this Lease by giving written notice of such termination to Landlord not later than thirty (30) days after notice of the taking; or (b) to continue in possession of the remainder of the Premises, except that the rent shall be reduced in proportion to the area of the Premises taken. In the event of any taking or condemnation of the Premises, in whole or in part, the entire resulting award of damages shall be the exclusive property of Landlord, including all damages awarded as compensation for diminution in value to the leasehold, without any deduction for the value of any unexpired term of this Lease, or for any other estate or interest in the premises now or hereafter vested in Tenant.

#### **DEFAULT OR BREACH**

16. Each of the following events shall constitute a default or a breach of this Lease by Tenant:

- (a) If Tenant fails to pay Landlord any rent or other payments when due;
- (b) If Tenant vacates or abandons the Premises;
- (c) If Tenant files a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or voluntarily takes advantage of any such act by answer or otherwise, or makes an assignment for the benefit of creditors;
- (d) If involuntary proceedings under any bankruptcy or insolvency act shall be instituted against Tenant, or if a receiver or trustee shall be appointed of all or substantially all of the property of Tenant, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment;
- (e) If Tenant fails to perform or comply with any other term or condition of this Lease and if such nonperformance shall

continue for a period of ten (10) days after notice thereof by Landlord to Tenant, time being of the essence; or

(f) If Tenant engages in any unlawful activity on the Premises.

#### **EFFECT OF DEFAULT**

17. In the event of any default or breach hereunder, in addition to any other right or remedy available to Landlord, either at law or in equity, Landlord may exercise any one or more of the following rights:

(a) Landlord may re-enter the Premises immediately and remove the property and personnel of Tenant, and shall have the right, but not the obligation, to store such Property in a public warehouse or at a place selected by Landlord, at the risk and expense of Tenant.

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(b) Landlord may retake the Premises and may terminate this Lease by giving written notice of termination to Tenant. Without such notice, Landlord's retaking will not terminate the Lease. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including the cost of recovering the premises and the difference between the rent due for the balance of the Lease term, as though the Lease had not been terminated, and the reasonable rental value of the premises, which sum shall be immediately due Landlord from Tenant.

(c) Landlord may relet the Premises or any part thereof for any term without terminating this Lease, at such rent and on such terms as it may choose. Landlord may make alterations and repairs to the Premises. In addition to Tenant's liability to Landlord for breach of this Lease, Tenant shall be liable for all expenses of the reletting, for any alterations and repairs made, and for the rent due for the balance of the Lease term, which sum shall be immediately due Landlord from Tenant. The amount due Landlord will be reduced by the net rent received by Landlord during the remaining term of this Lease from reletting the Premises or any part thereof. If during the remaining term of this Lease Landlord receives more than the amount due Landlord under this sub-paragraph, the Landlord shall pay such excess to Tenant, but only to the extent Tenant has actually made payment pursuant to this sub-paragraph.

#### **SURRENDER - HOLDING OVER**

18. Tenant shall, upon termination of this Lease, whether by lapse of time or otherwise, peaceably and promptly surrender the Premises to Landlord. If Tenant remains in possession after the termination of this Lease, without a written lease duly executed by the parties, Tenant shall be



deemed a trespasser. If Tenant pays, and Landlord accepts, rent for a period after termination of this Lease, Tenant shall be deemed to be occupying the Premises only as a tenant from month to month, subject to all the terms, conditions, and agreements of this lease, except that the Base Rent shall be one-hundred twenty-five percent (125%) of the monthly Base Rent specified in the Lease immediately before termination.

#### **SUBORDINATION AND ATTORNMENT**

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19. Landlord reserves the right to place liens and encumbrances on the Premises superior in lien and effect to this Lease. This Lease, and all rights of Tenant hereunder, shall, at the option of Landlord, be subject and subordinate to any liens and encumbrances now or hereafter imposed by Landlord upon the Premises or the Real Estate or any part thereof, and Tenant agrees to execute, acknowledge, and deliver to Landlord, upon request, any and all instruments that may be necessary or proper to subordinate this Lease and all rights herein to any such lien or encumbrance as may be required by Landlord. In the event any proceedings are brought for the foreclosure of any mortgage on the Premises, Tenant will attorn to the purchaser at the foreclosure sale and recognize such purchaser as the landlord under this Lease. The purchaser, by virtue of such foreclosure, shall be deemed to have assumed, as substitute landlord, the terms and conditions of this Lease until the resale or the disposition of its interest. Such assumption, however, shall not be deemed an acknowledgment by the purchaser of the validity of any then existing claims of Tenant against the prior landlord.

#### **NOTICES**

20. Any notice to be given hereunder shall be given in writing and personally delivered or sent by U.S. registered or certified mail or other commercially recognized courier providing a written receipt

to Landlord at: 1600 North Chestnut  
Wahoo, Nebraska 68066

and to Tenant at: 672 North 57<sup>th</sup> Street  
Omaha, Nebraska 68132

or at such other address as either party may from time to time so designate. Each such notice shall be deemed to have been given and received at the time of delivery or refusal of delivery to such address in the manner herein prescribed.

