

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-01-12** | Period of Report: **1993-10-31**  
SEC Accession No. **0000912057-94-000081**

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### FILER

#### **ADC TELECOMMUNICATIONS INC**

CIK: **61478** | IRS No.: **410743912** | State of Incorporation: **MN** | Fiscal Year End: **1031**  
Type: **10-K** | Act: **34** | File No.: **000-01424** | Film No.: **94501101**  
SIC: **3661** Telephone & telegraph apparatus

Business Address  
4900 WEST 78TH ST.  
MINNEAPOLIS MN 55435  
6129388080

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]  
For the fiscal year ended October 31, 1993

OR

/  TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]  
For the Transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-1424

ADC Telecommunications, Inc.

-----  
(Exact name of registrant as specified in its charter)

Minnesota

41-0743912

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer  
Identification No.)

4900 West 78th Street  
Minneapolis, Minnesota

55435

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code: (612) 938-8080

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock,  
\$.20 par value  
Common Stock  
Purchase Rights

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes     /  No

The aggregate market value of voting stock held by nonaffiliates of the registrant, as of December 15, 1993, was approximately \$910,884,000 (based on the last sale price of such stock as reported by the NASDAQ National Market System).

The number of shares outstanding of the registrant's common stock, \$.20 par value, as of December 15, 1993, was 27,725,682.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

DOCUMENTS INCORPORATED BY REFERENCE

Pursuant to General Instruction G(3), the responses to Items 10, 11, 12 and 13 of Part III of this report are incorporated herein by reference to the information contained in the Company's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission on or before February 28, 1994.

PART I

ITEM 1. BUSINESS

ADC Telecommunications, Inc. designs, manufactures and markets a broad range of transmission and networking systems and physical connectivity products for broadband telecommunications networks utilizing copper and fiber optic transmission media. The Company markets its products worldwide through its own direct sales force, as well as through distributors, dealer organizations and original equipment manufacturers (OEMs). The Company's products are designed for use in the public telecommunications networks maintained by telephone operating companies, interexchange carriers, other telecommunications common carriers and broadcast and cable TV networks, and for use in private telecommunications networks maintained by large businesses, government agencies, and educational and other non-profit institutions.

The Company was incorporated in 1953 as a Minnesota corporation under the name Magnetic Controls Company. In 1961, Magnetic Controls Company was merged with ADC Incorporated, a Minnesota corporation incorporated in 1935. In 1984, the Company sold substantially all of the assets of its magnetics operations. In 1985, Magnetic Controls Company changed its corporate name to ADC Telecommunications, Inc. in order to better reflect the Company's commitment to the telecommunications market and to identify the Company more closely with its ADC trademark.

In July 1989, ADC acquired Kentrox Industries, Inc. (Kentrox), a manufacturer of public network service access equipment for private telecommunications networks, located in Portland, Oregon. In June 1990, the Company acquired technology and other assets of TELINQ Systems Incorporated, located in Richardson, Texas. The ADC TELINQ Development Center-SM- (TELINQ) is an advanced development center for ADC and is responsible for developing high speed digital transmission products. In July 1990, ADC acquired American Lightwave Systems, Inc. (ALS). ALS, located in Meriden, Connecticut, designs, manufactures and markets fiber optic video transmission equipment for the telephone, cable television, broadcast and government

markets. In May 1991, the Company acquired Fibermux Corporation (Fibermux), located in Chatsworth, California. Fibermux designs, manufactures, markets, and installs enterprise-wide communication systems for the interconnection and transport of Local Area Network (LAN) and other voice, data and video traffic, primarily in private telecommunications networks. As used herein, the terms "Company" and "ADC" refer to ADC Telecommunications, Inc. and its wholly-owned subsidiaries unless the context requires otherwise.

THE TELECOMMUNICATIONS MARKET

The largest market for the Company's broad range of telecommunications products consists of companies providing service in the public telecommunications networks and the OEMs which supply such companies. The Company's transmission and physical connectivity products for the public network market are primarily located in central transmission facilities (i.e., in telephone company networks, central office and outside plant facilities which contain the equipment used in switching and transmitting incoming and outgoing telephone circuits to complete local and long distance telephone connections).

Another market for the Company's products consists of rapidly growing private voice, data and video telecommunications networks maintained by businesses, government agencies, and educational and other non-profit institutions. The Company's customers in this market primarily include large businesses and government agencies with their own communications networks and the OEMs and Value Added Resellers (VARs) which supply such networks. The Company's products for private networks are located on the private network customers' premises and consist of enterprise-wide communication systems and public network service access equipment.

The market for the Company's products has grown in large part due to the effects of three ongoing developments in the telecommunications industry. First, rapid technological change has created a demand for new products employing advanced technologies. Second, the shift to data and video network traffic has resulted in increasing demand for voice, data and video networking

capabilities within private networks and, more recently, over the public networks as well. Third, the policy of deregulation being followed by the Federal Communications Commission and other similar regulatory agencies throughout the world has increased opportunities for independent companies to supply products and services within public telephone system markets and within private voice, data and video communications markets.

The Company believes that for the foreseeable future technological change will be the most important development in the continuing evolution of the telecommunications market. One important technological change in the past decade has been the increasing replacement of analog technology with digital technology in transmission networks. In analog technology, information is converted to a voltage or current wave form for processing or transmission. In digital technology, information is converted to digital bits and then processed or transmitted using computer-based components.

A second important change in transmission technology has been the introduction of fiber optic systems, which are based on a physical property of light that allows transmission of light pulses in a coded analog or digital format through a glass fiber approximately the size of a human hair. Fiber optic systems are increasingly replacing copper-based transmission systems because of their capacity to carry large volumes of information at high speeds, their small size and their insensitivity to electromagnetic interference.

A third important technological change in the telecommunications marketplace is in the use of integrated circuits and miniaturization, which has facilitated the transfer of certain telecommunications functions from central switching and transmission locations to locations closer to the business or residential end-user. In addition, because of the increased use of integrated circuits in both public and private telecommunications, networks have become significantly more complex. Increasingly, high speed switching, network performance monitoring, information compression, and data translation functions are being performed by network equipment. The Company believes that over the long term, the majority of new equipment purchased by telephone operating

companies and private network customers will employ digital technology and that a significant portion of such equipment will utilize the fiber optic transmission medium.

## PRODUCTS

The Company categorizes its products into the following groups:

**TRANSMISSION PRODUCTS:** Transmission products permit and enhance the generation of electronic and optical signals over a telecommunications circuit. Certain of the transmission products also provide access in order to monitor, test and reroute circuits within telecommunications transmission systems. ADC's transmission products are designed for use in copper-based and fiber optic transmission systems.

**NETWORKING PRODUCTS:** Networking products provide interconnection and transportation of voice, data and video signals within a single customer building or campus as well as network access to the public network. The Company's networking products are designed for use in copper-based and fiber optic networks.

**BROADBAND CONNECTIVITY PRODUCTS:** Broadband connectivity products provide the physical connectivity (contact points) for connecting different telecommunications system components and gaining access to telecommunications system circuits by electromechanical means for the purpose of testing, monitoring or reconfiguring such circuits. A majority of the Company's broadband connectivity products are designed for use in copper-based

transmission systems, with the remainder designed for use in fiber optic transmission systems.

Historically, most of the Company's products have been used in connection with copper-based telecommunications systems, reflecting the historical installed base of equipment utilizing copper cable in domestic and international telecommunications networks. As a direct result of this large installed base, the Company expects that, for the foreseeable future, a substantial portion of its existing and new products will be sold to maintain and improve the functionality of copper-based telecommunications systems. Although the Company expects to continue to allocate considerable resources to improving existing and developing new products for these systems, it will also devote significant resources to the development of fiber optic products because the

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Company believes that such products represent an increasing source of future growth of broadband connectivity product revenues.

The percentages of total consolidated net sales attributable to each of the Company's product groups and to fiber optic products in total for the past three fiscal years are set forth in Part II, Item 7 hereof. As used herein, "copper products" refer to products used in copper-based telecommunications systems, and "fiber optic products" refer to products used in fiber optic telecommunications systems.

#### TRANSMISSION PRODUCTS

**DIGITAL REPEATERS:** The Company's copper-based digital repeaters regenerate digital signals that have degraded because of transmission over long distances, primarily in central office applications. Digital repeaters are sold primarily to telephone operating companies and other telecommunications common carriers.

**TEST AND MONITORING SYSTEMS:** The Company manufactures three remote digital test and performance monitoring products. The T-Sentry-R- system and SENTRY 45-TM- system provide non-intrusive remote network performance monitoring and alarm surveillance on DS1 and DS3 signals. The Company's NetStar-R- system, a remotely operable, intrusive T1 test and monitoring system, is designed for high capacity T1 telephone central office testing and private network facility management.

The Company has developed and recently released for commercial use its open systems-based FiberWatch-TM- remote fiber test and surveillance system. The FiberWatch system provides a database of installed fibers, performs scheduled and on-demand testing, and provides mapping and graphing capability for location of faults in networks.

ADC also manufactures and sells the Logix control system, a software system which enables the user to network numerous test and monitoring systems and to interface with higher level network management systems. The Logix system has an open architecture that supports

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various standards and provides for the centralized management of all ADC test and monitoring systems.

The Company's test and monitoring systems are sold to telephone operating companies, other telecommunications common carriers, OEMs, distributors, and users of private voice and data communication networks.

**COAXIAL MULTIPLEXER:** Under contract with a large computer manufacturer, the Company manufactures a coaxial multiplexer device used to connect up to eight computer monitors by a single cable to a main computer. The device is sold exclusively to this customer under an agreement that is cancelable at its option.

FIBER VIDEO DELIVERY EQUIPMENT: Through its ALS subsidiary, the Company manufactures fiber optic based video transmission systems. The LiteAmp-R-, FN6000-TM-, LC6000-TM- and LX6000-TM- systems transmit a variety of analog signals over fiber in cable television (CATV) applications, broadcast applications and interactive systems for distance learning and campus interconnects. The DV6000-TM- system transmits a variety of signal types using a high speed, uncompressed digital format (2.4 billion bits per second) over fiber in broadcast, CATV and private network applications. With the recent addition of channel drop/add/pass capability, the DV6000 system can now be utilized in more complex network applications. The PixlNet-TM- DS1 compressed digital video system, which is expected to be commercially released by ALS during 1994, will be targeted for video teleconferencing and distance learning applications.

The Company's fiber video delivery systems are sold directly to CATV companies, telephone operating companies, other telecommunications common carriers and users of private data and video communication networks. ALS also provides fiber optic subsystems for the video portion of the Homeworx product described below.

CUSTOMER LOOP TRANSMISSION: The Company's fiber loop converter (FLC) products convert electrical signals to optical signals for transmission over fiber optic cables at T1 and T3 speeds and supply the power required to transmit such signals between floors within a building. FLCs deploying from one to four T1 circuits provide an alternative to multiplexing in high-capacity T1 applications. FLCs deploying T3 circuits provide full bandwidth T3 delivery and transport at OC-1 speed.

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The Company's Soneplex-TM- products perform the FLC functions as well as full multi-plexing, performance monitoring, alarming, remote provisioning/switching and other functions, all at speeds up to the OC-3 level. The Company is continuing to develop modules for upgrading the functionality of its Soneplex products.

The Company's Soneplex system chassis can be configured for High bit rate Digital Subscriber Line (HDSL) transmission. This HDSL product, which the Company has acquired through a licensing and product development arrangement, transports electrical signals over copper wire without pre-conditioning of the circuit or regeneration of the signal. This product enhances existing copper networks and provides a migration path to fiber transmission.

The Company's fiber loop converter and Soneplex product families are intended for large business customer loop transmission. The Company also has a customer loop transmission system under development for the small business and residential customer called the Homeworx system. The Company initiated customer field trials of the Homeworx access transport platform during 1993 and intends to perform additional customer field trials and commercially release two versions of this product in 1994. Customer loop transmission products are sold to telephone operating companies, other telecommunications common carriers and users of private voice and data communications networks.

ATM SWITCH: Through a licensing and product development arrangement, the Company recently acquired an Asynchronous Transfer Mode (ATM) switching system that supports advanced high-speed data and video applications in the public telecommunications networks. The Company intends to perform a customer field trial and release this product commercially in 1994. The ATM switching system will primarily be sold to telephone operating companies, interexchange carriers and other telecommunications common carriers.

CITYCELL-TM- SYSTEM: The Kentrox CityCell Digital Microcell System is a fiber-fed, radio frequency digital transmission microcell that extends cellular communications coverage, primarily in large urban areas. Kentrox sells its CityCell product primarily to public cellular communications providers and users of private voice and data communications networks.

## NETWORKING PRODUCTS

**PUBLIC NETWORK ACCESS EQUIPMENT:** Through its Kentrox subsidiary, the Company manufactures digital public network service access equipment. These products, known as the T-SERV-R- Channel Service Unit, T-SMART-R- Intelligent Channel Service Unit, the DataSMART-TM- DSU/CSU, the D-Serv DSU/CSU, the DataSMART-TM- E1 SMDSU-TM-, the DataSMART-TM- T3E3 SMDSU-TM- and the DataSMART-TM- 45 SMDSU-TM- are used to interconnect digitally the common carrier network and the customer premises network. This equipment monitors circuits and provides system protection and other network management functions. The T-SMART product also enables the customer to test the performance of its voice network. The D-Serv and DataSMART product lines allow connection of both voice and data circuits.

Kentrox has recently developed and introduced ATM DSUs, at both DS1 and DS3 transmission speeds, for the transport of voice, data and video signals. Kentrox intends to perform customer field trials and release these products commercially in 1994.

The Kentrox public network service access equipment is sold through telephone operating companies, interexchange carriers, other telecommunications common carriers, OEMs and distributors, or directly to users of private voice and data communication networks.

**INTERNETWORKING PRODUCTS:** Through its Fibermux subsidiary, the Company manufactures internetworking products. The Crossbow-TM- multi-LAN hub family of products interconnects workstations, personal computers and terminals, utilizing many different LAN protocols and cabling types. The LightWatch-R- network management system controls networks based on Crossbow hubs, from one location, utilizing the Simple Network Management Protocol (SNMP). The Magnum 100-R- family of products transports multiple voice, data and video signals simultaneously over a 100-megabit (million bits per second) speed fiber optic backbone. The Magnum 100 backbones link LANs, mainframes, minicomputers, personal computers, telephone systems and video equipment with diverse protocols using time-division multiplexing technology, within the enterprise network or over the public common carrier network. LightWatch network management software also controls Magnum 100 networks. The Company also sells LAN backbone products utilizing other technologies such as fiber distributed data interface (FDDI) and

internetworking components such as routers, some of which have been acquired by the Company through licensing and product development arrangements. Fibermux sells internetworking products principally to users of private data communication networks.

Fibermux currently has under development its ATMosphere-TM- ATM backbone wiring hub. The ATMosphere product, in its first phase, will provide a high speed, ATM-based backbone between Crossbow hubs and virtual networking management for users attached to Crossbow hubs. Fibermux intends to perform customer field trials and release this product commercially in 1994.

**PATCH/SWITCH SYSTEM AND PATCHMATE-TM- MODULE:** The Company's Patch/Switch system is a data network management product that provides access to, monitors, tests and reconfigures digital data circuits and permits local or remote switching to alternate circuits or backup equipment. This system is fully modular, permitting the user to select and combine the particular functions desired in a system. The PatchMate Module is a manually operated electromechanical device used to gain access in order to monitor, test, and reconfigure digital data circuits. The Patch/Switch System and PatchMate Module are sold principally to users of private data communication networks.

## BROADBAND CONNECTIVITY PRODUCTS

**JACKS, PLUGS AND PATCH CORDS:** Jacks and plugs are the basic components used to gain access to copper telecommunications circuits for testing and maintenance. A jack is a connecting device to which the wires of a circuit are

attached and through which access to that circuit is obtained by the insertion of the plug. This access permits the circuit to be monitored, tested or re-routed (patched). Patch cords are wires or cables with a plug on each end. ADC offers a complete line of jacks and plugs in the longframe and smaller bantam formats. The bantam products are approximately half the size of the longframe products. The Company also manufactures a line of jacks in both of these formats which are designed to be mounted on printed circuit boards wherever access points are required, as well as a line of coaxial jacks and plugs used for gaining access to high frequency circuits.

ADC incorporates its jacks, plugs and patch cords into its own products and also sells them in component form primarily to OEMs, whose products are used by telephone operating companies

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and other companies providing communication services. These components are generally manufactured to industry-recognized compatibility and reliability standards as off-the-shelf items.

**JACKFIELDS AND PATCH BAYS:** A jackfield is a module containing an assembly of jacks wired to terminal blocks or connectors and used by telecommunications companies to gain access to copper communication circuits for testing or patching the circuits. ADC manufactures jackfields in both longframe and bantam formats, including prewired and connectorized models. When testing a large number of circuits, series of jackfields are combined in specialized rack assemblies, which often may include test modules. These assemblies are called patch bays. ADC manufactures a range of jackfields and patch bays in various configurations. The Company's analog jackfields and analog and digital patch bays are sold primarily to OEMs, telephone operating companies and other telecommunications common carriers. The Company also manufactures and sells specialized jackfields for use in audio and video transmission networks in the broadcast industry.

**DSX PRODUCTS:** ADC manufactures digital signaling cross-connect (DSX) modules and bays which are jackfields and patch bays designed to gain access to and cross-connect digital copper circuits for both voice and data transmission. Since introduction of DSX products in 1977, the Company has continued to expand and refine its DSX product offerings, and has become a leading manufacturer of products for the mechanical termination and interconnection of digital circuits used in voice and data transmission. During 1993, ADC added the Mini-DSX-3 product, a double-density, double-capacity module, to its DSX product family. The Company's DSX products are sold primarily to telephone operating companies and other telecommunications common carriers.

**TERMINAL BLOCKS AND FRAME PRODUCTS:** Terminal blocks are molded plastic blocks with contact points used to facilitate multiple wire interconnections. ADC manufactures a wide variety of terminal blocks. The Company's cross-connect frames are terminal block assemblies used to connect the external wiring of a telecommunications network to the internal wiring of a telephone operating company central office or to interconnect various pieces of equipment within a telephone company. ADC sells its terminal blocks and cross-connect frames primarily to OEMs and telephone operating companies.

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**FIBER OPTIC PATCH CORDS:** Fiber optic patch cords are functionally similar to copper patch cords and are the basic components used to gain access to fiber telecommunications circuits for testing, maintenance, cross-connection and configuration purposes. ADC manufactures its own FC, SC and ST-R-\* connectors for use in the fiber optic patch cords. The Company's LightTracer -TM- fiber optic patch cord provides immediate identification of fiber optic connections. The Company incorporates its fiber optic patch cords into its own products and sells them in component form principally to OEMs, whose products are used by telephone operating companies and other companies providing communication services.



FIBER DISTRIBUTION PANELS AND FRAMES: Fiber distribution panels and frames are functionally similar to copper panels and frames with the added feature of additional bend protection and provide interconnection points between fiber optic cables coming into a building and fiber optic cables connected to fiber optic equipment within the building. The Company sells fiber distribution products primarily to telephone operating companies and users of private voice and data communications networks.

FIBERGUIDE-R- SYSTEMS: The FiberGuide system is a modular routing system which provides a segregated, protected method of storing and routing fiber patch cords and cables within buildings. ADC sells its FiberGuide systems to telephone operating companies and users of private telecommunication networks.

ENGINEER, FURNISH AND INSTALL SERVICES: Engineer, furnish and install (EF&I) services consist of layout and installation of new telecommunications networks, modification of existing networks or the addition of equipment to existing networks. The Company sells its EF&I services to telephone operating companies, other common carriers and users of private telecommunications networks.

#### PRODUCT DEVELOPMENT

The Company is committed to an ongoing program of new product development which combines internal development efforts with acquisition, joint venture, licensing or marketing

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\* (a registered trademark of American Telephone & Telegraph Co.)

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arrangements relating to new products and technologies from sources outside the Company. Development and product engineering expenses for fiscal 1993, 1992 and 1991 were \$40,988,000, \$36,063,000 and \$32,315,000, respectively (approximately 11.2%, 11.4% and 11.0%, respectively, of consolidated net sales).

The Company's product development program emphasizes the innovative application of existing technology in the design of new products rather than the research and development of new technology. The Company's product development group works closely with marketing personnel in an effort to determine emerging user needs in the telecommunications market and continually reviews and evaluates technological changes affecting this market.

The Company is currently conducting development efforts with respect to technologies and products in each of its three product groups. Among other projects, the Company's development activities are directed at the integration of fiber optic technology into additional products and the incorporation of ATM technology into voice, data and video products for both public and private telecommunications networks. There is also emphasis on developing copper and fiber optic products for applications in the local loop.

#### MARKETING AND DISTRIBUTION

ADC sells its products to customers in three primary markets: (1) the United States public telecommunications network market, (2) the private and governmental voice, data and video network market in the United States, and (3) the international public and private network market.

Major providers in the public telecommunications market in the United States include the Bell Operating Companies, other local telephone companies (such as GTE Corporation, United Telecommunications, Inc. and Centel Corporation), long-distance telephone companies (such as AT&T Communications/Information Systems, MCI Telecommunications Corp., Sprint and Williams Telecommunications Co.), CATV companies (such as Cox Enterprises, Inc.

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Liberty Cable Company, TCI, Inc.) other emerging telecommunication common carriers (such as MFS Communications Company and Teleport Communications Group, Inc.), and major OEMs which service these same customers (such as AT&T Technologies, Inc., Northern Telecom, Inc., Alcatel Alsthom Compagnie Generale D'Electricite, NEC America, Inc., Fujitsu Limited and Tellabs Operations, Inc.). The Company sells its products to most of the major providers and OEMs.

The private network market includes predominantly large businesses and state and federal government agencies which own and operate their own voice and data networks for internal use. The major OEMs in this market include International Business Machines Corporation (IBM), AT&T Paradyne Corporation, Digital Equipment Corporation, Northern Telecom, Inc., Codex Corporation and Racal Corporation.

The Company's products are sold in the United States by approximately 112 field sales representatives located in 24 sales offices throughout the country, and by several dealer organizations and distributors. The Company also has a customer service group, which supports field sales personnel and is responsible for application engineering, customer training, entering orders and supplying delivery status information, and a field service engineering group, which provides on-site service to customers.

The foreign markets with the greatest potential for sales of the Company's products consist of the telephone operating companies in the public telecommunications networks of Canada, Western Europe, Australia, New Zealand, Mexico and the Asian region. The Company sells its products to foreign customers through 23 Company-employed field salespersons, eight foreign independent sales representatives and 81 foreign distributors. On October 31, 1993, the Company's foreign distribution network was selling products in 61 nations throughout the world. To date, the principal foreign market for the Company's products has been Canada. The Company has wholly-owned subsidiaries in Canada, the United Kingdom, Belgium, Australia, Mexico, Singapore and Venezuela. The Company's foreign sales offices are located in Toronto, Montreal, Ottawa, Vancouver, London, Brussels, Sydney, Mexico City, Singapore and Caracas.

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Consolidated export sales to unaffiliated customers for fiscal years 1993, 1992 and 1991 were \$58,919,000, \$49,347,000 and \$37,960,000, respectively (approximately 16.1%, 15.6% and 12.9%, respectively, of consolidated net sales).

The Company warrants most of its products against defects in materials and workmanship under normal use and service for periods of up to 15 years. To date, the Company's warranty experience has been favorable, with a low rate of product return.

#### COMPETITION

Competition in the telecommunications products market is intense. The Company manufactures, markets and sells products similar to those manufactured by numerous other companies, some of which, such as AT&T Technologies, Inc. and Switchcraft, Inc., a subsidiary of Raytheon Company, have greater resources than those available to the Company. The Company faces increasing competition from a number of other smaller competitors. The Company believes its success in competing with other manufacturers of telecommunications products depends primarily on its engineering, manufacturing and marketing skills, the price, quality and reliability of its products, and its delivery and service capabilities.

The Company's Fibermux subsidiary competes with a number of other companies, none of which is dominant, and faces both strong price competition and pressure from alternative distribution strategies utilized by these other companies. The Company's Kentrox and ALS subsidiaries have various competitors, none of which is dominant.

The Company believes that technological change, the shift in network traffic to data and video and continuing industry deregulation will continue to cause rapid evolution in the competitive environment of the telecommunications

market, the full scope and nature of which is impossible to predict at this time. The Company believes the most significant competitive effect of continuing

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industry deregulation has been, and will continue for the immediate future to be, the creation of new opportunities for suppliers of telecommunications products like the Company. The Company expects, however, that such opportunities will attract increased competition from others as well. In addition, the Company expects that AT&T Technologies, Inc. will continue to be a major supplier to the Bell Operating Companies, and is competing more extensively outside the Bell system. The Company also believes that the rapid technological changes which characterize the telecommunications industry will continue to make the markets in which the Company competes attractive to new entrants.

#### MANUFACTURING AND SUPPLIES

The manufacturing process for the Company's electronic products consists primarily of assembly and test of electronic systems built from fabricated parts, printed circuit boards and electronic components. The manufacturing process for the Company's electromechanical products consists primarily of fabrication of jacks, plugs, and other basic components from raw materials, assembly of components and testing. The Company's sheet metal, plastic molding, stamping and machining capabilities permit the Company to configure components to customer demand.

The Company purchases raw materials and component parts, consisting primarily of copper wire, optical fiber, steel, brass, nickel-steel alloys, gold, plastics, printed circuit boards, solid state components, discrete electronic components and similar items, from several suppliers. Although a number of components used by the Company are single sourced, the Company has experienced no significant difficulties to date in obtaining adequate quantities of these raw materials and component parts. The Company believes that alternative sources of supply exist, or can be developed without causing significant delays, for all of its raw materials and component parts.

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#### PROPRIETARY RIGHTS

The Company owns a number of United States and foreign patents relating to its products. These patents, in the aggregate, constitute a valuable asset of the Company. The Company, however, believes that its business is not dependent upon any single patent or any group of related patents.

The Company has registered the initials ADC alone and in conjunction with specific designs as trademarks in the United States and various foreign countries.

#### EMPLOYEES

As of October 31, 1993, there were 2,462 persons employed by the Company. The Company considers relations with its employees to be good.

#### ITEM 2. PROPERTIES

The Company's corporate headquarters are currently located in two leased buildings in Minnetonka, Minnesota, comprising 144,700 square feet. A 57,000 square foot facility, also leased in Minnetonka, is occupied by the Company's Minnesota fiber optic operations. The Company also leases a 119,000 square foot facility in Minnetonka, Minnesota, in which the engineering, product management, manufacturing and manufacturing support operations for the Company's transmission products are located. The Company also owns two buildings

comprising 132,800 square feet in Bloomington, Minnesota, which house manufacturing and manufacturing support operations.

The Company owns a 76,000 square foot facility and a 20,000 square foot facility in LeSueur, Minnesota, which are used for electromechanical assembly and warehouse space. The Company leases additional warehouse space on a short term basis from time to time to meet its needs. The Company owns an 11,700 square foot facility in Bloomington, Minnesota, which is

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leased to an unaffiliated company. In addition, the Company owns approximately 38 acres of undeveloped land in Eden Prairie, Minnesota.

The Company's Kentrox subsidiary owns a 105,000 square foot facility in Portland, Oregon, which serves as its office and manufacturing facility and leases approximately 4,000 square feet of space in Waseca, Minnesota, which serves as a research and development center. The Company leases approximately 15,000 square feet of space in Richardson, Texas, for the TELINQ Development Center. The Company's ALS subsidiary leases approximately 47,000 square feet of space in Meriden, Connecticut as its office and manufacturing facility. The Company's Fibermux subsidiary leases approximately 97,000 square feet in Chatsworth, California as its office and manufacturing facility. The Company also leases sales office facilities in the United States, Canada, the United Kingdom, Belgium, Australia, Mexico, Venezuela and Singapore.

Leases for the Company's headquarters, sales offices and manufacturing facilities expire at different times through 2000 and are generally renewable on a fixed term or a month-to-month basis. The Company believes that the facilities used in its operations are very well maintained and in excellent condition.

For information regarding encumbrances on the Company's properties, see Note 3 to the Consolidated Financial Statements included in Part II, Item 8, of this report.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Company are as follows:

<TABLE>  
<CAPTION>

Name	Office	Officer Since	Age
- - - - -	-----	-----	---
<S>	<C>	<C>	<C>
Charles M. Denny, Jr.	Chairman of the Board	1970	62
William J. Cadogan	President, Chief Executive Officer and Chief Operating Officer	1987	45
Lynn J. Davis	Senior Vice President, General Manager, Broadband Connectivity Division	1984	46

Lawrence D. Asten	Vice President, Sales, Customer Services and Marketing	1992	46
Joan K. Berg	Vice President, Controller	1987	41
Bruce W. Brown	Vice President, and President of Fibermux	1993	43
M. Farooque Mesiya	Vice President, and President of ALS	1992	48
William B. Porter	Vice President, and President of Kentrox	1991	61
Robert E. Switz	Vice President, Chief Financial Officer	1994	47
Jeffrey S. Wetherell	Vice President, International	1991	51

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Executive officers of the Company are elected by the Board of Directors. The Company's executive officers were last elected to their positions on February 23, 1993 except for Messrs. Brown and Switz. Messrs. Denny, Cadogan and Davis and Ms. Berg have served in various capacities with the Company for more than five years. Biographical information regarding the other named officers follows.

Mr. Asten joined ADC in February 1992. Prior to such time, he was employed by Telco Systems, Inc., a manufacturer of fiber optic transmission products and customer premises network access equipment. At Telco Systems he served as Vice President, Worldwide Sales, beginning in 1987.

Mr. Brown joined the Company in July 1993. He was employed by Ungermann-Bass, Inc. from 1990 to July 1993, most recently holding the position of Executive Vice President, Customer Operations. Prior to joining Ungermann-Bass, Mr. Brown was Senior Vice President, Marketing, Sales & Service for McData Corporation, a Colorado-based networking company. He was also elected a Vice President of ADC in July 1993.

Mr. Mesiya joined the Company in 1990, following the acquisition of ALS. He has held the position of President of ALS since 1986, and was elected a Vice President of ADC in October 1992.

Mr. Porter joined the Company in 1989, following the acquisition of Kentrox. He was named President of Kentrox in December 1991. Before that time he was Vice President, National Accounts, for ADC for one year. For three years prior to December 1990, he served as Vice President of Sales and Marketing of Kentrox.

Mr. Switz joined the Company in January 1994. Prior to that time, he was employed at Burr-Brown Corporation, most recently as Vice President, Chief Financial Officer and Director, Ventures and Systems Business.

Mr. Wetherell joined the Company in December 1991. Prior to that time, he was employed by Telex Communications, Inc., where he held various domestic and international positions beginning in 1984, and was the President and Chief Executive Officer from 1989 to 1991.

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## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND

The Company's Common Stock, \$.20 par value, is traded in the over-the-counter market and is quoted on the NASDAQ National Market System under the symbol "ADCT".

The following table sets forth the high and low daily sale prices for each quarter during the fiscal years ended October 31, 1993 and 1992, as reported on the NASDAQ National Market System. In June 1993, the Company effected a two-for-one stock split in the form of a 100% stock dividend, and all sales prices are adjusted to reflect such stock split.

&lt;TABLE&gt;

&lt;CAPTION&gt;

1993	Low	High
----	---	----
<S>	<C>	<C>
Fourth Quarter	\$29.25	\$44.00
Third Quarter	20.13	31.25
Second Quarter	18.63	23.50
First Quarter	18.13	24.75

&lt;CAPTION&gt;

1992	Low	High
----	---	----
<S>	<C>	<C>
Fourth Quarter	\$16.13	\$19.00
Third Quarter	12.88	18.25
Second Quarter	11.88	14.50
First Quarter	10.25	15.50

&lt;/TABLE&gt;

No cash dividends have been declared or paid during the past two years and the Company has no present intention of declaring a cash dividend. The Company's revolving credit agreements permit cash dividends only to the extent of 25% of net income for the preceding four quarters.

As of December 15, 1993, there were approximately 1,648 holders of record of the Company's Common Stock.

## ITEM 6. SELECTED FINANCIAL DATA

The following is a summary of certain consolidated statement of income and balance sheet information of ADC Telecommunications, Inc. and Subsidiaries for the five years ended October 31, 1993. This summary should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. All share and per share amounts have been restated for a two-for-one stock split effected in the form of a 100% stock dividend in June 1993, and all amounts except per share amounts are presented in thousands. No cash dividends have been declared or paid in any of the years presented.

&lt;TABLE&gt;

&lt;CAPTION&gt;

	1993	1992	1991	1990	1989
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF INCOME DATA					
NET SALES	\$ 366,118	\$ 316,496	\$ 293,839	\$ 259,802	\$ 196,388
COST OF PRODUCTS SOLD	178,572	155,074	148,614	133,802	107,764
	-----	-----	-----	-----	-----
Gross Profit	187,546	161,422	145,225	126,000	88,624
	-----	-----	-----	-----	-----
EXPENSES:					
Selling	70,432	61,329	53,577	45,297	34,742
Development and product engineering	40,988	36,063	32,315	25,462	17,360
Administration	22,879	21,637	20,792	17,496	13,838
Personnel reduction	---	3,800	--	--	--

Total expenses	134,299	122,829	106,684	88,255	65,940
OPERATING INCOME	53,247	38,593	38,541	37,745	22,684
OTHER INCOME (EXPENSE), NET:					
Interest	183	(942)	(108)	1,255	2,831
Other	(3,693)	(2,925)	(2,028)	(828)	730
INCOME BEFORE INCOME TAXES	49,737	34,726	36,405	38,172	26,245
PROVISION FOR INCOME TAXES	18,101	13,700	14,380	15,269	9,842
NET INCOME	\$ 31,636	\$ 21,026	\$ 22,025	\$ 22,903	\$ 16,403
AVERAGE COMMON SHARES OUTSTANDING	27,499	27,088	26,738	26,530	26,334
EARNINGS PER SHARE	\$ 1.15	\$ .78	\$ .82	\$ .86	\$ .62
ORDERS	\$ 375,637	\$ 322,823	\$ 284,993	\$ 265,272	\$ 206,418
BALANCE SHEET DATA (October 31)					
CASH AND CASH EQUIVALENTS	\$ 16,324	\$ 20,484	\$ 30,109	\$ 25,978	\$ 17,576
TOTAL ASSETS	280,054	240,762	247,169	181,665	143,831
LONG-TERM OBLIGATIONS:					
Current maturities of long-term debt	300	324	1,412	1,257	444
Long-term debt	810	14,110	43,634	4,841	4,691
TOTAL STOCKHOLDERS' INVESTMENT	220,394	182,188	158,374	134,013	110,470

</TABLE>

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS

The percentage relationships to net sales of certain income and expense items for the three years ended October 31, 1993 and the percentage changes in these income and expense items between years are contained in the following table:

<TABLE>

<CAPTION>

	Percentage of Net Sales			Percentage Increase (Decrease) Between Years	
	1993	1992	1991	1993 vs. 1992	1992 vs. 1991
<S>	<C>	<C>	<C>	<C>	<C>
NET SALES	100.0%	100.0%	100.0%	15.7%	7.7%
COST OF PRODUCTS SOLD	(48.8)	(49.0)	(50.6)	15.2	4.3
GROSS PROFIT	51.2	51.0	49.4	16.2	11.2
EXPENSES:					
Selling	(19.2)	(19.4)	(18.2)	14.8	14.5
Development and product engineering	(11.2)	(11.4)	(11.0)	13.7	11.6
Administration	(6.3)	(6.8)	(7.1)	5.7	4.1
Personnel reduction	--	(1.2)	--	--	--
Operating Income	14.5	12.2	13.1	38.0	.1
Other Income (Expense), Net:					
Interest	.1	(.3)	-	-	-
Other	(1.0)	(.9)	(.7)	26.3	44.2

Income Before	-----	-----	-----		
Income Taxes	13.6	11.0	12.4	43.2	(4.6)
Provision for					
Income Taxes	(5.0)	(4.4)	(4.9)	32.1	(4.7)
Net Income	8.6%	6.6%	7.5%	50.5	(4.5)
	-----	-----	-----		
	-----	-----	-----		

</TABLE>

RESULTS OF OPERATIONS

NET SALES: Net sales for the three years ended October 31, 1993 reflect the following volume increases (decreases) by product group and in total (dollars in thousands):

<TABLE>  
<CAPTION>

	Net Sales						Percentage Increase (Decrease) Between Years	
	1993		1992		1991		1993	1992
	Net Sales	%	Net Sales	%	Net Sales	%	vs. 1992	vs. 1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Transmission	\$ 69,386	18.9%	\$ 60,500	19.1%	\$ 51,355	17.5%	14.7%	17.8%
Networking	95,540	26.1	84,227	26.6	54,214	18.4	13.4	55.4
Broadband								
Connectivity *	201,192	55.0	171,769	54.3	188,270	64.1	17.1	(8.8)
Total	\$ 366,118	100.0%	\$ 316,496	100.0%	\$ 293,839	100.0%	15.7	7.7

<FN>

\* Previously reported as Cable Management.

</TABLE>

The 1993 and 1992 increases in net sales of transmission products are primarily attributable to sales of new products and, in 1993, increased sales of fiber video delivery systems to public

telecommunications network providers. The Company intends to continue introducing new transmission products in 1994. If such new products meet with reasonable market acceptance, the Company anticipates that net sales of all transmission products will grow as a percentage of the Company's total net sales.

The 1993 increase in net sales of networking products primarily represents increased sales of public network access equipment to private network customers. The 1992 increase in net sales of networking products primarily reflects the acquisition of Fibermux in May 1991. Due to the timing of the acquisition, Fibermux product revenues were included in net sales of networking products for all of 1993 and 1992 and for six months in 1991.

Although the Fibermux acquisition contributed to increased net sales and orders during all of 1992 and the last six months of 1991, net sales and orders for the Company as a whole were lower than anticipated during that 18-month period due to the effects of recession in the public network market. These effects are reflected in the 1992 decrease in net sales of broadband



connectivity products. The Company began experiencing improvement in its public network market business during the second quarter of 1992 which continued throughout the remainder of 1992 and 1993.

Within the broadband connectivity product group, net sales of ADC's copper products utilizing telephone jacks have declined as a percentage of total net sales during the last three years as shown in the following table:

<TABLE>  
<CAPTION>

	Percentage of Net Sales for Year Ended October 31,		
	1993	1992	1991
DSX products	28.7%	29.0%	35.5%
Wired assemblies and communication component products	4.5	5.7	7.0

</TABLE>

Although these products currently account for a substantial portion of the Company's revenues, management believes that future sales of copper products utilizing telephone jacks will continue gradually to decline as a percentage of total net sales primarily due to the ongoing evolution of technologies within the telecommunications marketplace (see Item 1 Business -- The Telecommunications Market) and the addition of new products to the ADC product portfolio.

Net sales of fiber optic products represented 34.2%, 29.9% and 20.9% of total net sales in 1993, 1992 and 1991, respectively. These year-to-year increases reflect the Company's increasing emphasis on development and marketing of fiber optic products. Management anticipates increasing the Company's fiber optic product offerings which should expand total sales of such products.

**GROSS PROFIT:** The 1993 and 1992 increases in gross profit percentage to 51.2% and 51.0% of net sales, respectively, from 49.4% of net sales in 1991 primarily reflect more favorable product sales mix, successful manufacturing cost reduction efforts and higher net sales volumes.

**OPERATING EXPENSES:** Total operating expenses represented 36.7%, 38.8% and 36.3% of net sales in 1993, 1992 and 1991, respectively. The 1992 increase primarily reflects the first full year of Fibermux operating expenses, and a \$3,800,000 personnel reduction charge (\$.09 per share after taxes) recorded in the Company's first quarter 1992. This charge represented employee separation costs related to the elimination of positions during that quarter.

The 14.8% and 14.5% increases in selling expenses in 1993 and 1992, respectively, also reflect increased marketing and selling activities associated with new product introductions and expansion of markets.

The 13.7% and 11.6% increases in development and product engineering expenses in 1993 and 1992, respectively, also reflect significant investments in product development and introduction. The Company has been able to maintain its development and product engineering expenses as a relatively constant percentage of net sales during the 1991 to 1993 period by planning for and controlling such expenditures.

The 5.7% and 4.1% increases in administration expenses in 1993 and 1992, respectively, primarily reflect the growth of the Company. Due to effective management of expenditures, the Company has decreased its ratio of administration expenses as a percentage of net sales over the three-year period.

The major technological changes underway in the telecommunications industry (see Item 1 Business -- The Telecommunications Market) will require the Company to continue investing significantly in product development. Company management recognizes the need to balance the cost of product development with expense control and remains committed to minimizing the rate of increase of such expenses.

OTHER INCOME (EXPENSE), NET: The interest income (expense) category reflected net interest income earned on cash balances during 1993 and the Company's first two quarters of 1991. In May 1991, the Company borrowed \$40 million to acquire Fibermux, resulting in net interest expense from that date through 1992. (See "Liquidity and Capital Resources" below for a discussion of the Company's borrowings.)

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Other expense primarily represented amortization of the goodwill portions of the Fibermux, Kentrox and ALS acquisition prices, beginning at their respective acquisition dates.

INCOME TAXES: See Note 6 to the Consolidated Financial Statements included in Part II, Item 8 of this report for a reconciliation of the federal statutory tax rate to effective tax rates of 36%, 39% and 40% in 1993, 1992 and 1991, respectively. In addition to the non-deductible goodwill amortization amounts discussed above which impact all three years, the 1993 rate reflects a 1% higher federal statutory rate as well as the beneficial impact of tax credits.

In February 1992 the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes" (FASB 109), which the Company intends to implement in the first quarter of 1994. Management has determined that the impact of adopting FASB 109 will not be significant to the Company in fiscal 1994.

NET INCOME: For the year ended October 31, 1993, net income of \$31,636,000, or \$1.15 per share, represented a 50.5% increase over net income for the year ended October 31, 1992 of \$21,026,000, or \$.78 per share. Net income for 1992 represented a 4.5% decrease from 1991 net income of \$22,025,000, or \$.82 per share.

#### LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents, primarily short-term investments in commercial paper with maturities of less than 90 days, decreased \$4,160,000 and \$9,625,000 during 1993 and 1992, respectively, and increased \$4,131,000 during 1991. In 1993 and 1992, property and equipment additions and long-term debt repayments, offset by cash generated from operating activities, represented the majority of the decreases. The Company's Fibermux acquisition utilized approximately \$10 million of cash generated by operating activities and \$39 million of long-term debt in 1991. Repayment of the Fibermux and other long-term debt consumed approximately \$13 million and \$31 million of cash during 1993 and 1992, respectively. The other major use of cash generated by operating activities was property and equipment additions which expenditures approximated \$21 million, \$16 million and \$25 million in 1993, 1992 and 1991, respectively.

The Company may borrow up to \$40 million under revolving credit agreements. Borrowings under these agreements bear interest at floating short-term market rates, can be repaid any time without penalty and can be converted to term loans bearing interest principally at the prime rate, payable in annual installments through December 2000. In May 1991, the Company's

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acquisition of Fibermux was partially financed by borrowing the total \$40 million. The full \$40 million was outstanding until April 1992, when the Company began repaying the debt. At October 31, 1993, all revolving credit

borrowings had been repaid, \$40 million of revolving borrowing remained available to the Company and its long-term debt to total capitalization ratio was .4%. The long-term debt to total capitalization ratio was 7.2% at October 31, 1992.

Management expects that cash generated from operating activities plus borrowings available under revolving credit agreements will be adequate to fund operating requirements and property and equipment expenditures in 1994. However, management recognizes the dynamic nature of the telecommunications industry and the possibility that one or more of the Company's product initiatives may achieve strong market acceptance during the year. In such event, the Company would consider appropriate financing alternatives. Total property and equipment additions for 1994 are expected to be approximately \$25 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

(A) STATEMENT OF REGISTRANT

No separate financial statements of the Company's subsidiaries are included herein because the Company is primarily an operating company and its subsidiaries are wholly-owned.

(B) Consolidated Statements

Report of Independent Public Accountants . . . . .	28
Consolidated Balance Sheets as of October 31, 1993 and 1992. . . . .	29
Consolidated Statements of Income for the years ended October 31, 1993, 1992 and 1991 . . . . .	30
Consolidated Statements of Changes in Stockholders' Investment for the years ended October 31, 1993, 1992 and 1991 . . . . .	31
Consolidated Statements of Cash Flows for the years ended October 31, 1993, 1992 and 1991 . . . . .	32
Notes to Consolidated Financial Statements . . . . .	33
Supplemental Schedules to Consolidated Financial Statements	
Schedules V and VI -- Property and Equipment and Accumulated Depreciation . . . . .	40
Schedule X -- Supplementary Income Statement Information. . . . .	41

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted as not required, not applicable or the information required has been included elsewhere in the financial statements and related notes.

(C) SUPPLEMENTAL FINANCIAL INFORMATION -- Unaudited . . . . . 42

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To ADC Telecommunications, Inc.:

We have audited the accompanying consolidated balance sheets of ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES as of October 31, 1993 and 1992, and the related consolidated statements of income, changes in stockholders' investment and cash flows for each of the three years in the period ended October 31, 1993. These financial statements and the schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ADC Telecommunications, Inc. and Subsidiaries as of October 31, 1993 and 1992, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 1993, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules to consolidated financial statements are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Minneapolis, Minnesota

December 15, 1993

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS - OCTOBER 31  
(IN THOUSANDS)

ASSETS

<TABLE>  
<CAPTION>

	1993	1992
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 16,324	\$ 20,484
Accounts receivable, net of reserves of \$2,541 and \$2,651	66,830	47,414
Inventories, net of reserves of \$5,048 and \$3,807	48,278	39,063
Prepaid income taxes and other	11,099	8,394
	-----	-----
Total current assets	142,531	115,355
	-----	-----
PROPERTY AND EQUIPMENT:		
Land and buildings	30,794	28,922

Machinery and equipment	100,117	84,462
Furniture and fixtures	15,617	14,057
Accumulated depreciation and amortization	(83,652)	(69,496)
	-----	-----
Total property and equipment	62,876	57,945
OTHER ASSETS, principally goodwill	74,647	67,462
	-----	-----
	\$ 280,054	\$ 240,762
	-----	-----

<CAPTION>

LIABILITIES AND STOCKHOLDERS' INVESTMENT

<S>	<C>	<C>
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 300	\$ 324
Accounts payable	21,194	12,445
Accrued compensation and benefits	20,490	15,847
Accrued income taxes	2,368	1,254
Other accrued liabilities	10,549	10,201
	-----	-----
Total current liabilities	54,901	40,071
	-----	-----
DEFERRED INCOME TAXES	3,949	4,393
LONG-TERM DEBT, less current maturities above	810	14,110
	-----	-----
Total liabilities	59,660	58,574
	-----	-----
STOCKHOLDERS' INVESTMENT:		
Common stock (27,697 and 13,610 shares issued and outstanding)	5,539	2,722
Paid-in capital	29,465	25,745
Retained earnings	186,405	154,769
Deferred compensation	(1,015)	(1,048)
	-----	-----
Total stockholders' investment	220,394	182,188
	-----	-----
	\$ 280,054	\$ 240,762
	-----	-----

</TABLE>

The accompanying notes are an integral part of these consolidated balance sheets.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED OCTOBER 31

(IN THOUSANDS, EXCEPT PER SHARE STATISTICS)

<TABLE>  
<CAPTION>

	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
NET SALES	\$ 366,118	\$ 316,496	\$ 293,839
COST OF PRODUCT SOLD	178,572	155,074	148,614
	-----	-----	-----
GROSS PROFIT	187,546	161,422	145,225
	-----	-----	-----

Gross profit percentage	51.2%	51.0%	49.4%
	-----	-----	-----
EXPENSES:			
Selling	70,432	61,329	53,577
Development and product engineering	40,988	36,063	32,315
Administration	22,879	21,637	20,792
Personnel reduction	--	3,800	--
	-----	-----	-----
Total expenses	134,299	122,829	106,684
	-----	-----	-----
OPERATING INCOME	53,247	38,593	38,541
	-----	-----	-----
OTHER INCOME (EXPENSE), NET:			
Interest	183	(942)	(108)
Other	(3,693)	(2,925)	(2,028)
	-----	-----	-----
INCOME BEFORE INCOME TAXES	49,737	34,726	36,405
PROVISION FOR INCOME TAXES	18,101	13,700	14,380
	-----	-----	-----
NET INCOME	\$ 31,636	\$ 21,026	\$ 22,025
	-----	-----	-----
	-----	-----	-----
AVERAGE COMMON SHARES OUTSTANDING	27,499	27,088	26,738
	-----	-----	-----
	-----	-----	-----
EARNINGS PER SHARE	\$ 1.15	\$ 0.78	\$ 0.82
	-----	-----	-----
	-----	-----	-----

</TABLE>

The accompanying notes are an integral part of these consolidated statements.

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' INVESTMENT  
FOR THE YEARS ENDED OCTOBER 31  
(IN THOUSANDS)

<TABLE>  
<CAPTION>

	Common Stock		Paid-in	Retained	Deferred
	Shares	Amount	Capital	Earnings	Compensation
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE OCTOBER 31, 1990	13,289	\$ 2,658	\$ 20,093	\$ 111,718	\$ (456)
Stock issued for employee benefit plans	140	28	2,192	--	(348)
Reduction of deferred compensation	--	--	--	--	464
Net income	--	--	--	22,025	--
	-----	-----	-----	-----	-----
BALANCE OCTOBER 31, 1991	13,429	2,686	22,285	133,743	(340)
Stock issued for employee benefit plans	181	36	3,460	--	(1,484)

Reduction of deferred compensation	--	--	--	--	776
Net income	--	--	--	21,026	--
	-----	-----	-----	-----	-----
BALANCE OCTOBER 31, 1992	13,610	2,722	25,745	154,769	(1,048)
Stock split effected in the form of a stock dividend	13,778	2,756	(2,756)	--	--
Stock issued for employee benefit plans	309	61	6,476	--	(781)
Reduction of deferred compensation	--	--	--	--	814
Net income	--	--	--	31,636	--
	-----	-----	-----	-----	-----
BALANCE OCTOBER 31, 1993	27,697	\$ 5,539	\$ 29,465	\$ 186,405	\$ (1,015)
	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

</TABLE>

The accompanying notes are an integral part of these consolidated statements.

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED OCTOBER 31

(IN THOUSANDS)

<TABLE>  
<CAPTION>

	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 31,636	\$ 21,026	\$ 22,025
Adjustments to reconcile net income to net cash from operating activities -			
Depreciation and amortization	20,587	19,878	17,954
Reduction in deferred compensation	814	776	464
Decrease in deferred income taxes	(444)	(243)	(840)
Changes in assets and liabilities			
Accounts receivable	(19,416)	(6,041)	3,987
Inventories	(9,215)	1,364	(2,114)
Prepaid income taxes and other assets	(3,586)	(921)	(1,996)
Accounts payable	2,967	560	(2,121)
Accrued liabilities	6,105	(1,644)	(192)
	-----	-----	-----
Total cash from operating activities	29,448	34,755	37,167
	-----	-----	-----
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
Property and equipment additions, net	(21,243)	(15,780)	(24,567)
Acquisition payments	(2,199)	--	(49,289)
Investment in technology	(763)	--	--
Long-term investments	(1,835)	--	--
	-----	-----	-----
Total cash used for investment activities	(26,040)	(15,780)	(73,856)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in long-term debt	(13,324)	(30,612)	38,948
Common stock issued	5,756	2,012	1,872
	-----	-----	-----

Total cash from (used for) financing activities	(7,568)	(28,600)	40,820
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,160)	(9,625)	4,131
CASH AND CASH EQUIVALENTS, beginning of period	20,484	30,109	25,978
CASH AND CASH EQUIVALENTS, end of period	\$ 16,324	\$ 20,484	\$ 30,109
SUPPLEMENTAL DISCLOSURES:			
Interest paid	\$ 308	\$ 2,271	\$ 1,402
Income taxes paid	\$ 18,206	\$ 13,361	\$ 13,242

</TABLE>

The accompanying notes are an integral part of these consolidated statements.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**BUSINESS AND OPERATIONS** - The consolidated financial statements include the accounts of ADC Telecommunications, Inc. (a Minnesota corporation) and its wholly-owned subsidiaries, referred to collectively herein as the Company. All significant intercompany transactions and balances have been eliminated in consolidation.

The Company designs, manufactures and markets products that serve a broad range of transmission, networking, and broadband connectivity functions in telecommunications networks utilizing copper and fiber optic transmission media. Revenue is recognized at the time of shipment. Export sales were \$58,919,000, \$49,347,000 and \$37,960,000 in 1993, 1992 and 1991, respectively.

**CASH EQUIVALENTS** - Cash equivalents primarily represent short-term investments in commercial paper with maturities of less than three months which yielded 3% and 4% at October 31, 1993 and 1992, respectively. These investments are reflected in the accompanying consolidated balance sheets at cost, which approximates market.

**INVENTORIES** - Inventories include material, labor and overhead and are stated at the lower of first-in, first-out cost or market. Inventories at October 31 consisted of:

<TABLE>  
<CAPTION>

	1993	1992
	-----	-----
	(In Thousands)	
<S>	<C>	<C>
Purchased materials and manufactured products	\$ 42,889	\$ 35,302
Work-in-process	5,389	3,761
	-----	-----
	\$ 48,278	\$ 39,063
	-----	-----

</TABLE>

**PROPERTY AND EQUIPMENT** - Property and equipment are recorded at cost. Additions and improvements to property and equipment are capitalized at cost while



maintenance and repair expenditures are charged to operations as incurred.

Depreciation charges are computed using the straight-line method for financial reporting purposes and both straight-line and accelerated methods for income tax purposes. For financial reporting purposes, depreciation is provided over the following estimated useful lives:

<TABLE>  
<CAPTION>

	Years
<S>	<C>
Buildings and improvements	5-30
Machinery and equipment	3-10
Furniture and fixtures	3-10

</TABLE>

GOODWILL AND OTHER INTANGIBLES - The excess of the cost over the net assets of acquired businesses (goodwill of \$77,000,000 and \$70,000,000 at October 31, 1993 and 1992, respectively) is being amortized on a straight-line basis over 25 years. Related accumulated amortization at October 31, 1993 and 1992 was \$8,653,000 and \$5,856,000, respectively. Other intangibles are being amortized on a straight-line basis over 5 years.

RESEARCH AND DEVELOPMENT COSTS - The Company's policy is to expense all research and development costs in the period incurred.

WARRANTY COSTS - The Company warrants most of its products against defects in materials and workmanship under normal use and service for periods extending to fifteen years. Historically, warranty costs have been insignificant. The Company maintains reserves for warranty costs based on this experience.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

(2) ACQUISITIONS:

Effective May 6, 1991, the Company acquired Fibermux Corporation (Fibermux). During the third quarter of 1990, the Company acquired technology and other assets of TELINQ Systems Incorporated and the stock of American Lightwave Systems, Inc. (ALS). Payments and accruals related to these acquisitions through October 31, 1993, totalled \$74,463,000.

These acquisitions have been accounted for as purchases, and, accordingly, the total purchase prices were allocated to the net assets acquired based on estimated fair values at the dates of the acquisitions. The excess of cost over the net assets has been recorded as goodwill. The results of operations have been included in the Consolidated Statements of Income from the respective acquisition dates. The inclusion of financial data for these acquisitions prior to the dates of acquisition would not have materially affected reported results.

(3) DEBT:

Under revolving credit agreements, the Company has credit arrangements which permit borrowing, on an unsecured basis, up to \$40,000,000 through December 1996, principally at prevailing market rates of interest. The agreements require, among other matters, that the Company meet certain defined net worth, interest coverage and liability to equity ratios, and restrict cash dividends. The Company was in compliance with these covenants at October 31, 1993. The revolving credit borrowings can be repaid at any time prior to maturity without penalty. At maturity, the Company will have an option to convert any outstanding revolving credit loan balances to term loans bearing interest principally at the prime rate, payable in annual installments through December

2000. The Company is required to pay commitment fees based upon the average unused amounts of the commitments. There are no compensating balance requirements.

In May 1991, the Company borrowed \$40,000,000 under the revolving credit agreements to partially finance the acquisition of Fibermux. The debt outstanding under such agreements was repaid during 1993 and 1992. The weighted average annual interest rates during the period borrowings were outstanding were 4.9%, 5.3% and 6.6% for 1993, 1992 and 1991, respectively.

At October 31, 1993 and 1992, the Company had a mortgage note payable of \$1,100,000 and \$1,434,000 respectively, collateralized by certain land, buildings and equipment. The note is payable in annual installments of approximately \$300,000 through 1996 and bears interest at a rate of 7.55%.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

(4) EMPLOYEE BENEFIT PLANS:

PENSION PLAN - The Company maintains a defined benefit plan covering a majority of its employees. The Company funds the plan in accordance with the requirements of Federal laws and regulations. Plan assets consist of fixed income securities and a managed portfolio of equity securities.

Pension expense included the following components:

<TABLE>  
 <CAPTION>

	1993	1992	1991
	-----	-----	-----
	(In Thousands)		
<S>	<C>	<C>	<C>
Service cost for benefits earned during the period	\$ 1,828	\$ 1,412	\$ 1,364
Interest cost on the projected benefit obligation	1,348	1,207	984
Return on assets	(2,137)	(1,216)	(2,250)
Net amortization and deferral	984	266	1,590
	-----	-----	-----
	\$ 2,023	\$ 1,669	\$ 1,688
	-----	-----	-----
Discount rate used to determine actuarial present value of benefits at October 31	7.0%	7.0%	7.5%
	-----	-----	-----

</TABLE>

The rate of compensation used to measure the projected benefit obligation was 5% in 1993 and 6% in 1992 and 1991. The expected long-term rate of return on plan assets was 9%.

The following table sets forth the funded status of the plan as of October 31:

<TABLE>  
 <CAPTION>

	1993	1992
	-----	-----
	(In Thousands)	
<S>	<C>	<C>

Accumulated benefit obligation:		
Vested	\$ (16,282)	\$ (11,964)
Nonvested	(1,248)	(2,271)
	-----	-----
Total	(17,530)	(14,235)
Excess of projected benefit obligation over accumulated benefit obligation	(4,216)	(5,016)
	-----	-----
Projected benefit obligation	(21,746)	(19,251)
Market value of plan assets	16,990	14,467
	-----	-----
Unfunded projected benefit obligation	(4,756)	(4,784)
Unrecognized net (gain) loss	(872)	969
Unrecognized prior service cost	2,092	1,285
Unrecognized transition liability	993	1,064
	-----	-----
Total accrued pension liability	\$ (2,543)	\$ (1,466)
	-----	-----

</TABLE>

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

(4) EMPLOYEE BENEFIT PLANS (CONTINUED):

The Company also maintains supplemental defined benefit retirement plans for members of the Board of Directors and for certain officers. The cost of these plans was \$210,000, \$257,000 and \$494,000 for 1993, 1992 and 1991, respectively.

RETIREMENT SAVINGS PLAN - The Company has a voluntary plan of investment available to any employee who has completed one year of service. The Company contributes 1% of wages to the Retirement Savings Plan on behalf of all employees covered under the plan. Based on Company performance, salary deferrals up to 6% of wages are partially matched by the Company. Employees are fully vested in salary deferrals and Company contributions at all times. The contributions to this plan totalled \$3,210,000, \$2,639,000 and \$2,415,000 in 1993, 1992 and 1991, respectively. A portion of the cash contributions is invested in the Company's stock by the Plan's trustee.

STOCK AWARD PLANS - The Company maintains a Stock Incentive Plan which provides for the granting of certain stock awards, including stock options at fair market value and restricted shares, to key employees of the Company.

The Company also maintains a Non-Employee Director Stock Option Plan in order to enhance the ability to attract and retain the services of experienced and knowledgeable outside directors. The plan provides for granting of a maximum of 110,000 nonqualified stock options at the fair market value.

During 1993, 1992, and 1991, the Company issued shares of common stock to certain employees which are restricted as to their transferability through October 31, 1996. The market value of such stock at the date of issuance is being amortized to income over the restricted period. The unamortized amount of the resulting deferred compensation is recorded as a reduction of shareholders' investment. In addition, the Company awarded stock retention bonuses which provide for cash payments to offset the personal income taxes incurred upon the lapsing of stock restrictions. The compensation expense associated with this plan was \$1,938,000, \$1,008,000 and \$970,000 in 1993, 1992 and 1991, respectively.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

## (4) EMPLOYEE BENEFIT PLANS (CONTINUED):

The following schedule summarizes activity in the plans:

<TABLE>  
 <CAPTION>

	Stock Options	Restricted Stock	Grant Price
	-----	-----	-----
<S> Outstanding at October 31, 1991	<C> 997,026	<C> 137,172	<C> \$7-\$18
Granted	873,400	113,400	\$13-\$18
Exercised	(335,564)	--	\$7-\$12
Restrictions lapsed	--	(106,854)	\$12-\$18
Cancelled	(132,022)	(19,250)	\$7-\$12
	-----	-----	
Outstanding at October 31, 1992	1,402,840	124,468	\$7-\$18
Granted	93,200	28,300	\$20-\$42
Exercised	(474,737)	--	\$7-\$18
Restrictions lapsed	--	(23,000)	\$10-\$18
Cancelled	(78,933)	(19,210)	\$13-\$26
	-----	-----	
Outstanding at October 31, 1993	942,370	110,558	\$7-\$42
	-----	-----	
Exercisable at October 31, 1993	619,092	--	\$7-\$23
	-----	-----	

</TABLE>

## (5) CAPITAL STOCK:

**AUTHORIZED STOCK** - The Company is authorized to issue 50,000,000 shares of common stock at 20 cents par value and 10,000,000 shares of preferred stock, no par value. The Board of Directors has the power to determine the dividend, voting, conversion and redemption rights of each series of preferred stock which they may create. There are no preferred shares issued.

**STOCK SPLIT** - On May 26, 1993, the Company declared a two-for-one stock split effected in the form of a 100% stock dividend paid June 28, 1993 to shareholders of record as of June 15, 1993. The share and per share information in this report (except balance sheet data) have been adjusted to reflect the effect of the dividend.

**SHAREHOLDER RIGHTS PLAN** - The Company has a Shareholder Rights Plan which provides that if any person or group acquires 20% or more of the Company's common stock, each Right not owned by such person or group will entitle its holder to purchase, at the Right's then-current purchase price (\$16 2/3 at October 31, 1993), common stock of the Company having a value of twice the Right's purchase price. The Rights would not be triggered, however, if the acquisition of 20% or more of the Company's common stock is pursuant to a tender offer or exchange for all outstanding shares of the Company's common stock which is determined by the Board of Directors to be fair and in the best interests of the Company and its shareholders. If the Board of Directors determines that a 10% shareholder's interest is likely to have an adverse effect on the long-term interests of the Company and its shareholders, the Rights may also become exercisable. The Rights are redeemable at 1 2/3 cents any time prior to the time they become

exercisable. The Rights will expire on October 6, 1996 if not previously redeemed or exercised.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

(6) INCOME TAXES:

The components of the provision for income taxes are as follows:

<TABLE>  
 <CAPTION>

	1993	1992	1991
	-----	-----	-----
	(In Thousands)		
<S>	<C>	<C>	<C>
Current taxes payable -			
Federal	\$ 17,820	\$ 12,071	\$ 12,807
Foreign	426	567	828
State	2,859	1,629	1,802
	-----	-----	-----
Deferred	21,105	14,267	15,437
	(3,004)	(567)	(1,057)
	-----	-----	-----
Total provision	\$ 18,101	\$ 13,700	\$ 14,380
	-----	-----	-----
	-----	-----	-----

</TABLE>

The Company records a reduction in income taxes payable for qualifying tax credits in the year in which they occur.

The benefit for deferred taxes is primarily due to timing differences in the tax deductibility of employee benefit plan costs, depreciation and certain accrued expenses and reserves which are not yet deductible for income tax purposes.

The effective income tax rate differs from the Federal statutory rate as follows:

<TABLE>  
 <CAPTION>

	1993	1992	1991
	----	----	----
<S>	<C>	<C>	<C>
Federal statutory rate	35%	34%	34%
Current year tax credits utilized			
for research and development	(2)	(3)	(3)
Goodwill	2	3	2
State income taxes, net	3	3	3
Other, net	(2)	2	4
	----	----	----
Effective income tax rate	36%	39%	40%
	----	----	----
	----	----	----

</TABLE>

In February 1992 the Financial Accounting Standards Board issued Statement No. 109, "Accounting for Income Taxes" (FASB 109), which the Company intends to implement in the first quarter of 1994. Management has determined that the impact of adopting FASB 109 will not be significant to the Company in fiscal 1994.

The Company's United States income tax returns for the years 1990 and 1991 are currently under examination. Management believes that adequate provision for income taxes has been made for all years through 1993.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

(7) COMMITMENTS AND CONTINGENCIES:

OPERATING LEASES - A portion of the Company's operations are conducted using leased equipment and facilities. These leases are non-cancellable and renewable with expiration dates ranging through the year 2000. The rental expense included in the accompanying consolidated income statements was \$5,347,000, \$5,324,000 and \$4,834,000 for 1993, 1992 and 1991, respectively.

The following is a schedule of future minimum rental payments required under all non-cancellable operating leases as of October 31, 1993:

<TABLE>  
 <CAPTION>

	(In Thousands)
<S>	<C>
1994	\$ 4,528
1995	4,059
1996	2,817
1997	1,694
1998 and Thereafter	2,536
	-----
	\$ 15,634
	-----
	-----

</TABLE>

CONTINGENCIES - The Company is exposed to a number of asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material adverse effect on the Company's financial position or results of operations.

CHANGE OF CONTROL - The Board of Directors has approved the extension of certain employee benefits, including salary continuation to key employees, in the event of a change of control of the Company. The Board has retained the flexibility to cancel such provisions under certain circumstances.

(8) PERSONNEL REDUCTION:

During the first quarter of 1992, the Company recorded a one-time charge associated with a workforce reduction program designed to reduce payroll costs.

ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
 SUPPLEMENTAL SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES V AND VI - PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION:

Transactions in property and equipment and accumulated depreciation accounts for the years ended October 31, 1993, 1992, and 1991 were as follows:

<TABLE>  
 <CAPTION>

	Land and Buildings	Machinery and Equipment	Furniture and Fixtures	Total
	-----	-----	-----	-----
	(In Thousands)			
<S>	<C>	<C>	<C>	<C>

PROPERTY AND EQUIPMENT				
Balance at October 31, 1990	\$ 20,259	\$ 63,596	\$ 11,110	\$ 94,965
Additions	5,961	18,504	2,619	27,084*
Retirements	(1,518)	(3,384)	(368)	(5,270)
-----				
Balance at October 31, 1991	24,702	78,716	13,361	116,779
Additions	4,320	10,844	1,427	16,591
Retirements	(100)	(5,098)	(731)	(5,929)
-----				
Balance at October 31, 1992	28,922	84,462	14,057	127,441
Additions	2,073	17,803	1,670	21,546
Retirements	(201)	(2,148)	(110)	(2,459)
-----				
Balance at October 31, 1993	\$ 30,794	\$ 100,117	\$ 15,617	\$ 146,528
-----				
ACCUMULATED DEPRECIATION				
Balance at October 31, 1990	\$ 8,050	\$ 35,644	\$ 5,887	\$ 49,581
Provisions	1,716	11,315	1,423	14,454
Retirements	(1,495)	(3,268)	(301)	(5,064)
-----				
Balance at October 31, 1991	8,271	43,691	7,009	58,971
Provisions	1,699	12,439	1,505	15,643
Retirements	(3)	(4,403)	(712)	(5,118)
-----				
Balance at October 31, 1992	9,967	51,727	7,802	69,496
Provisions	1,852	13,026	1,435	16,313
Retirements	(201)	(1,859)	(97)	(2,157)
-----				
Balance at October 31, 1993	\$ 11,618	\$ 62,894	\$ 9,140	\$ 83,652
-----				

</TABLE>

\* Includes \$2,311,000 acquired in connection with the purchase of Fibermux in 1991 (see note 2 to the consolidated financial statements).

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
SUPPLEMENTAL SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION:

The following amounts were charged to cost of products sold and operating expenses as follows:

	1993	1992	1991
	-----	-----	-----
		(In Thousands)	
<S>	<C>	<C>	<C>
Advertising	\$ 4,284	\$ 3,836	\$ 3,646
	-----	-----	-----

</TABLE>

The amounts of royalties, taxes other than payroll and income taxes, and repairs and maintenance are not material in the aggregate.

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ADC TELECOMMUNICATIONS, INC. AND SUBSIDIARIES  
SUPPLEMENTAL FINANCIAL INFORMATION - UNAUDITED

<TABLE>  
<CAPTION>

1993					
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Net Sales	\$ 78,648	\$ 88,999	\$ 93,346	\$ 105,125	\$ 366,118
Gross Profit	40,138	45,291	48,638	53,479	187,546
Income					
Before Income Taxes	8,350	11,212	14,345	15,830	49,737
Provision for Income Taxes	3,090	4,148	5,164	5,699	18,101
Net Income	\$ 5,260	\$ 7,064	\$ 9,181	\$ 10,131	\$ 31,636
Average Common Shares Outstanding	27,324	27,484	27,544	27,641	27,499
Earnings Per Share	\$ 0.19	\$ 0.26	\$ 0.33	\$ 0.37	\$ 1.15

</TABLE>

<TABLE>  
<CAPTION>

1992					
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Net Sales	\$ 64,754	\$ 78,829	\$ 83,847	\$ 89,066	\$ 316,496
Gross Profit	30,826	40,525	42,969	47,102	161,422
Income					
Before Income Taxes	(2,092)	10,235	12,461	14,122	34,726
Provisions for Income Taxes	(816)	3,992	4,860	5,664	13,700
Net Income	\$ (1,276)	\$ 6,243	\$ 7,601	\$ 8,458	\$ 21,026
Average Common Shares Outstanding	26,956	27,062	27,140	27,196	27,088
Earnings Per Share	\$ (0.05)	\$ 0.23	\$ 0.28	\$ 0.31	\$ 0.78

</TABLE>

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE  
None.



ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

See Part I of this Report for information with respect to executive officers of the Company. Pursuant to General Instruction G(3), reference is made to the information contained under the captions "Election of Directors" and "Section 16(a) Reporting" in the Company's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission on or before February 28, 1994, which information is incorporated herein.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to General Instruction G(3), reference is made to the information contained under the caption "Executive Compensation" (except for the information set forth under the subcaption "Compensation and Organization Committee Report on Executive Compensation," which is not incorporated herein) in the Company's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission on or before February 28, 1994, which information is incorporated herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Pursuant to General Instruction G(3), reference is made to the information contained under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Company's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission on or before February 28, 1994, which information is incorporated herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Pursuant to General Instruction G(3), reference is made to the information contained in the last paragraph under the caption "Election of Directors -- Compensation of Directors" in the Company's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission on or before February 28, 1994, which information is incorporated herein.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K(a)

(a) 1. FINANCIAL STATEMENTS

The following consolidated financial statements of the Company are included in Part II, Item 8 of this Annual Report on Form 10-K:

Report of Independent Public Accountants.  
Consolidated Balance Sheets as of October 31, 1993 and 1992.  
Consolidated Statements of Income for the years ended October 31, 1993, 1992 and 1991.  
Consolidated Statements of Changes in Stockholders' Investment for the years ended October 31, 1993, 1992 and 1991.  
Consolidated Statements of Cash Flows for the years ended October 31, 1993, 1992 and 1991.  
Notes to Consolidated Financial Statements.  
Supplemental Financial Information (Unaudited).

2. FINANCIAL STATEMENT SCHEDULES

The following financial statement schedules are included in Part II, Item 8 of this Annual Report on Form 10-K:

Schedules V and VI --Property and Equipment and Accumulated Depreciation.  
Schedule X --Supplementary Income Statement Information.

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted as not required or not applicable, or the information required has been included elsewhere in the financial statements and related notes.

### 3. LISTING OF EXHIBITS

Exhibit Number -----	Description -----
3-a	Restated Articles of Incorporation of ADC Telecommunications, Inc., as amended to date. (Incorporated by reference to Exhibit 3-a to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)
3-b	Composite Restated Bylaws of ADC Telecommunications, Inc., as amended to date (Incorporated by reference to Exhibit 3-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)
4-a	Specimen certificate for shares of Common Stock of ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 4-a to the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 1989.)

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Exhibit Number -----	Description -----
4-b	Restated Articles of Incorporation of ADC Telecommunications, Inc., as amended to date. (Incorporated by reference to Exhibit 4-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)
4-c	Composite Restated Bylaws of ADC Telecommunications, Inc., as amended to date (Incorporated by reference to Exhibit 3-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)
4-d	Amended and Restated Rights Agreement, amended and restated as of August 16, 1989, between ADC Telecommunications, Inc. and Norwest Bank Minnesota, N.A., as Rights Agent. (Incorporated by reference to Exhibit 1 to Amendment No. 1 on Form 8 dated August 16, 1989, to the Company's Registration Statement on Form 8-A dated September 23, 1986.)
10-a*	Stock Option and Restricted Stock Plan, restated as of January 26, 1988. (Incorporated by reference to Exhibit 19-a to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1988.)
10-b*	Amendment to Stock Option and Restricted Stock Plan dated as of September 26, 1989. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)

- 10-c\* The ADC Telecommunications, Inc. 1991 Stock Incentive Plan, as amended. (Incorporated by reference to Exhibit 10-a to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1993.)
- 10-d\* Management Incentive Plan for the fiscal year ended October 31, 1991. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)
- 10-e\* Management Incentive Plan for the fiscal year ended October 31, 1992. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1992.)
- 10-f\* Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-g\* FITL Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-h\* International Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-i\* Transmission Market Development Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-j\* Vice President of Sales and Customer Service Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-k\* Fibermux Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-l\* Kentrox Management Incentive Plan for the fiscal year ended October 31, 1993.
- 10-m\* Agreement, dated as of November 1, 1991, between ADC Telecommunications, Inc. and Charles M. Denny, Jr., related to retirement and consulting arrangements. (Incorporated by reference to Exhibit 10-h to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)
- 10-n\* ADC Telecommunications, Inc. Change in Control Severance Pay Plan Statement and Summary Plan Description. (Incorporated by reference to Exhibit 10-q to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)

Exhibit Number -----	Description -----
10-o*	Compensation Plan for Directors of ADC Telecommunications, Inc., restated as of December 31, 1988. (Incorporated by reference to Exhibit 19-b to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1989.)
10-p*	First Amendment of the Compensation Plan for Directors of ADC Telecommunications, Inc. restated as of December 31, 1988. (Incorporated by reference to Exhibit 10-s to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)
10-q*	ADC Telecommunications, Inc. Directors' Supplemental Retirement Plan dated as of January 23, 1990. (Incorporated by reference to Exhibit 10-m to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-r\* ADC Telecommunications, Inc. Nonemployee Director Stock Option Plan. (Incorporated by reference to Exhibit 19-b of the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1991.)

10-s\* ADC Telecommunications, Inc. Deferred Compensation Plan, dated as of November 1, 1978. (Incorporated by reference to Exhibit 10-n to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-t\* ADC Telecommunications, Inc. Excess Benefits Plan, dated as of January 1, 1985. (Incorporated by reference to Exhibit 10-o to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-u\* ADC Telecommunications, Inc. 401(k) Excess Plan, dated as of September 1, 1990. (Incorporated by reference to Exhibit 10-p to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-v Lease, dated February 25, 1991, between American Lightwave Systems, Inc. and 999 Research Parkway, Inc. (Incorporated by reference to Exhibit 10-t to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)

10-w Lease, dated March 1, 1986, between ADC Telecommunications, Inc. and Metro International Ltd. as amended. (Incorporated by reference to Exhibit 10-w to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)

10-x Lease Agreement, dated October 26, 1990, between Lutheran Brotherhood and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-w to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-y Lease Agreement, dated August 21, 1990, between Minnetonka Corporate Center I Limited Partnership and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-x to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

10-z Sublease Agreement, dated October 31, 1990, between Seagate Technology, Inc. and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-y to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)

Exhibit Number -----	Description -----
10-aa	Renewal of Lease, dated July 9, 1990, between ADC Telecommunications, Inc. and Metro International General Partner Canada, Inc. (Incorporated by reference to Exhibit 10-z to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)
10-bb	Lease, dated September 30, 1993, between American Lightwave Systems, Inc. and 999 Research Parkway, Inc.
10-cc	Lease, dated August 2, 1993, between ADC Telecommunications, Inc. and Engelsma Limited Partnership.
10-dd	Lease, dated December 18, 1992, between Fibermux Corporation and Greenville Dallas Delaware, Inc.
10-ee*	Supplemental Executive Retirement Plan Agreement for William J. Cadogan, dated as of November 1, 1990, between

21-a Subsidiaries of the Company.

23-a Consent of Independent Public Accountants to incorporation by reference of financial material included in this report into Company's Registration Statement on Form S-8 (File No. 2-83584), Registration Statement on Form S-8 (File No. 322654), Registration Statement on Form S-8 (File No. 33-40356) and Registration Statement on Form S-8 (File No. 33-40357.)

24-a Powers of attorney.

There have been excluded from the exhibits filed with this report instruments defining the rights of holders of long-term debt of the Company where the total amount of the securities authorized under such instruments does not exceed 10% of the total assets of the Company. The Company hereby agrees to furnish a copy of any such instruments to the Commission upon request.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed by the Company during the quarter ended October 31, 1993.

(c) See Exhibit Index and Exhibits attached to this report.

(d) See Financial Statement Schedules included in Part II, Item 8 of this report.

\* Management contract or compensatory plan or arrangement required to be filed as an Exhibit to the Annual Report on Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADC TELECOMMUNICATIONS, INC.

Dated: January 11, 1994

By: /s/ Robert E. Switz  
-----

Robert E. Switz  
Vice President, Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

William J. Cadogan\* President, Chief Executive Officer,  
Chief Operating Officer and Director  
(principal executive officer)

By: /s/ Robert E. Switz Vice President,  
-----  
Robert E. Switz Chief Financial Officer  
(principal financial officer)

By: /s/ Joan K. Berg Vice President, By: /s/ Joan K. Berg  
-----  
Joan K. Berg Controller  
(principal accounting officer) -----  
Joan K. Berg  
Attorney-in-Fact\*

Charles M. Denny, Jr.*	Director
Thomas E. Holloran*	Director
B. Kristine Johnson*	Director
Charles W. Oswald*	Director
Jean-Pierre Rosso*	Director
Donald M. Sullivan*	Director
Warde F. Wheaton*	Director
John D. Wunsch*	Director

\* By Power of Attorney filed with this report as Exhibit 24-a hereto.

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ADC TELECOMMUNICATIONS, INC.  
Annual Report on Form 10-K  
For the Fiscal Year Ended October 31, 1993

EXHIBIT INDEX

Exhibit Number -----	Description -----	Page ----
3-a	Restated Articles of Incorporation of ADC Telecommunications, Inc., as amended to date. (Incorporated by reference to Exhibit 3-a to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)	N/A
3-b	Composite Restated Bylaws of ADC Telecommunications, Inc., as amended to date (Incorporated by reference to Exhibit 3-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)	N/A
4-a	Specimen certificate for shares of Common Stock of ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 4-a to the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 1989.)	N/A
4-b	Restated Articles of Incorporation of ADC Telecommunications, Inc., as amended to date. (Incorporated by reference to Exhibit 4-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)	N/A
4-c	Composite Restated Bylaws of ADC Telecommunications, Inc., as amended to date (Incorporated by reference to Exhibit 3-b to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)	N/A
4-d	Amended and Restated Rights Agreement, amended and restated as of August 16, 1989, between ADC Telecommunications, Inc. and Norwest Bank Minnesota, N.A., as Rights Agent. (Incorporated by reference to Exhibit 1 to Amendment No. 1 on Form 8 dated August 16, 1989, to the Company's Registration Statement on Form 8-A dated September 23, 1986.)	N/A

10-a	Stock Option and Restricted Stock Plan, restated as of January 26, 1988. (Incorporated by reference to Exhibit 19-a to the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1988.)	N/A
10-b	Amendment to Stock Option and Restricted Stock Plan dated as of September 26, 1989. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)	N/A
10-c	The ADC Telecommunications, Inc. 1991 Stock Incentive Plan, as amended. (Incorporated by reference to Exhibit 10-a to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1993.)	N/A

Exhibit Number -----	Description -----	Page ----
10-d	Management Incentive Plan for the fiscal year ended October 31, 1991. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)	N/A
10-e	Management Incentive Plan for the fiscal year ended October 31, 1992. (Incorporated by reference to Exhibit 10-e to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1992.)	N/A
10-f	Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-g	FITL Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-h	International Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-i	Transmission Market Development Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-j	Vice President of Sales and Customer Service Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-k	Fibermux Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-l	Kentrox Management Incentive Plan for the fiscal year ended October 31, 1993.	xx
10-m	Agreement, dated as of November 1, 1991, between ADC Telecommunications, Inc. and Charles M. Denny, Jr., related to retirement and consulting arrangements. (Incorporated by reference to Exhibit 10-h to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.)	N/A
10-n	ADC Telecommunications, Inc. Change in Control Severance Pay Plan Statement and Summary Plan Description. (Incorporated by reference to Exhibit 10-q to the Company's Annual Report on Form 10-K for the fiscal year ended	N/A

October 31, 1989.)

10-o	Compensation Plan for Directors of ADC Telecommunications, Inc., restated as of December 31, 1988. (Incorporated by reference to Exhibit 19-b to the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 1989.)	N/A
10-p	First Amendment of the Compensation Plan for Directors of ADC Telecommunications, Inc. restated as of December 31, 1988. (Incorporated by reference to Exhibit 10-s to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1989.)	N/A
10-q	ADC Telecommunications, Inc. Directors' Supplemental Retirement Plan dated as of January 23, 1990. (Incorporated by reference to Exhibit 10-m to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-r	ADC Telecommunications, Inc. Nonemployee Director Stock Option Plan. (Incorporated by reference to Exhibit 19-b of the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 1991).	N/A

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Exhibit Number -----	Description -----	Page ----
10-s	ADC Telecommunications, Inc. Deferred Compensation Plan, dated as of November 1, 1978. (Incorporated by reference to Exhibit 10-n to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990.)	N/A
10-t	ADC Telecommunications, Inc. Excess Benefits Plan, dated as of January 1, 1985. (Incorporated by reference to Exhibit 10-o to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-u	ADC Telecommunications, Inc. 401(k) Excess Plan, dated as of September 1, 1990. (Incorporated by reference to Exhibit 10-p to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-v	Lease, dated February 25, 1991, between American Lightwave Systems, Inc. and 999 Research Parkway, Inc. (Incorporated by reference to Exhibit 10-t to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991).	N/A
10-w	Lease, dated March 1, 1986, between ADC Telecommunications, Inc. and Metro International Ltd. as amended. (Incorporated by reference to Exhibit 10-w to the Company's Annual Report on	N/A



10-x	Lease Agreement, dated October 26, 1990, between Lutheran Brotherhood and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-w to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-y	Lease Agreement, dated August 21, 1990, between Minnetonka Corporate Center I Limited Partnership and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-x to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-z	Sublease Agreement, dated October 31, 1990, between Seagate Technology, Inc. and ADC Telecommunications, Inc. (Incorporated by reference to Exhibit 10-y to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-aa	Renewal of Lease, dated July 9, 1990, between ADC Telecommunications, Inc. and Metro International General Partner Canada, Inc. (Incorporated by reference to Exhibit 10-z to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1990).	N/A
10-bb	Lease, dated September 30, 1993, between American Lightwave Systems, Inc. and 999 Research Parkway, Inc.	xx
10-cc	Lease, dated August 2, 1993, between ADC Telecommunications, Inc. and Engelsma Limited Partnership.	xx
10-dd	Lease, dated December 18, 1992, between Fibermux Corporation and Greenville Dallas Delaware, Inc.	xx

Exhibit Number -----	Description -----	Page ----
10-ee	Supplemental Executive Retirement Plan Agreement for William J. Cadogan, dated as of November 1, 1990, between ADC Telecommunications, Inc. and William J. Cadogan.	xx
21-a	Subsidiaries of the Company.	
23-a	Consent of Independent Public Accountants to incorporation by reference of financial material included in this report into Company's Registration Statement on Form S-8 (File No. 2-83584), Registration Statement on Form S-8 (File No. 33-22654), Registration Statement on Form S-8 (File No. 33-40356) and Registration Statement on Form S-8 (File No. 33-40357.)	xx
24-a	Manually signed powers of attorney.	xx



ADC TELECOMMUNICATIONS  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

ADC TELECOMMUNICATIONS  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PLAN NAME AND EFFECTIVE DATE

The name of this Plan is the ADC Telecommunications, Inc. ("Company"), Management Incentive Plan - Fiscal Year ("FY") 1993, effective November 1, 1992 through October 31, 1993.

II. PURPOSE

The purpose of the Plan is to provide, with full regard to the protection of shareholder's investments, a direct financial incentive for eligible full-time management employees to strive continually to perform an effective leadership role and make a significant contribution to the Company's established goals.

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

#### IV. ELIGIBILITY

The Committee will establish rules of eligibility for participation in the Plan and determine eligibility in accordance with those rules. Participation will be effective as of the date approved by the Committee and will be communicated to the participant by an incentive opportunity statement ("Participant Form") specifying the target incentive level for the position held by the participant. No part-time employee will be eligible for the Plan, and no employee will become a participant in the Plan after May 1, 1993.

#### V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. PLAN GOALS

The Plan reinforces the annual financial goals which support ADC's long-term strategic plans. The FY 1993 goal categories and weights for Corporate and Business Unit participants are as follows:

<TABLE>

<CAPTION>

	CORPORATE PARTICIPANT ----- <C>	BUSINESS UNIT PARTICIPANT ----- <C>
<S>		
Corporate Revenue	40%	
Corporate Operating Income	40%	15%
* Corporate Customer Service/Inventory Turn Management	20%	
Business Unit Revenue		35%
Business Unit Operating Income		35%
* Business Unit Customer Service/Inventory Turn Management		15%
TOTAL	100%	100%

</TABLE>

The goals relevant to you are specified on the attached Participant Form.

\* CORPORATE AND BUSINESS UNIT CUSTOMER SERVICE/INVENTORY TURN MANAGEMENT goals measure the company's ability to deliver products to meet customer's request dates while also effectively managing inventories. Customer service/inventory turn management is measured by average inventory turns (the direct cost of goods sold divided by average direct inventory cost) and by shipping performance (relative to meeting customer request dates). A single numerical representation of customer service/inventory management is derived by multiplying the average inventory turn by the percentage of customer request dates met by ADC.

For example, if ADC's average annual inventory turns is 3.4 and the percentage of customer request dates met is 78%, the result is a customer service/inventory turn management achievement of 2.65.

Average inventory turns	3.4
% customer request dates met	.78
	----
Result	2.65

#### VII. COMPANY PERFORMANCE MINIMUM PAYOUT REQUIREMENTS

The following minimum Company performance goals must be met to assure protection of shareholder interest before an incentive payout can be generated.

- A. Incentive payments will be made only if net profits are in excess of a threshold rate of return on stockholders' equity. This rate has been established at 10%, after tax, based on stockholders' equity at the beginning of the fiscal year.
- B. CORPORATE PARTICIPANTS must meet threshold corporate revenue OR corporate operating income goals. BUSINESS UNIT PARTICIPANTS must meet threshold business unit revenue OR business unit operating income OR corporate operating income goals.

#### VIII. CALCULATION OF PAYMENTS

A. DETERMINATION OF ACHIEVEMENT AGAINST GOALS AND OBLIGATION TO MAKE PAYMENTS. The obligation to make payments under the Plan will be determined by achievement of Corporate and Business Unit goals determined by the Board of Directors.

B. CALCULATION OF INDIVIDUAL PAYMENTS UNDER THIS PLAN IS A FUNCTION OF:

- 1. Target incentive opportunity - expressed as a percentage of an individual's FY 1993 earnings. The target % for each participant is designated on the "Participant Form".
- 2. Participant's 1993 fiscal year base salary earnings
- 3. Corporate performance against the established goals (Corporate Participant)

Corporate and Business unit performance against the established goals  
(Business Unit Participant)

4. Individual performance may or may not be used to adjust incentive awards. An individual award can be factored plus or minus 50% in increments of 1% to account for individual performance.

C. HOW INDIVIDUAL AWARDS ARE DETERMINED IS SHOWN BY THE FOLLOWING EXAMPLES:

Assume we have a Plan participant with the following facts:

Grade: 15  
Target Payout: 11% of base salary earnings  
Base Salary Earnings: 50,0000

<TABLE>  
<CAPTION>

Corporate Participant: -----	Weight -----	Achievement -----
<S>	<C>	<C>
Corporate Revenue:	40%	100%
Corporate Operating Income:	40%	90%
Corporate Customer Service/Inventory Turn Management:	20%	90%

</TABLE>

Calculation of Payment:  
[(\$50,000 x 11% Target x 40% corporate revenue weight x 100% achievement) +  
(\$50,000 x 11% Target x 40% corporate operating income weight x 90%  
achievement) +  
(\$50,000 x 11% Target x 20% corporate customer service/inventory turn mgmt  
weight x 90% achievement)] =

\$5,170.00  
-----

#### BUSINESS UNIT PARTICIPANT

Assume the same Plan participant works in a Business Unit that achieves the following against its goals:

<TABLE>  
<CAPTION>

	Weight -----	Achievement -----
<S>	<C>	<C>
Corporate Operating Income:	15%	90%
Business Unit Revenue:	35%	100%

Business Unit Operating Income:	35%	100%
Business Unit Customer Service/ Inventory Turn Management:	15%	90%

</TABLE>

Calculation of Payment:

$$\begin{aligned}
 & [(\$50,000 \times 11\% \text{ Target} \times 15\% \text{ corporate operating income weight} \times 90\% \\
 & \text{achievement}) + \\
 & (\$50,000 \times 11\% \text{ Target} \times 35\% \text{ business unit revenue weight} \times 100\% \text{ achievement}) + \\
 & (\$50,000 \times 11\% \text{ Target} \times 35\% \text{ business unit operating income weight} \times 100\% \\
 & \text{achievement}) + \\
 & (\$50,000 \times 11\% \text{ Target} \times 15\% \text{ business unit customer service/inventory turn mgmt} \\
 & \text{weight} \times 90\% \text{ achievement})] =
 \end{aligned}$$

\$5,335.00  
-----

D. LIMITATION OF RIGHT PRIOR TO RECEIPT OF PAYMENT. No participant entitled to receive payment under the calculation determined by this Section VII and VIII will have any right to pledge, assign, or otherwise dispose of any unpaid portion of such payment.

IX. EFFECT OF CHANGE IN EMPLOYMENT STATUS

A. VOLUNTARY RESIGNATION. A participant who voluntarily resigns full-time employment prior to the end of the Fiscal year will relinquish all right to any payment under the Plan.

B. CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE. A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all right to any payment under this plan.

C. CHANGE BASED UPON JOB ELIMINATION. Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a pro-rata payment based upon the time served in the eligible position during the fiscal year.

D. CHANGE BASED UPON A PROMOTION / DEMOTION. A current participant who is promoted or demoted from an incentive eligible position to another incentive eligible position during the fiscal year will have a pro rata calculation of payment based upon the time served in each position during FY 93.

E. CHANGE BASED UPON TRANSFER BETWEEN CORPORATE AND BUSINESS UNIT PARTICIPANT CATEGORIES. A current participant who transfers between Corporate and Business Unit or between different Business Units with different goals during FY 93 will have a pro rata calculation based on the goals and length of time spent in the

respective participant categories.

#### X. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this plan in whole or in part, at its sole discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.



ADC TELECOMMUNICATIONS  
FITL MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PLAN NAME AND EFFECTIVE DATE

The name of this Plan is the FITL Management Incentive Plan of ADC Telecommunications, Inc. ("Company") - Fiscal Year ("FY") 1993, effective November 1, 1992 through October 31, 1993.

II. PURPOSE

The purpose of the Plan is to provide, with full regard to the protection of shareholders' investments, a direct financial incentive for eligible full-time management employees to strive continually to perform an effective leadership role and make a significant contribution to the FITL (Fiber in the Loop) Division and the Company's established goals.

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

IV. ELIGIBILITY

The Committee will establish rules of eligibility for participation in the Plan and determine eligibility in accordance with those rules. Participation will be effective as of the date approved by the Committee and will be communicated to the participant by an incentive opportunity statement ("Participant Form") specifying the target incentive level for the position held by the participant. No part-time employee will be eligible for the Plan, and no employee will become

a participant in the Plan after May 1, 1993.

#### V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. PLAN GOALS

The Plan reinforces annual goals which support the FITL Division's and the Company's long-term strategic plan. The FY 1993 goal categories and weights for FITL Management Incentive Plan participants are as follows:

Corporate Operating Income	20%
FITL Market Development	40%
FITL System Development	40%

#### VII. OVERALL PLAN OPERATION

As stated in Section VI above, 20% of the weight for each participant's incentive is based on the Company's operating income results. The corporate operating income goals appear on an Attachment to this document.

Achievement on each of the two FITL components of this Plan, i.e., Market Development and System Development, is expressed in terms of point values. For each of these two components, the points associated with threshold, target and maximum achievement and their corresponding payout percentages are as follows:

Threshold	3 points	30% of target
Target	6 points	100% of target
Maximum	10 points	200% of target

Payouts for point totals between threshold and target, or between target and maximum, will be interpolated on a straight-line basis. Fractions of points will be counted.

A description of the Market Development and System Development components in this Plan appears in Sections VIII and IX.

#### VIII. FITL MARKET DEVELOPMENT COMPONENT

Points for this component are awarded for accounts which are signed up and/or "turned up" (equipment connected and operational) during FY 1993, and for which general product approval is obtained during FY 1993.

For purposes of this Plan, accounts are designated as either "major" or "other." Major accounts are limited to the following 13 organizations:

- 7 Regional Bell Operating Companies (RBOCs)
- GTE
- United Telephone System
- Pentagon
- British Telecom (Business TPON)
- BEZEQ
- Telmex

For each major account that is signed up within FY 1993 for a lab trial, field

trial, or first office application (FOA), 1 point will be awarded. For an account to be considered signed up, the following documentation must exist:

Lab trial	Formal letter of intent
Field trial	Formal letter of intent or purchase order, depending on the account
FOA	Purchase order

Although the account must be signed up during FY 1993 for the above 1 point to be awarded, the actual lab trial, field trial, and/or FOA does not have to occur during FY 1993.

For each major account that is successfully "turned up" in FY 1993, 2 additional points will be awarded for a successful lab trial. If a field trial and/or FOA is successfully completed, 3 points will be awarded. The maximum number of points per major account for this turn-up phase is 3 points. The success of any such turn-up operation must be documented in writing by the Manager of Technical Support - Customer Services Division.

For each major account for whom general product approval is obtained during FY 1993, 1 additional point will be awarded. General product approval must be confirmed by written notification of Approved Supplier status or similar documentation from the account.

A maximum of 5 points will be awarded for any one major account.

For accounts other than those identified as major, point credit will be one-half of the major accounts. A MAXIMUM OF TWO POINTS MAY BE AWARDED FOR ALL MARKET DEVELOPMENT ACTIVITIES FOR THOSE ACCOUNTS THAT ARE NOT CLASSIFIED AS A MAJOR ACCOUNT.

A summary of the award points for major and other accounts appears below:

<TABLE>  
<CAPTION>

EVENT -----	MAJOR -----	OTHER -----
<S> Account is signed up	<C> 1 point	<C> 0.5 point
System is turned up Lab trial only, or: Field trial or FOA	2 points, or 3 points	1.0 point, or 1.5 points
General product approval	1 point	0.5 points
	5 points	2.0 points
	MAXIMUM PER ACCOUNT	MAXIMUM ALL MINOR ACCOUNTS

</TABLE>

The above points apply to a full FITL system as specified on the attached "Addendum 1" based on the System Engineering Specification. The points do not apply to any special partially operational systems. However, in the event that trial of a partial system leads to additional trials of or approval for a full system during FY 1993, the above point schedule will be applied to that account.

In the event that an account is signed up during FY 1993 but subsequently during the Fiscal Year cancels plans to turn the system up, the sign-up point will not be awarded for that account.

#### IX. FITL SYSTEM DEVELOPMENT COMPONENT

Points for this component are awarded for achieving any or all of 4 technical hurdles or milestones during FY 1993 based on the Type A ONU system:

<TABLE>

<CAPTION>

MILESTONE -----	DEADLINE -----	POINTS -----
<S> Hardware Design Verification Testing ("DVT") is completed per written plan	<C> 7/31/93	<C> 1.5 points
Software System Design Verification Testing ("DVT") is completed per written plan	7/31/93	1.5 points
Hardware B-Release is ready, including preparation of all drawings and bills-of-material	9/30/93	1.5 points
System Software B-Release is ready, including preparation of all drawings or other documentation and bill-of-material	9/30/93	1.5 points

</TABLE>

For purposes of this Plan, DVT will be considered completed when all tests and steps have been executed according to the written DVT plan and a complete listing of all problems identified during the testing phase has been prepared.

In the event that any of the above four milestones is achieved ahead of schedule, an additional 0.05 point per standard business week day will be awarded for that milestone, i.e., added to the original 1.5 points. Conversely, in the event that any of the above 4 milestones is behind schedule, 0.025 points per standard business week day up to and including October 31, 1993 will be subtracted for that milestone, i.e., subtracted from the original 1.5 points. Zero points will be awarded for any milestone that is not achieved by October 31, 1993. However, the Chief Executive Officer of the Company may at his discretion authorize milestone deadline changes for the purpose of this Plan if they are the result of customer-driven product development modifications and constitute a strategic redirection in product development. Any such changes must be authorized prior to the occurrence of the new milestone deadlines.

In addition to the points awarded for the above 4 milestones, 1 point may be awarded for each major new product development successfully achieved to customer evaluation during FY 1993 that is beyond the FITL business plan for FY 1993. The definition of "major new product development successfully achieved to customer evaluation" will be determined at the end of FY 1993 for purposes of this Plan at the discretion of the Chief Executive Officer of the Company.

X. COMPANY PERFORMANCE MINIMUM PAYOUT REQUIREMENTS

No portion of the incentive payout will be made to any participant under this Plan unless the Company's corporate net profits are in excess of a threshold rate of return on stockholders' equity ("ROE"). This rate has been established at 10%, after tax, based on stockholders' equity at the beginning of the Fiscal Year.

XI. CALCULATION OF PAYMENTS

- A. DETERMINATION OF ACHIEVEMENT AGAINST GOALS AND OBLIGATION TO MAKE PAYMENTS. The obligation to make payments under the Plan will be determined by achievement of Corporate and Business Unit goals determined by the Board of Directors.
- B. CALCULATION OF INDIVIDUAL PAYMENTS UNDER THIS PLAN IS A FUNCTION OF:
1. Target incentive opportunity - expressed as a percentage of an individual's FY 1993 earnings. The target % for each participant is designated on the "Participant Form".
  2. Participant's 1993 fiscal year base salary earnings
  3. Corporate and FITL performance against the established goals
  4. Individual performance may or may not be used to adjust incentive awards. An individual award can be factored plus or minus 50% in increments of 1% to account for individual performance.
- C. LIMITATION OF RIGHT PRIOR TO RECEIPT OF PAYMENT. No participant entitled to receive payment under the calculation determined by this Section VII and VIII will have any right to pledge, assign, or otherwise dispose of any unpaid portion of such payment.

XII. SAMPLE INCENTIVE CALCULATION

To illustrate how incentive awards are calculated, assume a Plan participant has a target payout of 11% of base salary earnings of \$60,000, or \$6,600.

For the CORPORATE OPERATING INCOME GOAL, assume that the Company achieved its target operating income level.

For the FITL MARKET DEVELOPMENT COMPONENT, assume that:

- - One major account was signed up in FY 1993 but did not complete any trials during the fiscal year. Only 1 point would be awarded.
- - A second major account signed up and completed a field trial and FOA during FY 1993, plus gave general product approval during FY 1993. One point would be awarded for being signed up, plus 3 points for the FOA, plus 1 point for general product approval, for a total of 5 points.
- - One other account (non-major) was signed up for 0.5 point.

A total of 6.5 points would be achieved for this component.

For the FITL SYSTEM DEVELOPMENT COMPONENT, assume that:

- - Hardware DVT was completed on 7/31/93, so 1.5 points would be awarded.
- - System Software DVT was completed on 8/14/93 (10 days late). One-quarter of a point or 0.25 (0.025 x 10) would be subtracted from the target of 1.5 points for a final point value of 1.25 points.
- - Hardware B-release was completed 5 days ahead of schedule. One-quarter of a point or 0.25 (0.05 x 5) would be added to the target of 1.5 points for a final point value of 1.75 points.
- - System Software B-release was completed on 9/30/93, so 1.5 points would be awarded.

A total of 6 points would be awarded for this component.

The following calculations illustrate how the incentive award would be determined:

<TABLE>  
<CAPTION>

Goal/Component -----	Points -----	Achievement -----	Weight -----
<S>	<C>	<C>	<C>
Corporate operating income	N/A	100.0%	20%
FITL Market Development	6.5	112.5%	40%
FITL System Development	6.0	100.0%	40%

</TABLE>

Calculation of Payment:

$$\begin{aligned}
 &(\$60,000 \times 11\% \text{ Target} \times 20\% \text{ Corporate Operating Income weight} \times 100\% \\
 &\text{achievement}) + \\
 &(\$60,000 \times 11\% \text{ Target} \times 40\% \text{ FITL Market Development weight} \times 112.5\% \\
 &\text{achievement}) + \\
 &(\$60,000 \times 11\% \text{ Target} \times 40\% \text{ FITL System Development weight} \times 100\% \text{ achievement}) = \\
 &\qquad\qquad\qquad \$6,930.00
 \end{aligned}$$

### XIII. EFFECT OF CHANGE IN EMPLOYMENT STATUS

**VOLUNTARY RESIGNATION:** A participant who voluntarily resigns full-time employment prior to the end of the Fiscal Year will relinquish all rights to any payment under the Plan.

**CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE:** A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all rights to any payment under this Plan.

**CHANGE BASED UPON JOB ELIMINATION:** Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a pro-rata payment based upon the time served in the eligible position during the Fiscal Year.

**CHANGE BASED UPON A PROMOTION/DEMOTION:** A current participant who is promoted or demoted from an incentive eligible position to another incentive eligible

position during the Fiscal Year will have a pro-rata calculation of payment based upon the time served in each position during the Fiscal Year.

CHANGE BASED UPON TRANSFER BETWEEN CORPORATE AND BUSINESS UNIT PARTICIPANT CATEGORIES: A current participant who transfers between the Corporate staff and FITL Business Unit or between different Business Units with different goals during FY 1993 will have a pro-rata calculation based on the goals and length of time spent in the respective participant categories.

#### XIV. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this Plan in whole or in part, at its discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.

ADC TELECOMMUNICATIONS  
INTERNATIONAL MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

ADC TELECOMMUNICATIONS  
INTERNATIONAL MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PLAN NAME AND EFFECTIVE DATE

The name of this Plan is the ADC Telecommunications, Inc. ("Company"), International Management Incentive Plan - Fiscal Year ("FY") 1993, effective November 1, 1992 through October 31, 1993.

II. PURPOSE

The purpose of the Plan is to provide, with full regard to the protection of shareholder's investments, a direct financial incentive for eligible full-time management employees to strive continually to perform an effective leadership role and make a significant contribution to the Company's established goals.

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the



Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

#### IV. ELIGIBILITY

The Committee will establish rules of eligibility for participation in the Plan and determine eligibility in accordance with those rules. Participation will be effective as of the date approved by the Committee and will be communicated to the participant by an incentive opportunity statement ("Participant Form") specifying the target incentive level for the position held by the participant. No part-time employee will be eligible for the Plan, and no employee will become a participant in the Plan after May 1, 1993.

#### V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. PLAN GOALS

The Plan reinforces the annual financial goals which support ADC's long-term strategic plans. The FY 1993 goal categories and weights are as follows:

Corporate Operating Income	15%
International Revenue	50%
International Contribution Income	35%
TOTAL	100%

#### VII. COMPANY PERFORMANCE MINIMUM PAYOUT REQUIREMENTS

The following minimum Company performance goals must be met to assure protection of shareholder interest before an incentive payout can be generated.

- A. Incentive payments will be made only if net profits are in excess of a threshold rate of return on stockholders' equity. This rate has been established at 10%, after tax, based on stockholders' equity at the beginning of the fiscal year.
- B. Participants must meet the threshold of the International revenue OR the International contribution income OR the corporate operating income goal.

VIII. CALCULATION OF PAYMENTS

A. DETERMINATION OF ACHIEVEMENT AGAINST GOALS AND OBLIGATION TO MAKE PAYMENTS. The obligation to make payments under the Plan will be determined by achievement of Corporate and Business Unit goals determined by the Board of Directors.

B. CALCULATION OF INDIVIDUAL PAYMENTS UNDER THIS PLAN IS A FUNCTION OF:

1. Target incentive opportunity - expressed as a percentage of an individual's FY 1993 earnings. The target % for each participant is designated on the "Participant Form".
2. Participant's 1993 fiscal year base salary earnings
3. Corporate and International performance against the established goals
4. Individual performance may or may not be used to adjust incentive awards. An individual award can be factored plus or minus 50% in increments of 1% to account for individual performance.

C. HOW INDIVIDUAL AWARDS ARE DETERMINED IS SHOWN BY THE FOLLOWING EXAMPLE:

Assume we have a Plan participant with the following facts:

Grade:	15
Target Payout:	11% of base salary earnings
Base Salary Earnings:	50,0000

<TABLE>  
<CAPTION>

	Weight -----	Achievement -----
<S>	<C>	<C>
Corporate Operating Income:	15%	90%
International Revenue:	50%	100%
International Contribution Income:	35%	100%

Calculation of Payment:  
[\$50,000 x 11% Target x 15% corporate operating income weight x 90% achievement)+

(\$50,000 x 11% Target x 50% International revenue weight x 100% achievement) +

(\$50,000 x 11% Target x 35% International contribution income weight x 100% achievement) =

\$5,417.50

D. LIMITATION OF RIGHT PRIOR TO RECEIPT OF PAYMENT. No participant entitled to receive payment under the calculation determined by this Section VII and VIII will have any right to pledge, assign, or otherwise dispose of any unpaid portion of such payment.

IX. EFFECT OF CHANGE IN EMPLOYMENT STATUS

- A. VOLUNTARY RESIGNATION. A participant who voluntarily resigns full-time employment prior to the end of the Fiscal year will relinquish all right to any payment under the Plan.
- B. CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE. A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all right to any payment under this plan.
- C. CHANGE BASED UPON JOB ELIMINATION. Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a pro-rata payment based upon the time served in the eligible position during the fiscal year.
- D. CHANGE BASED UPON A PROMOTION/DEMOTION A current participant who is promoted or demoted from an incentive eligible position to another incentive eligible position during the fiscal year will have a pro rata calculation of payment based upon the time served in each position during FY 93.
- E. CHANGE BASED UPON TRANSFER BETWEEN INTERNATIONAL AND OTHER ADC DIVISIONS. A current participant who transfers between Corporate and Business Unit or between different Business Units with different goals during FY 93 will have a pro rata calculation based on the goals and length of time spent in the respective participant categories.

X. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this plan in whole or in part, at its sole discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.

FY 1993 INTERNATIONAL SALES INCENTIVE PLAN  
EXAMPLE FOR INSIDE SALES REPRESENTATIVE

1ST QUARTER RESULTS

% of Quota Achieved: 100%; % of Payout: 5% of quarterly earnings.  
Quarterly base salary earnings: \$7,000

Quarterly bonus calculation:  $5\% \times \$7,000 = \$350.00$

2ND QUARTER RESULTS

% of Quota Achieved: 105%, % of Payout: 5% of quarterly earnings.  
Quarterly base salary earnings: \$7,000

Quarterly bonus calculation:  $5\% \times \$7,000 = \$350.00$

3RD QUARTER RESULTS

% of Quota Achieved: 97%; % of Payout: 3% of quarterly earnings.  
Quarterly base salary earnings: \$7,350

Quarterly bonus calculation:  $3\% \times \$7,350 = \$220.50$

4TH QUARTER RESULTS

% of Quota Achieved: 115%; % of Payout: 5% of quarterly earnings.  
Quarterly base salary earnings: \$7,350

Quarterly bonus calculation:  $5\% \times \$7,350 = \$367.50$

ANNUAL RESULTS

% of Quota Achieved: 105%; % of Payout: 3% of annual earnings.  
Number of Objective Points Achieved: 5, % of Payout: 3% of annual earnings.  
Annual base salary earnings: \$28,700

Annual bonus calculation:  $(3\% + 3\%) \times \$28,700 = \$1,722.00$

TOTAL BONUS PAYMENTS FOR THE YEAR: \$3,010.00

ADC TELECOMMUNICATIONS  
TRANSMISSION MARKET DEVELOPMENT  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

ADC TELECOMMUNICATIONS  
TRANSMISSION MARKET DEVELOPMENT  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PURPOSE

The purpose of the FY 1993 Transmission Market Development Incentive Plan ("Plan") is to reward the strategic positioning of key company products.

II. EFFECTIVE DATE

The Plan is effective from November 1, 1992 through October 31, 1993 ("Fiscal Year").

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

IV. ELIGIBILITY

To qualify for participation under the Plan, the employee must be employed full-time in the ADC Transmission Division as a Sr. Market Manager or Director Market Development.

V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. SUMMARY OF PAYMENT CATEGORIES

A. FITL LAB/FIELD TRIAL BONUS: a bonus of \$10,000 will be awarded to an individual for the first sanctioned FITL lab/field trial in each major account (refer to Plan definition). In order to qualify for the bonus, a written customer commitment must be obtained by ADC during the Fiscal Year.

B. SONEPLEX APPROVAL BONUS: A bonus of \$5,000 will be awarded to an individual for attainment of Soneplex approval in each major account (refer to Plan definition). In order to qualify for the bonus, written confirmation of product approval must be received by ADC during the Fiscal Year.

#### VII. MAJOR ACCOUNT PLAN DEFINITION

For purposes of the Plan, a major account is limited to the following ten organizations: Bell Atlantic, NYNEX, Bell South, Southwestern Bell, PacBell, Ameritech, United Telephone, U.S. West, Bell Canada, and GTE.

#### VIII. EFFECT OF CHANGE IN EMPLOYMENT STATUS

A. VOLUNTARY RESIGNATION. A participant who voluntarily resigns full-time employment prior to the end of the Fiscal year will relinquish all right to any payment under the Plan.

B. CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE. A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all right to any payment under this plan.

C. CHANGE BASED UPON JOB ELIMINATION. Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a payment based upon the results achieved in the eligible position during the fiscal year.

#### IX. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this plan in whole or in part, at its sole discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.

ADC TELECOMMUNICATIONS  
VP OF SALES AND CUSTOMER SERVICE  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

ADC TELECOMMUNICATIONS  
VP OF SALES AND CUSTOMER SERVICE  
MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PLAN NAME AND EFFECTIVE DATE

The name of this Plan is the ADC Telecommunications, Inc. ("Company"), VP of Sales and Customer Service Management Incentive Plan - Fiscal Year ("FY") 1993, effective November 1, 1992 through October 31, 1993.

II. PURPOSE

The purpose of the Plan is to provide, with full regard to the protection of shareholder's investments, a direct financial incentive for eligible full-time management employees to strive continually to perform an effective leadership role and make a significant contribution to the Company's established goals.

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

IV. ELIGIBILITY

To qualify for participation under this plan, the employee must be employed



full-time by ADC as a VP of Sales and Customer Service.

#### V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. PLAN GOALS

The Plan reinforces the annual financial goals which support ADC's long-term strategic plans. The FY 1993 goal categories and weights are as follows:

<TABLE>

<S>	<C>
Domestic Revenue	50%
Corporate Operating Income	30%
* Corporate Customer Service/Inventory Turn Management	20%
TOTAL	100%

<FN>

\* CORPORATE CUSTOMER SERVICE/INVENTORY TURN MANAGEMENT goals measure the company's ability to deliver products to meet customer's request dates while also effectively managing inventories. Customer service/inventory turn management is measured by average inventory turns (the direct cost of goods sold divided by average direct inventory cost) and by shipping performance (relative to meeting customer request dates). A single numerical representation of customer service/inventory management is derived by multiplying the average inventory turn by the percentage of customer request dates met by ADC.

</TABLE>

For example, if ADC's average annual inventory turns is 3.4 and the percentage of customer request dates met is 78%, the result is a customer service/inventory turn management achievement of 2.65.

<TABLE>

<S>	<C>
Average inventory turns	3.4
% customer request dates met	.78
	----
Result	2.65

</TABLE>

## VII. COMPANY PERFORMANCE MINIMUM PAYOUT REQUIREMENTS

The following minimum Company performance goals must be met to assure protection of shareholder interest before an incentive payout can be generated.

- A. Incentive payments will be made only if net profits are in excess of a threshold rate of return on stockholders' equity. This rate has been established at 10%, after tax, based on stockholders' equity at the beginning of the fiscal year.
- B. Participants must meet threshold domestic revenue OR corporate operating income goals.

## VIII. CALCULATION OF PAYMENTS

- A. DETERMINATION OF ACHIEVEMENT AGAINST GOALS AND OBLIGATION TO MAKE PAYMENTS. The obligation to make payments under the Plan will be determined by achievement of Corporate and Business Unit goals determined by the Board of Directors.
- B. CALCULATION OF INDIVIDUAL PAYMENTS UNDER THIS PLAN IS A FUNCTION OF:
  - 1. Target incentive opportunity - expressed as a percentage of an individual's FY 1993 earnings. The target % for each participant is designated on the "Participant Form".
  - 2. Participant's 1993 fiscal year base salary earnings
  - 3. Performance against the established goals
  - 4. Individual performance may or may not be used to adjust incentive awards. An individual award can be factored plus or minus 50% in increments of 1% to account for individual performance.
- C. HOW INDIVIDUAL AWARDS ARE DETERMINED IS SHOWN BY THE FOLLOWING EXAMPLE: Assume we have a Plan participant with the following facts:

<TABLE>

<S>	<C>
Grade:	15
Target Payout:	11% of base salary earnings
Base Salary Earnings:	50,0000

</TABLE>

<TABLE>

<CAPTION>

CORPORATE PARTICIPANT:

	Weight	Achievement
	-----	-----
<S>	<C>	<C>
Domestic Revenue:	50%	100%
Corporate Operating Income:	30%	90%
Corporate Customer Service/Inventory Turn Management:	20%	90%

</TABLE>

Calculation of Payment:

[( $\$50,000 \times 11\% \text{ Target} \times 50\% \text{ domestic revenue weight} \times 100\% \text{ achievement}$ ) + ( $\$50,000 \times 11\% \text{ Target} \times 30\% \text{ corporate operating income weight} \times 90\% \text{ achievement}$ ) + ( $\$50,000 \times 11\% \text{ Target} \times 20\% \text{ corporate customer service/inventory turn mgmt weight} \times 90\% \text{ achievement}$ )] =

\$5,225.00

-----  
-----

D. LIMITATION OF RIGHT PRIOR TO RECEIPT OF PAYMENT. No participant entitled to receive payment under the calculation determined by this Section VII and VIII will have any right to pledge, assign, or otherwise dispose of any unpaid portion of such payment.

IX. EFFECT OF CHANGE IN EMPLOYMENT STATUS

A. VOLUNTARY RESIGNATION. A participant who voluntarily resigns full-time employment prior to the end of the Fiscal year will relinquish all right to any payment under the Plan.

B. CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE. A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all right to any payment under this plan.

C. CHANGE BASED UPON JOB ELIMINATION. Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a pro-rata payment based upon the time served in the eligible position during the fiscal year.

D. CHANGE BASED UPON A PROMOTION / DEMOTION. A current participant who is promoted or demoted from an incentive eligible position to another incentive eligible position during the fiscal year will have a pro rata calculation of payment based upon the time served in each position during FY 93.

E. CHANGE BASED UPON TRANSFER BETWEEN DOMESTIC SALES AND OTHER ADC DIVISIONS.

A current participant who transfers between Corporate and Business Unit or between different Business Units with different goals during FY 93 will have a pro rata calculation based on the goals and length of time spent in the respective participant categories.

X. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this plan in whole or in part, at its sole discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.

ADC/FIBERMUX CORPORATION  
MANAGEMENT INCENTIVE PLAN  
FISCAL 1993

FIBERMUX MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

INTRODUCTION

- - The Board of Directors of Fibermux Corporation has authorized a Management Incentive Plan ("The Plan") to be administered by the Company President and the Human Resources Department.
- - The Plan provides you with an opportunity to share in the Financial and Objective results achieved by the Company and you. This document describes that opportunity, which becomes effective beginning Fiscal 1993. (June 29, 1992 through June 30, 1993)

PLAN SUMMARY

- - The purpose of the Management Incentive Plan is to provide incentive compensation to key employees of Fibermux who are major contributors to the revenue growth, profitability, and management of the Company.
- - Two principles are primary to the Plan design:
  1. THE PLAN REINFORCES THE ANNUAL FINANCIAL GOALS which are part of our long-term plans. The goals featured in the plan relate to Fibermux' revenue and earnings before interest and taxes ("EBIT").
  2. THE PLAN PLACES EMPHASIS ON INDIVIDUAL PERFORMANCE AND GROUP ACHIEVEMENTS as a basis for compensation. Measurable Performance Objectives will be mutually established by each participant and their immediate manager. Accomplishing these objectives will determine the amount of incentive payout on the Objectives section of the Plan. An example form for Performance Objectives is included as Attachment E to this document.

ELIGIBILITY

- - Participation in the Plan is determined by position title and job responsibility. Your eligibility is communicated through an Incentive Plan Agreement.

- - No employee, not previously designated as a participant, will be included in the Management Incentive Plan after December 31 of the current fiscal year.
- - A participant in the Management Incentive Plan who voluntarily resigns full-time employment prior to the end of the fiscal year will not be eligible for any payout from the Plan. Part-time and/or temporary employees are not eligible for participation.

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ADC/FIBERMUX CORPORATION  
MANAGEMENT INCENTIVE PLAN  
FISCAL 1993

- - Employees participating in a Sales Compensation Plan are not eligible to participate in the Management Incentive Plan.

PLAN GUIDELINES

The operation of the Plan can best be explained by considering the following:

1. WHAT ARE THE INCENTIVE OPPORTUNITIES FOR EACH PERFORMANCE GOAL?

The incentive opportunity for each performance measure (Financial Goals and individual Performance Objectives) will be weighted by the following percentages:

<TABLE>  
<CAPTION>

	Vice President And Assoc. Vice President -----	Director -----	Manager -----
<S> Financial Goals	<C> 60%	<C> 55%	<C> 50%
Performance Objectives	40%	45%	50%

</TABLE>

2. WHAT ARE THE FINANCIAL GOALS AND HOW ARE THEY MEASURED?

The incentive compensation earned for Financial Goals will be based upon

the Participants Base Salary, the actual revenue and the actual earnings before interest and taxes as a percent ("%") of revenue ("EBIT %") as compared to the Companys target revenue and EBIT% set forth in its Annual Operating Plan ("AOP") approved by the Fibermux Board of Directors.

The Company's Fiscal 1993 AOP Financial Goals are:

Revenue	\$ 65,700,000
EBIT	\$ 13,131,000
EBIT%	19.99%

The incentive compensation earned for a fiscal year shall be determined by calculating the percent of plan ("POP") for each of the actual revenue and actual EBIT% for such fiscal year. The POP shall be calculated as follows:

$$\text{POPR} = \frac{\text{Actual Revenue Dollars}}{\text{AOP Revenue Dollars}} \qquad \text{POPP} = \frac{\text{Actual EBIT\%}}{\text{AOP EBIT\%}}$$

As used herein, "POPR" means the POP determined for the actual revenue and "POPP" means the POP determined for the actual EBIT%.

The financial goals will be weighted at 75% for EBIT achievement and 25% for revenue achievement.

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ADC/FIBERMUX CORPORATION  
MANAGEMENT INCENTIVE PLAN  
FISCAL 1993

No incentive compensation on financial goals will be paid if either the actual revenue or the actual EBIT% falls below 80% of the respective AOP amount (I.E., the POP is less than 80%). The maximum POP is 120%.

The incentive compensation bonus will be based on the participant's base salary as of July 1, 1992. For eligible employees hired after June 29, but before December 31, the base salary at their time of hire will be used to calculate their pro-rated incentive compensation bonus.

3. WHAT ARE THE PERFORMANCE OBJECTIVES AND HOW ARE THEY MEASURED?

Each participant in the Plan will be required to establish three key measurable Performance Objectives for each six-month period in Fiscal 1993

(Attachment E). The objectives may be set in the following ways:

- Three measurable objectives that have a completion date by the end of the six-month period;
- Three measurable objectives that will take the entire year to achieve but measurable milestones will be achieved at the end of the six-month period;
- A combination of the above.

These objectives will be mutually established and agreed upon by the participant and their immediate manager. Objectives must be approved by the Department Vice President, and in some cases, the President. Participant attainment of these objectives will determine incentive payments for this part of the Plan.

The review of the objective attainment will be assessed by the participant and their immediate manager. The manager will then recommend to the Department Vice President, the Director, Human Resources, and President the performance appraisal against these objectives and the incentive payment on the Objective section of the Plan.

If a Participant's job title and/or responsibilities change, Fibermux reserves the right to change a Participant's objectives.

#### 4. WHAT IF MY OBJECTIVES CHANGE?

A participant can change their Performance Objectives up to forty-five (45) days into the six (6) month period. After that time, no changes will be accepted.

If a Participant's objectives change, the new Performance Objectives must be approved by the participant's immediate manager, the Department Vice President, the Director, Human Resources, and the President.

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ADC/FIBERMUX CORPORATION  
MANAGEMENT INCENTIVE PLAN  
FISCAL 1993

#### 5. HOW ARE INDIVIDUAL INCENTIVE PAYMENTS DETERMINED?

A participant's incentive payment is determined by the following:



- The participant's incentive target opportunity. The target opportunity is expressed as a percentage of the participant's base salary as of July 1 of the fiscal year and varies by job level. The target percentage for each position will be noted on the Incentive Plan Agreement which will be sent to each participant;
- How well Fibermux performs against its established annual financial goals;
- How well participants perform relative to their individual Performance Objectives.

6. WHEN AND HOW ARE INCENTIVE PAYMENTS MADE?

1. Financial Goals Payment

Payment will be made annually, within two and one-half months after the end of the fiscal year. The calculations of the incentive payouts will be made after the company financial results have been audited.

2. Performance Objectives Payment

Payment will be made semi-annually. The first payment will be within forty-five days after the first six-month period. The second payment will be made in conjunction with the financial goals payment made within two and one-half months after the end of the fiscal year.

The Plan does not constitute or provide any guarantee of employment or compensation to participants, and Fibermux has no commitment to adopt this specific Plan in any future fiscal year. The President and the Board of Directors of Fibermux will retain full discretion in the administration of the Plan, and their decisions will be final.

ADC TELECOMMUNICATIONS  
KENTROX MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

ADC TELECOMMUNICATIONS  
KENTROX MANAGEMENT INCENTIVE PLAN  
FISCAL YEAR 1993

I. PLAN NAME AND EFFECTIVE DATE

The name of this Plan is the ADC Telecommunications, Inc. ("Company"), Kentrox Management Incentive Plan - Fiscal Year ("FY") 1993, effective November 1, 1992 through October 31, 1993.

II. PURPOSE

The purpose of the Plan is to provide, with full regard to the protection of shareholder's investments, a direct financial incentive for eligible full-time management employees to strive continually to perform an effective leadership role and make a significant contribution to the Company's established goals.

III. ADMINISTRATION

This Plan will be administered by a Management Incentive Plan Committee ("Committee") appointed and authorized by the Company's Board of Directors. Subject to the complete and full discretion of the Board of Directors, the Committee is authorized to make all decisions as required in administration of the Plan and to exercise its discretion to define, interpret, construe, apply, and make any exceptions to the terms of the Plan.

#### IV. ELIGIBILITY

The Committee will establish rules of eligibility for participation in the Plan and determine eligibility in accordance with those rules. Participation will be effective as of the date approved by the Committee and will be communicated to the participant by an incentive opportunity statement ("Participant Form") specifying the target incentive level for the position held by the participant. No part-time employee will be eligible for the Plan, and no employee will become a participant in the Plan after May 1, 1993.

#### V. TIME OF PAYMENT

Payments which become due under this Plan will be made as soon as administratively feasible following the close of the Company's fiscal year.

#### VI. PLAN GOALS

The Plan reinforces the annual financial goals which support ADC's long-term strategic plans. The FY 1993 goal categories and weights are as follows:

Corporate Operating Income	20%
Kentrox Revenue	30%
Kentrox Operating Income	30%
Microcell Revenue	20%
TOTAL	100%

#### VII. COMPANY PERFORMANCE MINIMUM PAYOUT REQUIREMENTS

The following minimum Company performance goals must be met to assure protection of shareholder interest before an incentive payout can be generated.

- A. Incentive payments will be made only if net profits are in excess of a threshold rate of return on stockholders' equity. This rate has been established at 10%, after tax, based on stockholders' equity at the beginning of the fiscal year.
- B. Participants must meet the threshold of the Kentrox revenue OR the Kentrox operating income OR the corporate operating income goal.

#### VIII. CALCULATION OF PAYMENTS

- A. DETERMINATION OF ACHIEVEMENT AGAINST GOALS AND OBLIGATION TO MAKE

PAYMENTS. The obligation to make payments under the Plan will be determined by achievement of Corporate and Business Unit goals determined by the Board of Directors.

B. CALCULATION OF INDIVIDUAL PAYMENTS UNDER THIS PLAN IS A FUNCTION OF:

1. Target incentive opportunity - expressed as a percentage of an individual's FY 1993 earnings. The target % for each participant is designated on the "Participant Form".
2. Participant's 1993 fiscal year base salary earnings
3. Corporate and Kentrox performance against the established goals
4. Individual performance may or may not be used to adjust incentive awards. An individual award can be factored plus or minus 50% in increments of 1% to account for individual performance.

C. HOW INDIVIDUAL AWARDS ARE DETERMINED IS SHOWN BY THE FOLLOWING EXAMPLE:

Assume we have a Plan participant with the following facts:

Grade:	38
Target Payout:	11% of base salary earnings
Base Salary Earnings:	50,000

<TABLE>  
<CAPTION>

	Weight	Achievement
	-----	-----
<S>	<C>	<C>
Corporate Operating Income:	20%	90%
Kentrox Revenue:	30%	100%
Kentrox Operating Income:	30%	100%
Microcell Revenue	20%	90%

</TABLE>

Calculation of Payment:

$$[\$50,000 \times 11\% \text{ Target} \times 20\% \text{ corporate operating income weight} \times 90\% \text{ achievement}] +$$
$$(\$50,000 \times 11\% \text{ Target} \times 30\% \text{ Kentrox revenue weight} \times 100\% \text{ achievement}) +$$
$$(\$50,000 \times 11\% \text{ Target} \times 30\% \text{ Kentrox operating income weight} \times 100\% \text{ achievement}) +$$
$$(\$50,000 \times 11\% \text{ Target} \times 20\% \text{ Microcell Revenue weight} \times 90\% \text{ achievement})] =$$
$$\$5,280.00$$

D. LIMITATION OF RIGHT PRIOR TO RECEIPT OF PAYMENT. No participant entitled to receive payment under the calculation determined by this Section VII and VIII will have any right to pledge, assign, or otherwise dispose of any unpaid portion of such payment.

IX. EFFECT OF CHANGE IN EMPLOYMENT STATUS

A. VOLUNTARY RESIGNATION. A participant who voluntarily resigns full-time employment prior to the end of the Fiscal year will relinquish all right to any payment under the Plan.

B. CHANGE BASED UPON UNSATISFACTORY JOB PERFORMANCE. A participant who is involuntarily terminated or transferred to a non-eligible position for reasons of unsatisfactory job performance will relinquish all right to any payment under this plan.

C. CHANGE BASED UPON JOB ELIMINATION. Subject to the approval of the Committee, a participant who is involuntarily terminated or transferred to a non-eligible position because of a job elimination may retain the right to a pro-rata payment based upon the time served in the eligible position during the fiscal year.

D. CHANGE BASED UPON A PROMOTION / DEMOTION A current participant who is promoted or demoted from an incentive eligible position to another incentive eligible position during the fiscal year will have a pro rata calculation of payment based upon the time served in each position during FY 93.

E. CHANGE BASED UPON TRANSFER BETWEEN ADC MINNESOTA AND KENTROX. A current participant who transfers between Corporate and Business Unit or between different Business Units with different goals during FY 93 will have a pro rata calculation based on the goals and length of time spent in the respective participant categories.

X. AMENDMENT OR TERMINATION OF PLAN

The Board of Directors reserves and retains the right to modify, rescind or terminate this plan in whole or in part, at its sole discretion, and nothing in this Plan limits this right in any way or creates any rights in any employee of future participation in this Plan or any other plan, or constitutes any guarantee of compensation or employment with ADC. Further, neither the Board of Directors nor the Company has any obligation under this Plan or otherwise to adopt this or any other plan in any future fiscal year.

## LEASE

THIS LEASE, dated as of December 18, 1992, is made by and between GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), and ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant"), upon the following terms and conditions.

## 1. LEASE OF PREMISES AND DEFINITIONS.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, on an as-is basis except as herein otherwise specifically provided, that certain building commonly known as 21415 Plummer Street, Los Angeles, California depicted on the attached EXHIBIT A (hereinafter referred to as the "Premises" and sometimes as the "Building"), subject, however, to, and together with, the easements, restrictions and other matters of record and access which is disclosed by inspection.

(b) The term "Property" shall mean that certain real property, of which the Premises is a part, legally described on the attached Exhibit B, on which Property are located the Building and the building commonly known as 21605 Plummer Street ("Rockwell Building").

(c) The term "Tenant's Proportionate Share" shall mean the percentage from time to time obtained by dividing the rentable area of the Premises (including any space added to the Premises as provided in this Lease) by the sum of the rentable area of the Building and the rentable area of the Rockwell Building. Such rentable areas shall be initially measured, not later than the Commencement Date, by Tenant's space planner, at Tenant's expense, in accordance with the National Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1980 ("BOMA Standard"), which space planner shall submit such measurements to Landlord for Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). If the rentable area of the Building, as so measured and approved, is within 1% of 97,104 square feet, then the rentable area of the Building shall, for purposes of this Lease, be deemed to be 97,104 square feet. If the rentable area of the Rockwell Building, as so measured and approved, is within 1% of 130,572 square feet, then the rentable area of the Rockwell Building shall, for purposes of this Lease, be deemed to be 130,572 square feet. If the Building and/or the Rockwell Building is/are subsequently altered so as to affect its/their rentable area(s), Landlord shall, at Landlord's expense, cause the

altered building(s) to be remeasured by a qualified party in accordance with

the BOMA Standard, which remeasurements shall be submitted top Tenant for Tenant's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Tenant from Landlord). If the rentable area of the Building or of the Rockwell Building, as so remeasured and approved, is within 1% of the actual or deemed rentable area of the Building or Rockwell Building applicable under this Lease immediately prior to the alteration(s), then the rentable area of the Building or of the Rockwell Building shall, for the purposes of this Lease, be deemed to be the actual or deemed rentable area of the Building or of the Rockwell Building applicable under this Lease immediately prior to the alteration(s). If less than all of the Rockwell Building is added to the Premises pursuant to this Lease, Landlord shall, at Landlord's expense, cause the added space to be measured by a qualified party in accordance with the BOMA Standard, which measurement shall be submitted to Tenant for Tenant's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Tenant from Landlord). The parties to this Lease shall execute an amendment to this Lease establishing Tenant's Proportionate Share and the rentable areas of the Premises, the Building and/or the Rockwell Building, if necessary, at the time of the initial measurement and each subsequent measurement.

(d) "Appraisal" shall mean an appraisal of Market Rent (as defined in this Lease below) conducted in accordance with the procedures set forth in attached Exhibit D.

(e) "Market Rent" shall mean the annual Base Rent (expressed as an amount per square foot of rentable area) that the Landlord would receive as of the commencement date of the term in question if it were to lease the space in question pursuant to the terms of this Lease (except to the extent that this Lease is inconsistent with the assumptions and requirements set forth below) to a tenant with a credit standing comparable to that of Tenant; with parking rights as provided in this Lease; for a term equal to the period in question; with a commencement date of the date in question; and in an "as is" condition, except to the extent that Landlord is required under this Lease to make improvements. In determining the "Market Rent", current conditions in the marketplace for comparable transactions shall be considered, including without limitation, tenant inducements, if and to the extent then a part of market conditions, such as, but not limited to, buildout allowances or work, free rent, financial inducements and credits for moving expenses. For purposes of determining Market Rent it shall be assumed that Landlord and Tenant are each ready, willing and able to enter into such a lease but are under no compulsion to do so.

(f) The term "Consumer Price Index" shall mean the Consumer Price Index issued by the U.S. Department of Labor, Bureau of Labor Statistics for Urban Wage Earners and Clerical Workers, U.S. City Average (1982-1984=100), or its successor index

2. TERM. The initial term of this Lease shall commence on the Commencement Date (defined below) and shall end on the last day of the 72nd month thereafter.

Landlord agrees to use its best efforts (including appropriate legal proceedings, if reasonably required) to enforce that certain Agreement dated December 1, 1992, between Landlord and Symbolics, Inc. and that certain letter agreement dated November 6, 1992, among Landlord, Rockwell International Corporation ("Rockwell") and Symbolics, Inc., copies of which have been provided to Tenant. The Commencement Date shall be the earlier of the date that Tenant commences business operations in the Premises or the date 180 days following the date of this Lease, unless Rockwell's vacation of the Premises is delayed beyond February 28, 1993, in which case the Commencement Date shall be extended by the number of days (not to exceed 30 days) of such delay. If such delay exceeds 30 days, Tenant shall have the option to (a) terminate this Lease or (b) continue with the extension of the Commencement Date for such period (not to exceed 30 days) as Tenant shall determine, such option to be exercised by Tenant by written notice given to Landlord within 10 days after the expiration of the initial 30-day period of delay referred to above. Tenant shall have full occupancy of the Premises immediately following Rockwell's vacation of the Premises until the Commencement Date in order to construct the Tenant Improvements and move into the Building. Such occupancy shall be subject to each and every provision of this Lease except that Tenant shall not be obligated to pay any Base Rent or Impositions applicable to the period prior to the Commencement Date. Upon determination of the Commencement Date, Landlord and Tenant will execute an agreement confirming the Commencement Date.

3. RENT. Tenant shall pay to Landlord, in advance, on the Commencement Date and on the 1st day of each calendar month thereafter during the initial term of this Lease, the following net monthly rental ("Base Rent"), over and above the other and additional payments to be made by Tenant as hereinafter provided, as follows:

<TABLE>  
<CAPTION>



Months	Base Rent to be paid per month
<S>	<C>
1st month	\$77,000.00
2nd through 5th month	\$ 0
6th through 9th month	\$38,500.00
10th through 36th month	\$77,000.00
37th through 72nd month	\$77,000.00, subject to the following increase.

</TABLE>

; provided, however, that the Base Rent payable for the first month shall be reduced by \$2,531.50 for each day that Tenant's commencement of business operations in the Premises is later than the date 150 days after the date of this Lease (but such reduction shall in no event exceed \$77,000). Commencing with the first day of the 37th month of the initial term hereof, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index, as such Index for the 36th month of the initial term hereof bears to such Index for the month preceding the first full month of the initial term; provided, however, that in no event shall the monthly Base Rent commencing on the 37th month of the initial term be more than \$88,550.00 or less than \$83,930.00.

Notwithstanding the foregoing, if the rentable area of the Premises is deemed, pursuant to paragraph 1(c) of this Lease, to be an amount other than 97,104 square feet, then Tenant shall pay to Landlord, in advance, on the Commencement Date and on the 1st day of each month thereafter during the initial term of this Lease, the following Base Rental, rather than the Base Rental set forth in the immediately preceding grammatical paragraph:

<TABLE>

<CAPTION>

Months	Base Rent to be paid per month
<S>	<C>
1st month	\$.793 per rentable square foot
2nd through 5th month	\$ 0
6th through 9th month	\$.3965 per rentable square foot
10th through 36th month	\$.793 per rentable square foot
37th through 72nd month	\$.793 per rentable square foot, subject to the following increase.

</TABLE>

; provided, however, that the Base Rent payable for the first month shall be reduced by \$.02607 per rentable square foot for each day that Tenant's commencement of business operations in the Premises is later than the date 150 days after the date of this Lease (but such reduction shall in no event exceed \$.793 per rentable square foot for one month). In such case, commencing with the

first day of the 37th month of

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the initial term hereof, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index, as such Index for the 36th month of the initial term hereof bears to such Index for the month preceding the first full month of the initial term; provided, however, that in no event shall the monthly Base Rent commencing on the 37th month of the initial term be more than \$.9120 per rentable square foot or less than \$.8644 per rentable square foot.

The foregoing Base Rent schedules refer to calendar months beginning with the first full calendar month of the initial term of this Lease. Accordingly, if the Commencement Date is other than the first day of a calendar month, the Base Rent for the partial month preceding the first full calendar month of the initial term of this Lease, which is payable on the Commencement Date, shall be determined on a prorated basis, using for such determination the monthly Base Rent stated above with respect to the 10th calendar month.

The term "rent" as used in this Lease shall refer collectively to the Base Rent and to all additional rent, charges and other sums payable hereunder. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder after the expiration of any applicable grace period will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any trust deed covering the Premises. ACCORDINGLY, IF ANY INSTALLMENT OF RENT OR ANY OTHER SUMS DUE FROM TENANT SHALL NOT BE RECEIVED BY LANDLORD WHEN DUE OR IF A GRACE PERIOD IS APPLICABLE, PRIOR TO THE EXPIRATION OF THE GRACE PERIOD, TENANT SHALL PAY TO LANDLORD A LATE CHARGE EQUAL TO 5% OF SUCH OVERDUE AMOUNT. THE PARTIES HEREBY AGREE THAT SUCH LATE CHARGE REPRESENTS A FAIR AND REASONABLE ESTIMATE OF THE COSTS LANDLORD WILL INCUR BY REASON OF LATE PAYMENT BY TENANT BASED UPON THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS LEASE. [INITIALS OF THE PARTIES AS TO THE TWO SENTENCES SHOWN IN BOLD: \_\_\_\_\_]

4. PARKING. Tenant shall have the right to use 215 parking spaces on the Property in the Fibermux Area shown on the attached EXHIBIT A ("Fibermux Area"). Landlord, using reasonable efforts, shall also attempt to obtain parking for an additional 173 vehicles (the "Additional Parking Spaces"). Any Additional Parking Spaces not provided within the Fibermux Area shall be provided first (a) in the Rockwell Area shown on the attached EXHIBIT A ("Rockwell Area"), and (b) then at 21540 Plummer Street (across the street from the Premises). All Additional Parking Spaces to be provided by Landlord shall meet applicable governmental requirements and shall be approximately the same size as the existing spaces in the Fibermux and Rockwell Areas shown on the attached EXHIBIT A. All parking spaces to be provided by Landlord in the

Fibermux Area and the other areas shall be identified and controlled in a manner reasonably acceptable to Landlord and Tenant. Such parking spaces shall also be non-tandem and shall be on the basis of the

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existing stall striping; provided, however, that Tenant may, in its sole discretion, elect to permit Landlord to provide some or all of the Additional Parking Spaces on a tandem basis; and provided further, however, that Tenant may restripe the delivery area of the Premises and/or the parking spaces on any parking area provided by Landlord for Tenant's use, at Tenant's sole expense, and in such event the number of additional parking spaces yielded by such areas after such restriping by Tenant shall be deemed to be "Additional Parking Spaces" for purposes of this Lease.

For each month after the Commencement Date and continuing through the initial term of this Lease, so long as 173 Additional Parking Spaces are not so provided, Landlord shall pay to Tenant on the first day of each such month a sum equal to \$45.00 times the number of such Additional Parking Spaces not so provided for that month; provided, however, that for the first seven months following the Commencement Date, the sum due from Landlord for each such Additional Parking Space not provided shall only be \$22.50; and provided further, however, that, if Tenant adds Additional Parking Spaces as a result of its restriping of the Fibermux Area as provided above, Landlord shall have no obligation to make such payments with respect to such added spaces from and after the date that they are added to the Fibermux Area. Tenant shall deduct such amounts due for each month of the initial Lease term from the monthly rental payment for such month; provided, however, that, as to the 1st through 5th full calendar months following the Commencement Date, the sums due from Landlord shall be deducted by Tenant from the payment of Base Rent due for the 6th full calendar month following the Commencement Date (and, if necessary, the Base Rent payments due in subsequent months) under this Lease.

From and after the date Tenant has more than 215 parking spaces on the Property (except to the extent that such excess parking spaces are leased to Tenant as a result of Tenant's exercise of the Expansion Option), such payments of \$45.00 per month or \$22.50 per month, as the case may be, shall cease with respect to each such space in excess of 215 spaces. For each Additional Parking Space provided by Landlord in the locations described in subparagraphs (a) and (b) above after the date of this Lease, the amount otherwise payable by Landlord hereunder shall be reduced by \$30.00 per month for each such Additional Parking Space so provided.

Tenant may enter into a lease or leases for parking at other than the sites described in subparagraphs (a) and (b) above for: those Additional Parking Spaces which Landlord does not commit by a written notice delivered to Tenant by February 1, 1993 to provide to Tenant as of the Commencement Date; or any Additional Parking Spaces that are provided by Landlord at any time during the

initial term of this Lease and are thereafter, during such initial term, terminated by any landlord(s) thereof. Landlord shall provide at least 75 days' prior written notice to Tenant if Landlord will be providing Additional Parking Spaces after the

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Commencement Date. Landlord shall provide at least 75 days' prior written notice to Tenant if Landlord will cease to provide any Additional Parking Spaces, in which case Tenant shall be entitled to enter into parking leases to replace such Additional Parking, as provided above. Notwithstanding the foregoing, notices from Landlord to Tenant of either the provision or cessation of Additional Parking Spaces which result from the elimination of any parking permitted by the City of Los Angeles upon its easement area shall be the 75 days notice specified above or the number of days of notice of elimination of parking Landlord receives from the City of Los Angeles, whichever is less. Within ten (10) days after entering into any parking lease, Tenant shall provide a copy thereof to Landlord. If Landlord thereafter provides to Tenant the Additional Parking Spaces required on either of the sites described in subparagraphs (a) or (b) above, and Tenant consequently cancels its parking lease(s), Landlord shall, at Landlord's election made by written notice to Tenant at the time such Additional Parking Spaces are delivered to Tenant, either reimburse Tenant for the lease cancellation charge for each such canceled parking space or pay Tenant \$15 per month for the remainder of the initial term of this Lease for each parking space as to which Landlord has elected not to pay the such cancellation charge. Such reimbursement by Landlord to Tenant for lease cancellation charges shall include Tenant's unamortized costs of improving such parking site, based on a six-year amortization period.

Notwithstanding the foregoing provisions of this paragraph 4, if Rockwell ceases to lease all or any portion of the Rockwell Building, then the following shall apply:

(1) If Rockwell at any time no longer leases any space in the Rockwell Building, then a portion of the parking spaces in the Rockwell Area will be added, at no cost to Tenant, to the parking spaces already available to Tenant, which portion shall be determined by adding together the parking spaces then in the Rockwell Area and the Fibermux Area, dividing such sum by the total rentable square footage of the Rockwell Building and of the Building, multiplying such dividend (the "Dividend") by the rentable area of the Building and subtracting the number of parking spaces in the Fibermux Area from the result. The resulting figure will be rounded to the nearest whole number. If Tenant has then exercised or subsequently exercises the Expansion Option, then another portion of the parking spaces in the Rockwell Area will be provided to Tenant, at no cost to Tenant, which portion shall be determined by multiplying the Dividend by the rentable area of the Expansion Space, the resulting figure to be rounded to the nearest whole number.

(2) If Rockwell continues to lease a part of the Rockwell Building, then a portion of the parking spaces in the Rockwell Area will be added, at no cost to Tenant, to the parking spaces available to Tenant in the Fibermux Area, which portion shall be determined as follows:

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[total parking spaces in the Rockwell Area] - [(total parking spaces in the Rockwell Area) x (rentable area of the portion of Rockwell Building being leased by Rockwell) divided by rentable area of Rockwell Building] - [(total parking spaces on the Property) x (rentable area of the portion of the Rockwell Building that is not being leased by Rockwell) divided by (total rentable area of the Building and the Rockwell Building)], rounded to the nearest whole number

PLUS, IF TENANT HAS THEN EXERCISED OR SUBSEQUENTLY EXERCISES THE EXPANSION OPTION:

[total parking spaces on the Property x (rentable area of the Expansion Space) divided by (total rentable area of the Building and the Rockwell Building)], rounded to the nearest whole number

If Rockwell at any time no longer leases any portion of the Rockwell Building, spaces shall be reallocated as provided in subparagraph (1) above, notwithstanding that parking spaces may have been previously allocated pursuant to subparagraph (2) above. The parking spaces made available to Tenant under subparagraphs (1) and (2) above shall be as close as possible to the space leased by Tenant and served by such parking. Such added parking spaces shall be deemed to be Additional Parking Spaces as follows:

(A) if Tenant does not elect to lease any Expansion Space pursuant to paragraph 55 of this Lease, then all such added parking spaces shall be deemed to be Additional Parking Spaces; or

(B) if Tenant elects to lease any Expansion Space pursuant to paragraph 55 of this Lease, then all such added parking spaces shall be deemed to be Additional Parking Spaces, except for the portion of such added parking spaces leased to Tenant with respect to the Expansion Space as provided above.

If any of the approximately 97 parking spaces in the Rockwell Area that are located upon an easement granted by the City of Los Angeles are eliminated because such easement is revoked in whole or in part by the City of Los Angeles, and if such elimination results in a reduction in the number of parking spaces that would otherwise have been provided to Tenant as set forth above, then Landlord shall for the remainder of the initial term of this Lease pay to Tenant, on the first day of each month during which such parking spaces would

otherwise have been provided to Tenant as set forth above, a sum equal to \$45.00 times the number of parking spaces that would otherwise have been provided to Tenant as set forth above.

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5. FULL NET LEASE. Landlord shall receive the rent free and clear of any and all other impositions, taxes, liens, charges, or expenses of any nature whatsoever in connection with the ownership and operation of the Premises, except as herein expressly provided. In addition to the rent reserved above, Tenant shall pay to the parties respectively entitled thereto all impositions, insurance premiums, operating charges, maintenance charges, construction costs, and any other charges, costs, and expenses that arise or may be contemplated under any provisions of this Lease during the term hereof. It is the intention of the parties that this Lease shall not be terminable for any reason by Tenant, and that Tenant shall in no event be entitled to any set-off against, abatement of, or reduction in rent payable under this Lease, except as herein otherwise expressly provided (including, without limitation, the provisions of paragraph 43 of this Lease).

6. USE. The Premises shall be used and occupied only for the businesses of testing, assembly, fabrication, warehousing and/or shipping of electronic components, circuit boards and/or cabinets, and for sales and/or general office uses related to such types of businesses and for other uses incidental to the foregoing and for no other use or purpose.

7. QUIET ENJOYMENT. Provided Tenant performs its obligations hereunder, Tenant shall lawfully and quietly occupy the Premises during the term of this Lease without hindrance or molestation by Landlord, subject, however, to the matters herein set forth; provided, however, that, if Tenant is dispossessed of all or part of the Premises by any party who or which does not claim such possession through Tenant, Tenant shall be entitled to an equitable abatement of Base Rent, Impositions, Insurance Costs and other charges under this Lease from the date of Tenant's dispossession until Tenant's possession is restored and, if Tenant's possession is not restored within 60 days after Tenant was dispossessed, Tenant may terminate this lease by written notice given to Landlord within ten (10) days after the expiration of such 60-day period and before Tenant's possession is restored.

8. PAYMENT OF IMPOSITIONS. Tenant covenants and agrees to pay to Landlord Tenant's Proportionate Share (as defined in paragraph 1(c) of this Lease) of all "Impositions" upon or with respect to the Property. As used herein, the term "Impositions" shall include any form of real estate tax, assessment, license fee, commercial rental tax, improvement bond or bonds, levy, or other tax, general and special, ordinary and extraordinary, foreseen as well as unforeseen, of any kind or nature whatsoever, imposed by any authority having the power to tax (including any city, state, or federal government, or any school, agricultural, sanitary, water, fire, street, drainage, or other



improvement district thereof ) against any legal or equitable interest of Landlord in the Premises or in the Property, against Landlord's right to rent or other income therefrom, and against Landlord's business of leasing the Premises or the Property; provided, however, that "Impositions" shall not include inheritance, personal or corporate income, or estate taxes. The term

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"Impositions" shall also include any tax, fee, levy, assessments, or charge: (a) in substitution of, partially or totally, any of the above-listed Impositions, or (b) that is imposed by reason of this transaction, any modifications or changes hereto, or any transfers hereof. Except as otherwise provided in this Lease, all such payments shall be made at least fifteen (15) days prior to the delinquency date. Tenant shall have the right to contest Impositions if there are reasonable grounds to do so or, if Tenant may not legally do so, to cause Landlord to do so at Tenant's expense.

9. PERSONAL PROPERTY TAXES. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Premises or elsewhere.

10. UTILITIES. Tenant shall pay all utility deposits and fees, and all monthly service charges for heat, water, gas, electricity, sewer service, elevator (if there be any) and cleaning service, telephone service, and any other utilities or services whatsoever furnished to the Premises during the term of this Lease.

11. PROPERTY INSURANCE. Landlord shall procure and maintain throughout the terms of this Lease all-risk property and liability insurance insuring the Property (including improvements and betterments, boilers and machinery owned by Landlord, but excluding all equipment, trade fixtures, inventory, machinery and other personal property of the Tenant); provided, however, that Tenant shall maintain builder's risk insurance reasonably satisfactory to Landlord effective from the commencement of construction of the Tenant Improvements until the Commencement Date and Landlord's all-risk insurance shall insure the Tenant Improvements from and after the Commencement Date. Landlord's all-risk insurance shall insure the Property against risk of direct physical loss (including loss caused by the perils of earthquake and, if the Property is in an officially designated flood hazardous area, flood). Landlord's insurance shall be in an amount equal to the actual replacement cost of the Property (exclusive of foundations and excavations) without deduction for physical depreciation, without a coinsurance clause and with a deductible not in excess of \$50,000. The property insurance carrier shall have an A. M. Best Company rating of A:VII or better. Tenant agrees not to do, or fail to do, anything which will violate the reasonable and customary terms of any such insurance to the extent such terms are set forth in policies, copies of which are delivered to Tenant, or otherwise disclosed to Tenant, increase the cost of

such insurance beyond a reasonable level (unless Tenant agrees to pay such increase) or prevent Landlord from procuring policies reasonably satisfactory to Landlord. Within ten days of billing by Landlord, Tenant will reimburse Landlord for Tenant's Proportionate Share of the lesser of (a) all costs of such property insurance carried by Landlord with respect to the Property, and (b) all costs which would have been charged by an identically rated carrier (other than Landlord's carrier) for the same coverage ("Insurance Costs"). Certificates evidencing all such insurance coverages shall be delivered to Tenant by the date of this Lease. Such certificates of insurance

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will provide for thirty (30) days advance notice to Tenant and Landlord in the event of cancellation or nonrenewal of such insurance.

12. OTHER INSURANCE. Tenant agrees to maintain in full force and from the Date of this Lease and in effect at all times during the term of this Lease, at no expense to Landlord, for the protection of Tenant and Landlord, as their interest may appear, policies of insurance issued by a responsible carrier or carriers reasonably acceptable to Landlord which afford the following coverages:

(a) Worker's Compensation - Statutory limits;

(b) Employer's liability - Not less than:

Bodily Injury by Accident - \$250,000 each accident

Bodily Injury by Disease - \$250,000 policy limit

Bodily Injury by Disease - \$250,000 each employee; and

(c) Commercial General Liability Insurance on a coverage form at least as broad as the most recent edition of Commercial General Liability Coverage Form (CG0001) published by the Insurance Services Office, Inc. naming the Landlord as Additional Insured using an endorsement form at least as broad as the most recent edition of Additional Insured-Managers or Lessors of Premises Endorsement Form (CG2011) as published by the Insurance Services Office, Inc. The limits of such insurance shall be no less than:

<TABLE>

<S>	<C>
Each Occurrence Limit	\$2,000,000
General Aggregate Limit	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000



Personal Injury and Advertising	
Injury Limit	\$1,000,000
Fire Damage (Any One Fire)	\$50,000
Medical Expense (Any One Person)	\$5,000

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Such Commercial General Liability Insurance shall cover Bodily Injury, Personal Injury and Property Damage Liability occasioned by or arising out of or in connection with the use, operation and occupancy of the Premises. Such Commercial General Liability Insurance policy must cover events that occur during the policy period regardless of when the claim is made. Such insurance shall be primary insurance to any other insurance that may be available to Landlord. Any other insurance available to Landlord shall be non-contributing with and excess to this insurance.

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Certificates evidencing all such insurance coverages shall be delivered to Landlord by the date of this Lease. Such certificates of insurance will provide for thirty (30) days advance notice to Tenant and Landlord in the event of cancellation or nonrenewal of such insurance.

13. LOSS PAYABLE REQUIREMENTS. All policies of insurance required hereunder shall provide that the proceeds thereof shall be payable to Tenant and Landlord, as their respective interests may appear, and, if Landlord so elects, the policies referenced in paragraph 11 may be payable also to the holder of any mortgage or deed of trust on the Premises as the interest of such holder may appear, pursuant to a standard mortgagee clause or a loss payable clause.

14. WAIVER OF CLAIMS. Each party to this Lease hereby releases the other from any and all claims, and waives its entire right of recovery against the other, for loss or damage arising out of or incident to the perils insured against under the policies specified in paragraphs 11 and 12 above to the extent such loss or damage is insured against under such policies, whether due to the negligence of such parties or the agents, employees, contractors, or invitees of either of them. Tenant also waives all claims against Landlord with respect to Tenant's personal property in the Premises.

15. LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS. Tenant agrees that, if Tenant shall at any time fail to make any payment or perform any other act to be made or performed by it under this Lease, Landlord may, but shall not be obligated to, make such payment or perform such other act to the extent Landlord may deem desirable, with full rights of offset, and without waiving or releasing Tenant from any obligation under this Lease. All sums so paid by Landlord and all expenses paid in connection therewith, including without limitation attorneys' fees, together with interest thereon at the Default Interest Rate (defined in the paragraph of this Lease entitled "Miscellaneous")

from the date of such payment, shall be paid by Tenant to Landlord on demand.

16. MAINTENANCE AND REPAIR. Except as otherwise set forth in this Lease, Tenant shall, at Tenant's sole cost and expense, keep the entire Premises (and every part thereof, including, without limitation, the roof membrane) secure, clean and in good order, condition, and repair, and shall make promptly all necessary repairs, interior and exterior, ordinary as well as extraordinary, foreseen as well as unforeseen, casualty and condemnation excepted; provided, however, that Landlord shall be responsible for maintaining and repairing the foundation, the structure of the exterior walls and of the roof and the other structural members of the Building in accordance with prudent property management standards, unless the need for such maintenance and repair results from Tenant's failure to satisfy its maintenance and repair obligations with respect to the remainder of the Premises or (subject to

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the provisions of paragraphs 11 and 14 of this Lease) the negligence or intentional acts of Tenant, its employees, agents, contractors or invitees. Tenant shall also, at Tenant's sole cost and expense, keep the entire Fibermux Area and any portions of the Rockwell Area provided by Landlord to Tenant for parking pursuant to paragraph 4 of this Lease or any other provision of this Lease (including, but not limited to, all paving, striping, landscaping and attendant driveways, entrances, walkways, curbs, gutters, drains and the like) clean and in good order, condition and repair, and shall make promptly all necessary repairs, ordinary as well as extraordinary, foreseen as well as unforeseen. When used in this paragraph, the term "repair(s)" shall include alterations, replacements, and renewals. All repairs shall be equal in quality and class to the original work. Landlord shall have no obligation, in any manner whatsoever, to repair or maintain the Premises, except as specifically otherwise provided in this Lease. Landlord may, at its option, perform Tenant's repair obligations under this Lease at Tenant's expense if Tenant does not do so within the applicable cure period provided for in this Lease.

17. SURRENDER OF PREMISES. Upon expiration or any sooner termination of this Lease, Tenant shall surrender to Landlord the entire Premises, together with all Alterations (as defined in paragraph 25 of this Lease), in the same condition as when received or installed (unless such Alterations are to be removed pursuant to paragraph 24 of this Lease), ordinary wear and tear and casualty and condemnation excepted, and clean and free of debris and free of any liens created or suffered to be created by Tenant and (b) Tenant shall properly remove from the Premises all Hazardous Materials for which it has responsibility under this Lease. Tenant may, and upon Landlord's request shall, remove any Trade Fixtures or personal property belonging to Tenant, provided that Tenant shall perform prior to expiration of the term of this Lease all restoration made necessary by such removal. Landlord may, at Tenant's expense, retain or dispose of in any manner any Trade Fixtures or personal property of Tenant that Tenant does not remove from the Premises upon expiration or termination of the term of

this Lease, in which case title thereto shall vest in Landlord. The term "Trade Fixtures" as used herein shall mean all fixtures, equipment, and personal property owned by Tenant and used in connection with the operation of any business on the Premises, whether or not affixed to the Premises.

18. SERVICE CONTRACTS. Tenant shall, at Tenant's sole cost and expense, either (a) enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor for servicing all hot water, heating, and air conditioning systems, elevators (if there be any) and building equipment within the Premises or (b) provide similar services through the use of its own qualified employees. The maintenance contractor and the contract, or the employees of Tenant, as the case may be, shall be subject to the approval of Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10

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days after a written request for such approval has been received by Landlord from Tenant). The contract or employee-provided services shall include all services suggested by the equipment manufacturers and shall become effective, and a copy thereof shall be delivered to Landlord, within thirty (30) days of the date Tenant takes possession of the Premises. Landlord shall deliver to Tenant the service manuals for the items to be serviced as provided in this paragraph and shall deliver and assign to Tenant all warranties covering such items.

19. WASTE. Tenant shall not do or suffer any waste or damage, disfigurement, or injury to the Premises or permit or suffer any overloading of the floors of the Premises.

20. ADA. During the construction of the Tenant Improvements specified in paragraph 53 of this Lease, Tenant shall also alter and renovate the Premises to meet the standards established under the provisions of the Americans With Disabilities Act ("ADA"), and, for such alterations and additions, Landlord will pay Tenant the sum of \$38,000.00 ("ADA Payment"), regardless of the actual cost of such alterations and renovations. During the full term of this Lease, Tenant shall also promptly, at its expense (except for the ADA Payment), comply with the requirements of the ADA applicable to the Premises, to the construction of the Tenant Improvements, to all other alterations of the Premises by Tenant and to Tenant's use of the Premises.

21. WAIVER OF REPAIR AND DEDUCT. Tenant hereby waives any and all rights it may have to make repairs at Landlord's expense or in lieu thereof to vacate the Premises as provided in California Civil Code Section 1942 or any other law, statute, or ordinance now or hereafter in effect; provided, however, that such waiver does not constitute a waiver of any of Tenant's specific self-help or setoff rights expressly set forth in this Lease.

22. COMPLIANCE WITH LAWS. Tenant shall, at Tenant's sole cost and expense, comply promptly with all laws, ordinances, orders, regulations, and requirements of all federal, state, and local governmental agencies, and with the reasonable recommendations of any insurer under any policies required under this Lease, that may be applicable to the Premises or the use thereof; provided, however, that: (a) Tenant shall not be obligated to make any repairs, alterations or improvements to the Premises that are required by governmental authorities pursuant to requirements that were in effect on the date of this Lease to the extent that the Building was not in compliance with such requirements on the date of this Lease, except for ADA requirements; and (b) Tenant shall not be responsible for any matters for which Landlord is responsible under paragraph 23 of this Lease. Landlord shall be responsible for the costs of compliance described in subparagraphs (a) and (b) of this paragraph 22. Tenant shall be obligated to make any repairs, alterations or improvements to the Premises that are required by governmental

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authorities to comply with requirements enacted after the day of this Lease; provided, however, that, with respect to such requirements that apply generally to buildings similar to the Building, (1) Tenant will be obligated to cause such compliance to occur and to pay the cost of such compliance only to the extent such the cost of such compliance is equal to or less than \$25,000 in any calendar year and (2) Landlord will be obligated to cause such compliance to occur and to pay the cost of such compliance only to the extent that the cost of such compliance is in excess of \$25,000 per calendar year. If Landlord pays any cost under subparagraph (2) of this paragraph 22, then monthly Base Rent shall be increased thereafter by an amount equal to the monthly amortization of such cost paid by Landlord, determined using an interest rate equal to the Reference Rate and a period equal to the manufacturer's estimated useful life of the improvement, alteration and/or replacement to which such cost relates.

23. HAZARDOUS MATERIALS. Tenant agrees not to cause or permit the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as defined below) on, under, in, above, to, or from the Property other than presence, use, storage and transportation which is both (a) required for and solely incidental to Tenant's principal use and operation of the Premises, and (b) in strict compliance with all applicable federal, state, and local laws, regulations, and orders (such obligations of Tenant being referred to below as "Tenant's Environmental Obligations"). For the purposes of this Lease the term "Hazardous Materials" shall refer to any substances, materials, and wastes that are or become regulated as hazardous or toxic substances under any applicable local, state, or federal law, regulation, or order ("Environmental Laws"). Tenant shall indemnify, defend, and hold Landlord harmless from and reimburse Landlord for any breach of Tenant's Environmental Obligations and all of the following which may result from such a breach: (1) any loss, cost, expense, claim, or liability

arising out of any investigation, reporting, monitoring, clean-up, containment, removal, storage, or restoration work required by any applicable federal, state, or local law, governmental agency, or political subdivision or prudent standards of real estate ownership and management; and (2) any claims of third parties for loss, injury, expense, or damage arising out of the presence, release, or discharge of any Hazardous Materials on, under, in, above, to, or from the Premises during the term of this Lease.

Landlord shall indemnify, defend, and hold Tenant harmless from and reimburse Tenant as to the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials on, under, in, above, to, or from the Property prior to the Commencement Date, other than as a result of the breach of Tenant's Environmental Obligations, and all of the following which may result therefrom: (A) any loss, cost, expense, claim, or liability arising out of any investigation, reporting, monitoring, clean-up, containment, removal, storage, or restoration work required by any applicable federal, state, or local law (which

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requirements Landlord agrees to satisfy at its sole expense), governmental agency, or political subdivision or prudent standards of real estate ownership and management; and (B) any claims of third parties for loss, injury, expense, or damage arising out of such presence, release, or discharge of any Hazardous Materials on, under, in, above, to, or from the Premises ("Landlord's Environmental Indemnity"). Landlord will deliver to Tenant, not later than the date required by paragraph 59 of this Lease, an irrevocable Standby Letter of Credit ("Letter of Credit") in the initial amount of \$2,000,000, issued to Tenant (but not its assigns) by The Development Bank of Singapore Ltd. (New York Agency), or another bank of Landlord's selection which is reasonably satisfactory to Tenant, as security for the performance of Landlord's Environmental Indemnity. Such Letter of Credit shall be in substantially the form attached to this Lease as EXHIBIT E.

If Landlord defaults at any time during the initial term in the performance of Landlord's Environmental Indemnity and such default continues uncured for 30 days after written notice to Landlord, Tenant may draw upon the Letter of Credit for the full amount paid by Tenant to cure a breach of Landlord's Environmental Indemnity. Landlord will, at Landlord's expense, keep the Letter of Credit in effect in the initial amount, less such draws, until the 31st day after the end of the initial term of this Lease (or, if Hazardous Materials as to which Landlord has indemnified the Tenant pursuant to this Lease are present or have been used, generated, released, discharged, stored, disposed of or transported on, in, above, to or from the Property during the initial term of this Lease, then until such later date as (i) all governmental agencies having jurisdiction under Environmental Laws make final determinations that all of the proper actions have been taken or that no actions are required with respect to such Hazardous Materials and such determinations have been delivered

to Tenant or (ii) a court having jurisdiction over such matters determines that Landlord has no indemnification responsibilities to Tenant regarding such Hazardous Materials under the terms of this Lease and all appeals or the time periods therefor have been exhausted with no change in such determination); provided, however, that Tenant may waive such requirement at any time by express written notice.

Tenant will have the right to draw on the Letter of Credit for the then full amount of the Letter of Credit if Landlord fails to renew the Letter of Credit in an amount equal to the original amount thereof, less any amounts drawn by Tenant to date, and for a period equal to the shorter of (x) 1 year or more or (y) the remaining portion of the period with respect to which Landlord is required to maintain the Letter of Credit, if such period can be determined with certainty, and accomplish such renewal and deliver the renewed Letter of Credit to Tenant at least 15 days before any expiration date, time being of the essence. If Tenant draws upon the Letter of Credit because Landlord has failed to renew the Letter of Credit as required above, Tenant shall hold the proceeds of such draw in a separate interest-

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bearing account (in Tenant's name) of Tenant's choosing. The proceeds and interest in such account shall be paid to Tenant or Landlord as follows:

(AA) to Landlord, upon receipt by Tenant of a renewed Letter of Credit conforming to the requirements of this Lease;

(BB) to Tenant, if and to the extent that Tenant would have been entitled to draw upon the Letter of Credit if it had been renewed; and/or

(CC) to Landlord, if and when Landlord is no longer required to provide the Letter of Credit under the terms of this Lease.

Tenant agrees that, upon termination of Landlord's obligation to provide the Letter of Credit, Tenant will surrender the Letter of Credit to Landlord and will execute all such certificates as Landlord reasonably requests in connection with the termination of the Letter of Credit.

Landlord represents and warrants to Tenant that Landlord has no knowledge of the presence of any Hazardous Materials on, in, or under the Property in violation of an Environmental Law or of the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Premises in violation of an Environmental Law, except if set forth in (a) that certain Environmental Assessment for 21605 Plummer Street, Chatsworth (Symbolic II), prepared by Rockwell, or (b) that certain draft soil and groundwater assessment report for 21415 and 21605 Plummer Street, Chatsworth, California, dated November 23, 1992, prepared by Groundwater Technology, or (c) that certain letter prepared by



Clayton Environmental Consultants dated November 10, 1992 (collectively, the "Environmental Assessments"). Tenant represents and warrants to Landlord that Tenant has no knowledge of the presence of any Hazardous Materials on, in, or under the Property in violation of an Environmental Law or of the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Premises in violation of an Environmental Law, except if set forth in the Environmental Assessments.

Tenant agrees to provide to Landlord, within 10 days of receipt, a copy of any notice regarding violation of any Environmental Law on or about the Premises arising out of Tenant's operations on the Premises, a copy of any report required by an Environmental Law regarding violation of the Environmental Law on or about the Premises arising out of Tenant's operations on the Premises and a copy of any notice of the emission or release of Hazardous Materials in violation of an Environmental Law or arising out of Tenant's operations on the Premises. Each Party agrees to provide to the other, within 10 days of receipt, a copy of all test reports and correspondence associated with the investigation, monitoring and

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remediation of soil and groundwater on, in or under the Property and a copy of any notice regarding the presence of any Hazardous Materials on, in, or under the Property or the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Property in violation of any Environmental Law.

If (aa) there is any Hazardous Material on, in, or under the Premises in violation of an Environmental Law (other than those arising out of a breach of Tenant's Environmental Obligations) and (bb) as a result thereof, there is, in the reasonable opinion of Tenant, a danger of harm to the employees or invitees of Tenant, and a governmental agency having jurisdiction orders Tenant to vacate the Premises or any affected portion of the Premises and Tenant does so, then all Base Rent, Impositions, Insurance Costs and other amounts due under this Lease will abate from the date of such vacation, in proportion to the space vacated, until the governmental agency which ordered the vacation rescinds or terminates its order. If such governmental order is not rescinded or terminated within ninety (90) days after such vacation of all or part of the Premises by Tenant, either Landlord or Tenant may, within 30 days after the expiration of such 90 day period, terminate this Lease by written notice to the other party.

Tenant shall have the right during the term of this Lease to conduct such environmental testing and monitoring of the Premises as Tenant deems appropriate, including the installation of ground water monitoring wells and/or such other testing and monitoring as might be included in a Phase II environmental assessment. Such testing and monitoring shall be conducted in accordance with applicable laws and regulations and only after not less than

thirty (30) days prior written notice to Landlord.

The obligations of Landlord and Tenant under this paragraph shall survive the assignment, termination or cancellation of this Lease. The rights of Landlord and Tenant under this paragraph shall be in addition to any other rights and remedies which Landlord or Tenant may have against the Property, each other or any other person under any other document or any Environmental Law.

24. ALTERATIONS. Except for non-structural alterations costing less than \$25,000, Tenant shall not alter the Premises or any part of the Property without the prior written consent of Landlord (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), which consent may be granted upon the condition that such alterations be removed (and the affected portion of the Premises restored), at Tenant's expense, at the expiration or earlier termination of this Lease. Each written request for such consent shall contain a paragraph to be

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signed by Landlord indicating whether or not the alteration in question must be removed by Tenant at the expiration or earlier termination of this Lease.

25. PROPERTY OF LANDLORD. Unless otherwise provided in this Lease, all repairs, improvements, changes, alterations, and building equipment and machinery (other than Trade Fixtures, Tenant's telephone switch and equipment, air compressors and auxiliary air conditioners) made or installed by Tenant (collectively, "Alterations") shall immediately upon completion or installation thereof be and become the property of Landlord without payment therefor by Landlord.

26. DAMAGE OR DESTRUCTION. Subject to the other provisions of this Lease, if the Premises or any portion thereof becomes damaged or wholly or partially untenable because of fire, earthquake, act of God, the elements or other casualty, Landlord shall repair such damage with and to the extent of the insurance proceeds made available to Landlord for such purpose. However, if in Landlord's opinion such repairs cannot be made within one hundred eighty (180) days, Landlord shall so notify Tenant in writing within thirty (30) days of the date of such damage. In such event, either Tenant or Landlord may terminate this Lease within thirty (30) days after Landlord's notice. Termination shall be effected by written notice delivered to the other party within said thirty (30) day period. If this Lease is not so terminated, it shall remain in full force and effect except that an abatement of Base Rent, Impositions, Insurance Costs and other amounts due under this Lease shall be allowed Tenant for such part of the Premises as shall be rendered unusable by Tenant in the conduct of its business during the time such part is so unusable.



27. WAIVER. Tenant hereby waives California Civil Code Sections 1932, 1933, 1941 and 1942, and the provisions of any other law now or hereafter in effect that would relieve Tenant from any obligation to pay rent under this Lease except to the extent expressly provided in this Lease.

28. CONDEMNATION. If the Premises or any portion thereof is taken under the power of eminent domain (hereinafter referred to as "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If more than 10% of the floor area of the Premises is taken by Condemnation, then at Tenant's option, exercisable only in writing and within ten (10) days after Landlord shall have given Tenant written notice of such taking (or, in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession), and provided that Tenant is not in default under this Lease, Tenant may terminate this Lease as of the date the condemning authority takes possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Basic Rent shall be

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reduced in the proportion that the floor area of the portions of the Premises taken bears to the total floor area of the Premises.

29. CONDEMNATION AWARD. In the event any portion of the Premises is taken by Condemnation, Landlord shall be entitled to and shall receive the total award made in such Condemnation, which award Tenant hereby assigns to Landlord, except that Tenant shall be entitled to receive such portion of the award as may be specifically allocated in such proceedings to compensation for Tenant's Trade Fixtures, for improvements paid for by Tenant and not reimbursed out of the Tenant Improvement Allowance and for Tenant's relocation expenses.

30. RESTORATION. If less than the entire Premises shall be taken by Condemnation, and this Lease is not terminated pursuant to paragraph 28, with the net amount of any award received by Landlord in any proceeding for physical damage to the Premises after deducting all of Landlord's costs and expenses of collection, including without limitation attorneys' fees, Landlord shall promptly restore that portion of the Premises not so taken to a complete architectural unit.

31. TENANT'S WORK. All work done by Tenant, its agents and contractors, in or about the Premises or the Property (hereinafter called the "Work") shall be done in all cases subject to the following conditions, each of which Tenant covenants to observe and perform:

(a) No Work involving any structural change and no Work involving any alteration, restoration, or rebuilding costing more than \$25,000 shall be undertaken until detailed plans and specifications have first been

submitted to and approved in writing by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant).

(b) No Work involving a cost, as reasonably estimated by Tenant, of more than \$25,000 shall be undertaken except under the supervision of an architect or engineer approved in writing by Landlord (unless such requirement is waived by Landlord in writing).

(c) All Work shall be (i) commenced only after Landlord has received 10 days' prior notice of such Work or Landlord has approved such Work and only after all required local and other governmental permits and authorizations have been obtained, (ii) done in a good and workmanlike manner, (iii) performed in compliance with the building and zoning laws and with all other laws, ordinances, regulations, and requirements of all federal, state, and local governmental agencies, and in accordance with the recommendations of any insurer under any policies required by this Lease, and (iv) completed promptly and

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free of liens. Approval of any Work by Landlord shall not imply or be construed to indicate compliance with above requirements.

32. MECHANICS' LIENS. Tenant shall not suffer or permit any mechanics' or other liens (or claims thereof) to be filed against the Premises (or Tenant's leasehold interest therein or hereunder) or the Property by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part thereof through or under Tenant; provided, however, that Tenant shall have the right to contest any such liens so long as Tenant provides Landlord with reasonable security (by bond, escrow or otherwise) during such contest. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices that Landlord may deem necessary or advisable for the protection of Landlord, the Premises and the Property from mechanics' liens. If any such liens (or claims thereof) shall at any time be filed against the Premises or the Property, Tenant shall contest the liens or claims as provided above or shall cause the same to be discharged of record within forty-five (45) days after the date of filing.

33. FINANCIAL STATEMENTS. Upon the request of Landlord, Tenant shall provide to Landlord, at no expense to Landlord, copies of the most recent quarterly and annual financial reports with respect to Tenant as have been made available by Tenant to its shareholders.

34. LANDLORD'S ENTRY. Tenant agrees to permit Landlord and any authorized representatives of Landlord, upon reasonable prior notice to Tenant, to enter the Premises with reasonable frequency during usual business hours, or

at any other time in case of emergency, (a) to inspect (which may include environmental audits) the Premises and, if Landlord so desires, but without implying any obligation of Landlord to do so, to make any repairs deemed necessary or desirable by Landlord and to perform any work in the Premises deemed necessary by Landlord to comply with any laws or the recommendations of any insurer, and (b) during the final twelve months of the term of this Lease, for the purpose of leasing the Premises, during which twelve-month period Landlord may display on the Premises, in such manner as not to interfere unreasonably with Tenant's business, usual "For Sale" or "To Let" signs.

### 35. ASSIGNMENT AND SUBLETTING.

(a) Tenant shall not, without the prior consent of Landlord (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), assign this Lease or any interest herein, sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. This

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Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of law except as herein otherwise provided. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. In connection with each consent requested by Tenant, Tenant shall submit to Landlord the terms of the proposed transaction, the identity of the parties to the transaction, the proposed documentation for the transaction, and all other information reasonably requested by Landlord concerning the proposed transaction and the parties involved.

(b) If the Tenant is a privately held corporation, the transfer (except pursuant to a public offering), assignment, or hypothecation of any stock or interest in such corporation in excess of fifty percent (50%) in the aggregate of the voting stock or interest in Tenant shall be deemed an assignment or transfer within the meaning and provisions of this paragraph. If Tenant is a publicly held corporation, the public offering or trading of stock in Tenant shall not be deemed an assignment or transfer within the meaning of this paragraph.

(c) Without limiting the other instances in which it may be reasonable for Landlord to withhold its consent to an assignment or subletting, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold its consent in the following instances:

(1) if at the time consent is requested or at any time prior to the granting of consent, Tenant is in default under this Lease or would be in default under this Lease but for the pendency of any grace or cure period

specified in this Lease; or

(2) if the proposed assignee or sublessee is a governmental agency; or

(3) if, in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or sublessee would involve occupancy in violation of this Lease.

(d) If at any time during the term of this Lease Tenant desires to assign its interest in this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms of the proposed assignment or subletting ("Tenant's Request"). If the consummation of the assignment or sublease would cause Tenant to occupy less than 50% of the rentable area of the Premises, Landlord shall have the option, exercisable by written notice given to Tenant within thirty (30) days after Tenant's Request is given ("Landlord's Option Period"), either (1) to consent to the assignment (which consent shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within such 30-day period), in which event the provisions of subparagraph (g) shall be applicable,

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or to consent to the subletting in which event the provisions of subparagraph (h) shall be applicable; (2) to become the assignee or sublessee of Tenant (instead of the entity specified in Tenant's Request) upon the terms set forth in Tenant's Notice; (3) in the event of (A) a proposed assignment, or (B) a proposed subletting of the entire Premises, or a portion of the Premises for all or substantially all of the remainder of the term, to terminate this Lease with respect to, and to retake possession of, the space in question, together with, if only a portion of the Premises is involved, such rights of access to and from such portion as may be reasonably required for its use and enjoyment. If the foregoing sentence is applicable and Landlord does not exercise one of such options, or if Landlord consents or is deemed to consent to the proposed assignment or sublease, Tenant shall be free for a period of one hundred twenty (120) days after giving Tenant's Request, or one hundred twenty (120) days after the date Landlord's consent (if such consent is required) is given to Tenant, or one hundred twenty (120) days after the expiration of Landlord's Option Period (if applicable), to assign its entire interest in this Lease or to sublet such space to the entity specified in Tenant's Request upon the terms set forth therein or to any third party upon the same terms set forth in Tenant's Request, subject to obtaining Landlord's prior consent as hereinabove provided.

(e) Notwithstanding the provisions of subparagraphs (a) and (b) above, Tenant may assign this Lease or sublet the Premises or any portion thereof, with prior notice to Landlord but without the necessity of Landlord's consent and without extending any option to Landlord pursuant to subparagraph (d) above, to any corporation which controls, is controlled by or is under

common control with Tenant, or to any corporation resulting from the merger or consolidation with Tenant ("Affiliate").

(f) No sublease, once consented to by Landlord, shall be modified or terminated by Tenant without Landlord's prior consent (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant).

(g) In the case of an assignment to an entity other than Landlord or an Affiliate, 50% of all sums and other economic consideration received by Tenant as a result of such assignment shall be paid to Landlord after first deducting 50% of: (1) the unamortized cost of leasehold improvements paid for by Tenant, (2) the cost of any concessions and inducements given to the assignee by Tenant and (3) the cost of any real estate commissions and other marketing costs incurred by Tenant in connection with such assignment.

(h) In the case of a subletting to an entity other than Landlord or an Affiliate, 50% of all sums and economic consideration received by Tenant as a result of such subletting shall be paid to Landlord after first deducting 50% of (1) the

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rental due hereunder, prorated to reflect only rental allocable to the sublet portion of the Premises, (2) the cost of leasehold improvements made to the sublet portion of the Premises at Tenant's cost, amortized over the term of this Lease except for leasehold improvements made for the specific benefit of the sublessee, and the cost of any concessions and inducements given to the subtenant by Tenant, all of which shall be amortized over the term of the sublease, and (3) the cost of any real estate commissions and other marketing costs incurred by Tenant in connection with such subletting, amortized over the term of the sublease.

(i) Regardless of Landlord's consent, no subletting or assignment (except to Landlord pursuant to the provisions of subparagraph (d) above) shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or successor. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant,

or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant of liability under this Lease.

(j) In the event Tenant shall once request the consent of Landlord to any assignment or subletting, then as to each request for consent to a further assignment or subletting Tenant shall pay Landlord's then reasonable and standard processing fee and Landlord's reasonable attorneys' fees incurred in connection therewith; provided, however, that Tenant shall not be required to pay Landlord in excess of \$500 for Landlord's processing fee or attorney's fees in connection with any such request.

(k) In the event of an assignment of this Lease by Tenant to an Affiliate, if Tenant returns the Letter of Credit to Landlord and requests Landlord to do so in writing, Landlord shall promptly cause the Letter of Credit to be reissued in the name of the assignee as Beneficiary. In the event of any other assignment of this Lease by Tenant, the Letter of Credit will not be issued in the name of the assignee and the assignee will have no right to draw upon or have the benefits of the Letter of Credit.

(l) If the initial Tenant assigns this Lease to an Affiliate and does not request that the Letter of Credit be reissued in the name of the Affiliate as Beneficiary pursuant to subparagraph 35(k) above, the Letter of Credit shall be

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maintained by Landlord as required by this Lease for the remainder of the initial term of this Lease and the initial Tenant shall be entitled to draw upon the Letter of Credit on its own behalf or on behalf of such Affiliate.

36. SUBORDINATION. At Landlord's option, this Lease shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements, and extensions thereof. Notwithstanding such subordination, Tenant's right to a quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of such mortgage, deed of trust, or ground lease or the date of the recording thereof.

37. ATTORNMENT. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any

mortgage or deed of trust now or hereafter on the Premises or any part thereof, Tenant shall, if so requested by the purchaser upon such foreclosure or sale or the grantee under a deed in lieu of foreclosure, attorn to such purchaser or grantee and recognize such purchaser or grantee as the Landlord under this Lease.

38. INDEMNIFICATION. Tenant agrees to indemnify, defend, and save Landlord harmless from and to reimburse Landlord for any and all claims arising from (a) the conduct or management of, or any work or thing whatsoever done by or for Tenant in or about the Premises or the Property during the term of this Lease, (b) any condition existing during the term of this Lease of (i) the Premises, (ii) any street, curb, or sidewalk adjoining the Premises, or (iii) any vaults, passageways, or spaces therein or appurtenant thereto, (c) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, (d) any act or negligence of Tenant or any of its agents, contractors, servants, employees, or licensees occurring about the Premises, (e) any accident, injury, or damage whatsoever caused to any person, firm, or corporation occurring during the term of this Lease in or about the Premises or upon or under the sidewalks or the land adjacent thereto, and (f) any and all costs, counsel fees, expenses, and liabilities reasonably incurred in connection with the such claim or action or proceeding brought thereon, except to the extent that any of the above-described claims arise out of the negligence or willful misconduct of Landlord, in which case Landlord agrees to indemnify, defend, and save Tenant harmless from and to reimburse Tenant for any and all claims arising from such

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negligence or wilful misconduct. In case any action or proceedings be brought against an indemnified party by reason of an indemnified claim, the indemnifying party, upon notice from the indemnified party, covenants to resist or defend such action or proceeding by counsel satisfactory to the indemnified party.

39. ATTORNEYS' FEES. If any action arising out of this Lease is brought by either party hereto against the other, then and in that event the unsuccessful party to such action shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party, and if the prevailing party shall recover judgment in such action, such costs, expenses and attorneys' fees (at trial and on appeal) shall be included in and as part of such judgment.

40. LANDLORD'S CORRECTION OF DEFECTS; REPRESENTATIONS. Tenant shall, within 30 days after commencing construction of the Tenant Improvements, provide Landlord with a written list of operating defects, if any, observed by Tenant in the Building's systems or the portions of the Premises for which Landlord has maintenance responsibility under paragraph 16 of this Lease. Landlord will, not later than the Commencement Date (or such earlier date as may be reasonably



required by Tenant in order for Tenant to complete the Tenant Improvements on or before the Commencement Date), correct such defects. Except as otherwise expressly provided in this Lease, Landlord has made no representations of any nature whatsoever in connection with the condition of the Premises or the Property or any part thereof, and Landlord shall not be liable for any defects therein.

41. EVENTS OF DEFAULT. The following events shall be deemed to be events of default by Tenant under this Lease:

(a) The failure of Tenant to pay any installments of Base Rent or additional rent when due, or any other payment or reimbursement to Landlord required herein when due, where such failure shall continue for a period of five (5) days after written notice of such failure.

(b) (i) The application by Tenant for, or Tenant's consent to the appointment of, a receiver, trustee, or liquidator of Tenant or of all or a substantial part of Tenant's assets, (ii) the making by Tenant of any general arrangement or assignment for the benefit of creditors, (iii) Tenant becoming a "debtor" as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days), (iv) the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease (unless possession is restored to Tenant within ninety (90) days) or (v) the attachment, execution, or other judicial seizure of all or substantially all of Tenant's

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assets located at the Premises or of Tenant's interest in this Lease (unless such seizure is discharged within ninety (90) days).

(c) Tenant shall fail to comply with any other term, provision, or covenant of this Lease, where such failure shall continue for a period of twenty (20) days after written notice thereof to Tenant, provided, however, that if such failure cannot reasonably be cured within twenty (20) days, Tenant shall not be deemed in default with respect to such failure if Tenant commences to cure such default within said twenty (20) day period and thereafter diligently and continuously prosecutes such cure to a prompt completion. In the event Landlord serves Tenant with a "Notice to Perform or Quit" pursuant to applicable unlawful detainer statutes, such notice shall also constitute the notice required by this subparagraph, provided that such notice gives Tenant at least twenty (20) days in which to perform or quit.

42. LANDLORD'S REMEDIES. Upon the occurrence of any event of default by Tenant, Landlord may, at its option and without any further notice or demand (in addition to any other rights and remedies under this Lease, at law or in equity) do any of the following:



(a) Landlord shall have the right, so long as such default continues, to give notice of termination to Tenant. On the date specified in such notice (which shall not be less than three (3) days after the giving of such notice) this Lease shall terminate.

(b) In the event of any such termination of this Lease, Landlord may then or at any time thereafter re-enter the Premises and remove therefrom all persons and property and again repossess and enjoy the Premises, without prejudice to any other remedies that Landlord may have by reason of Tenant's default or of such termination.

(c) The amount of damages that Landlord may recover in the event of such termination shall include, without limitation: (1) the amount at the time of award (computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent) of (A) unpaid rent earned at the time of termination, (B) the amount by which the unpaid rent that would have been earned during the period from termination until the award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided, and (C) the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rent loss that Tenant proves could be reasonably avoided; (2) all legal expenses and other related costs incurred by Landlord following Tenant's default; (3) all costs incurred by Landlord in restoring the Premises to good order and condition, or, to the extent reasonably necessary to accomplish such reletting, in remodeling, renovating, or otherwise

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preparing the Premises for reletting; and (4) all other costs (including without limitation any brokerage commissions) incurred by Landlord in reletting the Premises.

(d) Following the termination of this Lease (or upon Tenant's failure to remove its personal property from the Premises after the expiration of the term of this Lease), Landlord may remove any and all personal property located in the Premises and sell or place such property in a public or private warehouse or elsewhere at the sole cost and expense of Tenant in accordance with applicable law. Tenant waives all claims for damages that may be caused by Landlord's removing, storing, or selling the property as herein provided.

(e) Landlord shall have the right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises and to collect the rents or profits derived therefrom. The appointment of such receiver shall not constitute an election on the part of Landlord to terminate this Lease unless notice of such intention is given to Tenant.

(f) Landlord shall have the remedy described in California Civil

Code Section 1951.4 (i.e. Landlord may continue this Lease in effect after Tenant's abandonment and recover rent as it becomes due, because Tenant has the right to sublet or assign, subject only to reasonable limitations). Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover rent in periodic actions as it becomes due under this Lease. In such event, Landlord may re-enter the Premises and remove all persons and property if the Premises have not been vacated, using any available summary proceedings, without such re-entry or removal being deemed a termination or acceptance of surrender of this Lease. Landlord may then elect to relet the Premises for the account of Tenant for a period that may extend beyond the term hereof, and upon such other terms as Landlord may reasonably deem appropriate. Tenant shall reimburse Landlord upon demand for all costs incurred by Landlord in connection with such reletting, including without limitation necessary restoration, renovation, or improvement costs, attorneys' fees, and brokerage commissions. The proceeds of such reletting shall be applied first to any sums then due and payable to Landlord from Tenant, including the reimbursement described above. The balance, if any, shall be applied to the payment of future rent as it becomes due hereunder.

43. TENANT'S SETOFF RIGHTS. If (a) Landlord fails to perform any repair or maintenance obligation of Landlord under this Lease, and fails to cure such default within 30 days after receipt of notice of such default from Tenant (or, if Landlord's repair or maintenance obligation cannot be reasonably performed within 30 days, Landlord fails to commence to perform it within such 30-day period and to

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thereafter diligently prosecute it to a prompt conclusion), or (b) Landlord fails to pay Tenant the Tenant Improvement Allowance when required to do so under this Lease, and fails to cure such default within one year after receipt of notice of such default from Tenant, Tenant may cure such default and charge the costs to Landlord (plus interest on such charges from the date the charges are incurred by Tenant, at the Default Interest Rate), and may set off such costs and interest, and/or any portion of the Tenant Improvement Allowance that has not been made to Tenant by Landlord (plus interest on such portion from the date it was due to Tenant, at the Default Interest Rate), against installments of Base Rent due under this Lease; provided, however, that Tenant shall not set-off against more than 25% of the Base Rent due in any month (but such limitation shall not apply to the final 6 months of this Lease). Tenant shall be permitted to continue to set off against succeeding installments of Base Rent due under this Lease until the total amount of such costs or payment and interest thereon have been recovered by Tenant.

44. CUMULATIVE REMEDIES. The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to

be exclusive of any other remedies or means of redress to which Landlord may be entitled, either at law or in equity, in case of any breach or threatened breach by Tenant of any covenant, agreement, or condition of this Lease.

45. NO WAIVERS. The failure of Landlord to insist in any one or more instances upon the strict performance or observance of any of the covenants, agreements, or conditions of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment of future performance or observance of such covenant, agreement, or condition or exercise of such option.

46. HOLDING OVER. Tenant covenants that it will vacate the Premises immediately upon the expiration or sooner termination of this Lease. If, with Landlord's consent, Tenant retains possession of the Premises or any part thereof after the expiration or termination hereof, Tenant shall pay Landlord 200% of the Base Rent due under this Lease immediately before such expiration or termination, for the time Tenant thus remains in possession. The provisions of this paragraph do not exclude Landlord's rights of re-entry or any other right hereunder, including without limitation the right to refuse 200% Base Rent and instead to remove Tenant through summary proceedings for holding over beyond the expiration of the term of this Lease.

47. NOTICES. All notices, demands, and requests that may or are required to be given by either party to the other shall be in writing and shall be deemed given when sent by United States Certified Mail, postage prepaid, (a) if for Tenant, addressed to Tenant (Attn: Chief Financial Officer), prior to Commencement Date at 9310 Topanga Canyon Boulevard, Chatsworth, California 91311 and after the Commencement Date at the address of the Premises, in either

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case with a copy to ADC Telecommunications, Inc., 12501 Whitewater Drive, Minnetonka, Minnesota 55343 (Attn: Chief Financial Officer and Attn: General Counsel), or at such other address or addresses as Tenant may from time to time designate by written notice to Landlord, or (b) if for Landlord, addressed to Landlord, c/o GSIC Realty Corporation, 255 Shoreline Drive, Suite 600, Redwood City, California 94065 or at such other places as Landlord may from time to time designate by written notice to Tenant.

48. LIMITATION OF LANDLORD'S LIABILITY. In the event of a sale or transfer by Landlord of its interest in the Premises or this Lease, such sale or transfer shall operate to release the transferor from all liability for the performance of the obligations of Landlord hereunder, expressed or implied, from and after the date of such transfer, and Tenant agrees thereafter to look solely to the successor in interest of Landlord in and to this Lease for the performance of Landlord's obligations hereunder accruing after the date of such transfer (including the return of the Security Deposit) and thereupon Landlord shall be discharged from any further liability with respect thereto.

49. ESTOPPEL CERTIFICATES. At any time and from time to time upon not less than ten (10) days' prior request by Landlord, Tenant agrees to execute, acknowledge, and deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and identifying the modifications), (b) the dates to which Base Rent, Impositions, Insurance Costs and other amounts due under this Lease have been paid, and (c) whether there is then existing any claim by Tenant of default hereunder by Landlord and, if so, specifying the nature thereof. It is intended that any such statement may be relied upon by any person proposing to acquire Landlord's interest in this Lease or any prospective mortgagee of, or assignee of any mortgage upon, such interest. At any time and from time to time upon not less than ten (10) days' prior request by Tenant, Landlord agrees to execute, acknowledge, and deliver to Tenant a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and identifying the modifications), (b) the dates to which Base Rent, Impositions, Insurance Costs and other amounts due under this Lease have been paid, and (c) whether there is then existing any claim by Landlord of default hereunder by Tenant and, if so, specifying the nature thereof. It is intended that any such statement by Landlord may be relied upon by any person proposing to receive a mortgage or assignment of Tenant's interest in this Lease or to enter into any sublease of all or part of the Premises.

50. BROKERAGE. Each party represents and warrants to the other that it has not dealt with any broker, agent, or other person in connection with this transaction and that no other broker, agent, or other person brought about this

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transaction through it, other than CB Commercial Real Estate, Mel Goldstein, Bob Shafer, The Johnston Group and Cal Johnston (whose commissions shall be paid by Landlord), and each party agrees to indemnify and hold the other party harmless from and to reimburse the other party for any and all claims by any other broker, agent, or person claiming a commission or other form of compensation by virtue of having dealt with it with respect to this leasing transaction. The provisions of this paragraph shall survive the termination of this Lease.

51. SECURITY DEPOSIT. Tenant shall, upon execution of this Lease, deposit with Landlord the sum of \$77,000.00 as security for the full and faithful performance of every provision of this Lease to be performed by Tenant during the full term of this Lease (the "Security Deposit"). If Tenant defaults with respect to any provision of this Lease during the term of this Lease and such default continues beyond the applicable grace period, Landlord may use, apply, or retain all or any part of the Security Deposit for the payment of Base Rent or any other sum in default, for the payment of any other amount that Landlord may spend or become obligated to spend by reason of Tenant's default,

or to compensate Landlord for any other loss, cost, or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep the Security Deposit separate from its general funds and Tenant shall not be entitled to interest on such deposit. Landlord shall refund the Security Deposit to Tenant within 10 days after the expiration of the term of this Lease. If (a) Tenant has reasonable grounds, valid as of a date not more than 30 days prior to the date that the final full monthly Base Rent payment is due under this Lease, to believe that the then Landlord is unlikely to be in a financial position to return the Security Deposit during the required refund period (the then pendency of bankruptcy proceedings with regard to such Landlord or any general partner thereof being absolute and un rebuttable evidence of reasonable grounds for such belief), and/or (b) the then Landlord is a successor to the initial Landlord under this Lease and has failed to enter into a written agreement running to the benefit of and enforceable by Tenant whereby the then Landlord unconditionally assumes all of the Landlord's obligations under this Lease with respect to the Security Deposit or an original copy of such agreement has not been delivered to Tenant (provided, however, that the then Landlord may in the alternative provide Tenant with an opinion of counsel reasonably satisfactory to Tenant that, under California law then in effect, Tenant shall have the same rights with respect to the then Landlord without such a written agreement that it would have had if such a written agreement were executed and delivered to Tenant) and/or (c) if Landlord is a lender who shall have acquired title to the Premises without personal obligation to refund the Security Deposit to Tenant within the required refund period, Tenant shall give notice of such fact(s) to Landlord on or before the date 15 days prior to the date that the final full monthly Base Rent payment is due under this Lease. If Landlord

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receives such notice and does not, prior to the date 5 days before the date that the final full monthly Base Rent payment is due under this Lease, (i) if subparagraph (a) above applies, provide Tenant with reasonable security for the performance of Landlord's obligation to refund the Security Deposit and/or (ii) if subparagraph (b) above applies, provide Tenant with the written agreement or opinion described in such subparagraph (b) and/or (iii) if subparagraph (c) above applies, provide to Tenant the lender-Landlord's written personal commitment to Tenant to refund the Security Deposit during the required refund period, Tenant may setoff such Security Deposit against the payment of Base Rent and any other sums due Landlord under this Lease that are due on such payment date or any subsequent date.

52. SIGNAGE. Tenant shall not place or permit on the exterior or roof of the Premises or on the balance of the real property constituting the Premises or on the balance of the Property any sign, advertisement, illumination, projection, or similar thing (a "Sign"), unless (a) Landlord has

given its prior written consent thereto (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), and (b) such Sign complies with applicable law. Subject to the foregoing, Tenant may place a monument sign in front of the Premises, Tenant may place a directional delivery sign at the delivery driveway shown on the attached EXHIBIT A, and may place a sign or signs on the exterior of the Premises.

### 53. TENANT IMPROVEMENTS.

(a) Tenant shall construct the improvements to the Premises described on the attached EXHIBIT C (collectively, the "Tenant Improvements"). Tenant shall promptly commence the work for Tenant Improvements and shall diligently pursue such work to completion, as described in subparagraph (e) below.

(b) Tenant shall submit to Landlord complete, finished drawings and specifications (the "Plans") for the Tenant Improvements. The Plans shall be subject to Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Within ten (10) business days after its receipt of the Plans, Landlord shall notify Tenant of its approval or disapproval of the Plans, and if Landlord disapproves the Plans, the revisions that Landlord requires in order to obtain such approval. Tenant and Tenant's architect or engineer shall meet with Landlord and its agents within a reasonable period of time after any request for such meeting by Landlord to answer questions or provide additional information with respect to the Plans. As promptly as reasonably possible thereafter, Tenant shall submit to Landlord modified Plans incorporating the revisions required by Landlord. The modified Plans shall be subject to

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Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). The final Plans and specifications approved by Landlord are hereinafter referred to as the "Final Plans." If appropriate, Tenant shall cause two sets of reproducible Final Plans, marked for pricing and construction to be delivered to Landlord within 5 days after Landlord's approval of the Final Plans. Tenant shall engage an architectural firm, duly licensed in the State of California, for preparation of the Plans and supervision of the construction of the Tenant Improvements. Such firm shall be subject to Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for



such approval has been received by Landlord from Tenant). Tenant shall not commence any work in the Premises until Landlord has finally approved the Plans (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant).

(c) Tenant shall pay all the Tenant Improvement Costs (as defined below) and, provided there are no events of default by Tenant, Landlord will provide the Tenant Improvement Allowance specified in subparagraph (e) below. Tenant Improvement Costs shall include, but not be limited to, the cost of the work described on the attached EXHIBIT C to the extent included in the Final Plans, and the following with respect to the Final Plans: hard costs of construction (including builder's risk insurance and the Performance and Payment Bonds hereinafter specified), permitting fees and the fees of Tenant's architect and engineer, and of Tenant's construction manager, if any. Tenant Improvement Costs shall not include any of Tenant's equipment or other personal property or trade fixtures.

(d) Tenant shall employ a general contractor for the Tenant Improvements duly licensed in the State of California and approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Upon request by Landlord, Tenant shall deliver to Landlord a copy of the construction contract entered into by Tenant and the general contractor. Before any work commences, the general contractor shall obtain and deliver to Landlord Performance and Payment Bonds in form and amount approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Such Bonds shall name Landlord as the

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obligee and shall be written by surety companies which have been approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant) and are either on the United States Department of the Treasury's list of sureties acceptable to the United States Government or have at least a BB+ rating by Bests. The Tenant Improvements shall be constructed in a good and workmanlike manner and shall comply with all laws, codes and ordinances applicable to the Premises. Not less than five (5) days prior to the date Tenant desires to commence the Tenant Improvements, Tenant shall give written notice to Landlord setting forth or accompanied by all of the following:

(i) A description and schedule for the work to be performed;

(ii) The names and addresses of all contractors, subcontractors and material suppliers who have then been engaged to construct or supply the Tenant Improvements;

(iii) Copies of all licenses and permits which may be required in connection with the Tenant Improvements and which can then be obtained; and

(iv) Certificates of builder's risk insurance reasonably satisfactory to Landlord.

As additional rent under this Lease, Tenant shall make, at its expense, any repairs to the Premises and any corrections to the Tenant Improvements, the need for which arise from the actions or omissions of anyone constructing the Tenant Improvements. During the progress of the work to be done by Tenant, such work shall be subject to inspection by representatives of Landlord who shall be permitted access and the opportunity to inspect, at all reasonable times upon reasonable advance notice, in compliance with any safety and work rules then imposed at the Premises by Tenant or its contractors, but this provision shall not in any way whatsoever create any obligation on Landlord to conduct any such inspection.

(e) Upon completion of the Tenant Improvements in accordance with the Final Plans and the requirements of the ADA, Landlord shall pay to Tenant an amount (the "Tenant Improvement Allowance") equal to the sum of (1) the lesser of the Tenant Improvement Costs or \$600,000, plus (2) the ADA Payment, upon receipt of all of the following: (i) unconditional lien waivers from all contractors, subcontractors and suppliers of materials and equipment, (ii) an affidavit executed by the general contractor certifying the cost of the Tenant Improvements and stating that it has delivered to Landlord lien waivers from all

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subcontractors and suppliers and that the contractor has paid all debts or settled all claims for labor and materials in connection with the Tenant Improvements, (iii) an affidavit executed by Tenant that it accepts and is satisfied with the Tenant Improvements and that all contractors and suppliers in connection with the Tenant Improvements have been paid, (iv) a certification of completion executed by the Tenant's architect confirming that the Tenant Improvements have been completed in accordance with the Final Plans and that, if required, a Certificate of Occupancy (temporary or permanent) has been issued with respect to the Premises by the local authority having jurisdiction thereof, and (v) if required by Landlord, a complete set of "as-built" plans and



specifications for the Tenant Improvements. The Tenant Improvements shall be deemed completed upon satisfaction of all of the foregoing. Tenant's obligation to pay the rent under this Lease shall not be postponed due to delay of any nature, however arising, in completion of the Tenant Improvements, except for delays caused by Landlord's failure to perform its repair and maintenance obligations under paragraphs 16 and 40 of this Lease, in which case the Commencement Date shall, at Tenant's option to be exercised by written notice to Landlord, be extended by the number of days of delay so caused by Landlord.

(f) Tenant agrees to expend at least \$400,000 in excess of the Tenant Improvement Allowance for the Tenant Improvements, including costs of Tenant's internal space planners and internal environmental review.

54. OPTIONS TO EXTEND TERM. Tenant shall have two options (collectively the "Options" and individually an "Option") to extend the term of this Lease for two additional consecutive six (6) year periods, the first of which shall commence on the expiration of the initial term of this Lease (the "First Renewal Option") and the second of which shall commence six (6) years thereafter (the "Second Renewal Option"), provided that:

(a) The First Renewal Option shall be exercised by written notice of exercise delivered to Landlord no later than nine (9) months before the expiration of the initial term of this Lease, and the Second Renewal Option shall be exercised by written notice of exercise delivered to Landlord no later than nine (9) months before the expiration of the term of the First Renewal Option. If Tenant fails to so exercise the First Renewal Option, both of the Options shall terminate. If Tenant so exercises the First Renewal Option but fails to so exercise the Second Renewal Option, the Second Renewal Option shall terminate;

(b) At the time each Option is exercised and at the commencement of the term of each Option, this Lease must be in full force and effect and Tenant must not then be in default under this Lease. The foregoing conditions are for the benefit of and may be waived by Landlord; and

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(c) All of the terms, covenants and conditions of this Lease shall remain in effect during the term of each Option except that (i) the Base Rent commencing with the first day of the first month for each month of the first thirty-six (36) months of the First Renewal Option shall be increased based upon the percentage increase in the Consumer Price Index as such Index for the 37th month of the initial term of this Lease bears to such Index for the last month of the initial term; provided, however, that in no event shall the Base Rent commencing with the first month of such term be more than 115% or less than 109% of the Base Rent payable for the last month of the initial term of this Lease; and (ii) commencing with the first day of the 37th month of the term of the First Renewal Option, the Base Rent shall be increased based upon the

percentage increase in the Consumer Price Index as such Index for the 36th month of such term bears to such Index for the last month of the initial term; provided, however, that in no event shall the Base Rent commencing with the 37th month of such term be more than 115% or less than 109% of the Base Rent payable for the 36th month of the term of the First Renewal Option, and (iii) the Base Rent for each month of the term of the Second Renewal Option shall be the Market Rent for the Premises for the term of the Second Renewal Option (determined by Appraisal if the parties cannot agree upon the Market Rent within 30 days after Tenant's exercise of the Second Renewal Option); except that commencing with the first day of the 37th month of the term of the Second Renewal Option, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index as such Index for the 36th month of such term bears to such Index for the last month of the term of the First Renewal Option; provided, however, that in no event shall the Base Rent commencing with the 37th month of such term be more than 115% or less than 109% of the Base Rent payable for the 36th month of the term of the Second Renewal Option.

55. EXPANSION SPACE. Rockwell presently occupies that portion of the Property commonly known as 21605 Plummer Street (the "Rockwell Building") which contains approximately 130,572 rentable square feet of space. Rockwell has the right to park 410 cars in the Rockwell Area. The term of the lease agreement for the Rockwell Building expires on June 30, 1997, but Rockwell has the option to cancel on one-year's prior written notice. If Rockwell cancels its tenancy and Landlord determines not to grant Rockwell rights to occupy the Rockwell Building (or any portion thereof in excess of 105,000 square feet of rentable area) on some basis, then, subject to the terms of this paragraph, Tenant shall have one option (the "Expansion Option") to add to the Premises demised under this Lease, the "Expansion Space" which shall be (i) the Rockwell Building, or (ii) a portion thereof which shall consist of not less than 25,000 rentable square feet and shall be configured (as mutually agreed upon by Landlord and Tenant in writing) in such a manner as to meet Tenant's reasonable requirements and applicable codes and any reasonable objections of Landlord set forth in written notice to Tenant within ten (10) days after Landlord's receipt of Tenant's Notice (as hereinafter defined), as follows:

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(a) Tenant agrees to accept the Expansion Space in its "as is" condition on the Availability Date (hereinafter defined) except as in this paragraph otherwise provided;

(b) Landlord shall give Tenant written notice ("Landlord's Notice") of the date upon which the Expansion Space shall be available (the "Availability Date") and of the location and size of the Expansion Space. Tenant shall have one option to have the Expansion Space added to the Premises demised under this Lease on the Availability Date upon all the terms, covenants and conditions contained in this Lease except that (i) the Base Rent for the Expansion Space for the balance of the term of this Lease shall be Market Rent

with an \$8.00 per net rentable square foot improvement allowance and without reduction for the cost of creating all demising walls and related improvements necessary for the Expansion Space to function separately from the remainder of the Rockwell Building, which demising walls and related improvements Tenant shall cause to be constructed and the costs of which shall be paid one-half by Tenant and one-half by Landlord (which improvement allowance and other Landlord reimbursements shall be paid to Tenant in accordance with disbursing procedures similar to those provided for in paragraph 53 of this Lease), (ii) Tenant shall be permitted to take occupancy of the Expansion Space on the Availability Date in order to construct improvements therein, subject to each and every provision of this Lease except that Tenant shall not be obligated to pay Base Rent with respect to the Expansion Space until the "Rent Start Date" (defined below), and (iii) the Rent Start Date shall be the 180th day after the Availability Date or the date Tenant substantially completes its improvements in and occupies the Expansion Space for business purposes, whichever is the earlier;

(c) The Expansion Option shall be exercised, if at all, by written notice ("Tenant's Notice") of exercise given to Landlord not later than twenty (20) days after Tenant's receipt of the Landlord's Notice. If Tenant fails to so exercise the Expansion Option it shall terminate;

(d) If Landlord and Tenant cannot agree upon the determination of Market Rent on or before the date that Tenant is required to give Landlord Tenant's Notice, and Tenant nonetheless elects to give Tenant's Notice, the determination of Market Rent as to such EXPANSION Space will be submitted to Appraisal in accordance with attached EXHIBIT D. If on the date Base Rent as to such Expansion Space is scheduled to commence pursuant to this Lease the Appraisal has not been completed, Tenant will pay Base Rent based on Landlord's reasonable estimate of Market Rent. Upon determination of Market Rent by Appraisal, Landlord will pay to Tenant or Tenant will pay to Landlord, as appropriate, the amount equal to the overpayment or underpayment of Base Rent from such commencement until the determination of Market Rent by Appraisal, together with interest accrued thereon during such period at the Default Interest Rate. Upon

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establishment of the Base Rent for the Expansion Space, the parties agree to execute an appropriate amendment to this Lease to reflect, as of the Availability Date (i) the increase in the net rentable area of the Premises, (ii) the increase in the Base Rent, and (iii) the increased Tenant's Proportionate Share;

(e) As conditions precedent to Tenant's right to the Expansion Option, at the time the Expansion Option is exercised and on the Availability Date, this Lease must be in full force and effect, Tenant must not then be in default thereunder and Tenant's interest under this Lease must not have been assigned by operation of law or otherwise (except pursuant to an assignment with

respect to which Landlord has agreed in this Lease to give its consent or as to which Landlord's consent is not required under this Lease). The foregoing conditions are for the benefit of and may be waived by Landlord; and

(f) Landlord shall not be liable to Tenant for any loss or damage for any failure to deliver possession of the Expansion Space to Tenant by reason of the holding over or retention of possession by a tenant or occupant of the Expansion Space and no such failure shall impair the validity of this Lease or extend its term. Landlord will, however, exert reasonable efforts (including legal proceedings to the full extent permitted under applicable laws) to cause the other tenant to deliver possession of the Expansion Space.

(g) Tenant shall have the right to receive additional parking with respect to the Expansion Space, at no cost to Tenant, as provided in paragraph 4 of this Lease.

56. RIGHTS OF FIRST OFFER. Tenant will have rights of first offer to lease additional space in the Rockwell Building in accordance with the following provisions:

(a) ANNUAL NOTICES. No earlier than August 1 and no later than October 1 of each calendar year during the term, Landlord will notify Tenant in writing ("Annual Notice") of any rentable space within the Rockwell Building that Landlord does not intend to warehouse, use or occupy and that is then unleased or that will become unleased during the following calendar year in the absence of the exercise of a Superior Right (as defined below). The Annual Notice will include the following:

- (1) identification of the configurations of such space that Landlord intends to use in marketing such space "Configurations");
- (2) the date on which each such Configuration that is then leased will become unleased if no Superior Right (as defined below) is exercised;

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- (3) identification of the rights of other tenants in the Rockwell Building to lease any such Configuration pursuant to right of first offer, right of first refusal, renewal, extension or expansion provisions in their leases ("Superior Rights"), together with identification of the date on which each such Superior Right terminates; and
- (4) Landlord's reasonable determination of Market Rent as to each Configuration.

Landlord will not be required to give an Annual Notice (or any Interim Notices or Reconfiguration Notices, as provided below, as to the calendar year to be covered by the Annual Notice) unless, on or before July 1 of the year in which such Annual Notice is to be given, Tenant has notified Landlord in writing of Tenant's request that Landlord do so.

(b) INTERIM NOTICES. If any rentable space within the Rockwell Building that was not required to be included in the previous Annual Notice, subject to the exercise of a Superior Right, becomes unleased during the calendar year following the date that the previous Annual Notice was given to Tenant, Landlord will notify Tenant in writing ("Interim Notice") of such fact within 20 days after Landlord first has knowledge of such fact. The Interim Notice will include the following:

- (1) the Configurations for such space;
- (2) the date on which each such Configuration that is then leased will become unleased if no Superior Right is exercised;
- (3) identification of each Superior Right applicable to each such Configuration and the date on which each such Superior Right terminates; and
- (4) Landlord's reasonable determination of Market Rent as to each Configuration.

(c) RECONFIGURATION NOTICES. If Tenant has failed to exercise its rights of first offer with respect to a particular Configuration identified in an Annual Notice, as provided in this paragraph, and if Landlord subsequently reconfigures such Configuration so that the area of such Configuration increases or decreases by 20% or more, Landlord will, prior to such reconfiguration, notify Tenant of such reconfiguration ("Reconfiguration Notice"). The Reconfiguration Notice will include the following:

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- (1) the new Configurations resulting from such reconfiguration;
- (2) the date on which each such new Configuration that is then leased will become unleased if no Superior Right is exercised;
- (3) identification of each Superior Right applicable to each such new Configuration and the date on which each such Superior Right terminates; and
- (4) Landlord's reasonable determination of Market Rent as to

each such new Configuration.

- (d) TENANT'S ELECTION TO LEASE. Tenant may elect to lease all (and not part) of any Configuration set forth in an Annual Notice, an Interim Notice or a Reconfiguration Notice as follows:
- (1) Tenant's election to lease such Configuration must be made, if at all, by written notice to Landlord ("Election Notice") not later than (A) the November 1 following an Annual Notice and (B) 15 days after an Interim Notice or Reconfiguration Notice is given to Tenant. Tenant will be deemed to have elected not to lease such Configuration if the Election Notice is not given to Landlord within the applicable response period.
  - (2) Tenant must have first elected to lease all Configurations that are then unleased before Tenant may elect to lease any Configurations that are then leased.
  - (3) Tenant may not elect to lease any space under this paragraph during the last two years of the initial term of this Lease or any Extended Term, unless Tenant has then exercised its next available option to extend the term of this Lease.
- (e) SUPERIOR RIGHTS. Any election by Tenant to lease a Configuration will be subject to the rights of other tenants having applicable Superior Rights as identified in the Annual Notice, Interim Notice or Reconfiguration Notice.
- (f) COMMENCEMENT OF LEASE REGARDING CONFIGURATION. A Configuration will become a part of the Premises, upon the same terms and conditions as are provided in this Lease (except as expressly modified in this paragraph), upon the later of (1) the date that all holders of Superior Rights applicable to such Configuration have relinquished their rights or the date all of such Superior Rights have terminated in accordance with their terms, whichever is

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earlier, or (2) the date such Configuration is delivered to Tenant, free from rights of others.

(g) RENT. Base Rent for any space added to the Premises under this paragraph will be equal to the Market Rent, determined as of the date of the commencement of the term of this Lease with respect to such space. If Landlord

and Tenant cannot agree upon the determination of Market Rent on or before the date that Tenant is required to give Landlord an Election Notice, and Tenant nonetheless elects to lease such space, the determination of Market Rent as to such space will be submitted to Appraisal in accordance with attached EXHIBIT D. If on the date Base Rent as to such space is scheduled to commence pursuant to this Lease the Appraisal has not been completed, Tenant will pay Base Rent based on Landlord's reasonable estimate of Market Rent. Upon determination of Market Rent by Appraisal, Landlord will pay to Tenant or Tenant will pay to