#### **SIGNAGE**

21. Tenant acknowledges and agrees that during the term of this Lease or any extensions or renewal of the original term of this Lease, all signage located on, about or visible from the exterior of the Leased Premises

must conform in all respects, including but not limited to size, materials, quality, style, configuration, color and location, with all applicable zoning ordinances.

**MISCELLANEOUS**

22. (a) *Binding on Assigns.* All terms, conditions, and agreements of this Lease shall be binding upon, apply, and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) *Amendment in Writing.* This Lease contains the entire agreement between the parties and may be amended only by subsequent written agreement.

(c) *Waiver - None.* The failure of Landlord to insist upon strict performance of any of the terms, conditions and agreements of this Lease shall not be deemed a waiver of any of its rights or remedies hereunder and shall not be deemed a waiver of any subsequent breach or default or any of such terms, conditions, and agreements. The doing of anything by Landlord which Landlord is not obligated to do hereunder shall not impose any future obligation on Landlord nor otherwise amend any provisions of this Lease.

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(d) *No Surrender.* No surrender of the Premises by Tenant shall be effected by Landlord's acceptance of the keys to the Premises or of the rent due hereunder, or by any other means whatsoever, without landlords' written acknowledgment that such acceptance constitutes a surrender.

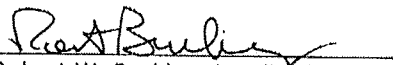
(e) *Captions.* The captions of the various paragraphs in this Lease are for convenience only and do not define, limit, describe, or construe the contents of such paragraphs.

(f) *Brokers.* Tenant hereby warrants that no real estate broker has or will represent it in this transaction and that no finder's fees have been earned by a third party.

(g) *Applicable Law.* This Lease shall be governed by and construed in accordance with the laws of the State of Nebraska.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

WITNESS:  
  
\_\_\_\_\_

BY:   
Robert W. Burkley, Landlord

WITNESS:

[Signature]

BY: [Signature]  
Karen T. Burkley, Landlord

WITNESS:

[Signature]

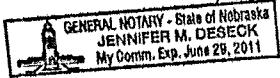
BURKLEY ENVELOPE COMPANY, TENANT

BY: [Signature]  
Robert W. Burkley, President

STATE OF NEBRASKA    )  
                                      )ss.  
COUNTY OF DOUGLAS    )

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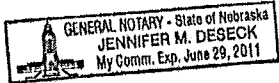
31, 2007 by Robert W. Burkley and Karen T. Burkley, Landlords, who are known to be the identical persons whose names are affixed to the foregoing instrument and who acknowledged the execution thereof to be their voluntary act and deed.



[Signature]  
Notary Public  
My commission expires 6-29-11

STATE OF NEBRASKA    )  
                                      )ss.  
COUNTY OF DOUGLAS    )

31, 2007 by Robert W. Burkley, President of Burkley Envelope Company, a Nebraska, Tenant, who is known to be the identical person whose name is affixed to the foregoing instrument and who acknowledged the execution thereof to be his voluntary act and deed on behalf of said corporation.



[Signature]  
Notary Public  
My commission expires 6-29-11

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A parcel of land located in the Southwest Quarter of Section 34, Township 15, Range 7, Saunders County, Nebraska, being described as follows: Commencing at the Southwest corner of said Southwest Quarter; thence Northerly on the West line of said Southwest Quarter, a distance of 1000.89 feet; thence Easterly perpendicular to said West line, a distance of 33.00 feet to the Easterly right of way line of Chestnut Street, as platted in the city of Wahoo, and the true point of beginning, said point also being the Southwest corner of Greenwood Cemetery and the Northwest corner of a parcel of land described in Deed book 147, page 93; thence N89°15'50"E (assumed bearing) on the South line of said Greenwood Cemetery and on the North line of said previously described parcel, a distance of 405.44 feet; thence N12°57'09"E on said South line and on the North line of said previously described parcel, a distance of 72.78 feet; thence N88°23'57"E on said South line and on the North line of said previously described parcel, a distance of 79.82 feet; thence N88°29'38"E on the North line of said previously described parcel, a distance of 105.68 feet to a point on the West right of way line of the Abandoned Chicago and Northwestern Railroad, said point also being the Northeast corner of said previously described parcel; thence S35°35'54"W on said West right of way line and on the East line of said previously described parcel, a distance of 149.55 feet to a point of curvature; thence Southwesterly on said West right of way line and on the East line of said previously described parcel on a 2,341.83 foot radius curve to the left, an arc distance of 864.25 feet to the Northeast corner of a parcel of land described in Deed book 140, page 901, the chord of said curve bears S25°01'33"W, 859.36 feet; thence S89°56'25"W on the North line of said previously described parcel, a distance of 143.84 feet to a point on said Easterly right of way line; thence N00°53'24"W on said Easterly right of way line, a distance of 819.38 feet to the true point of beginning.

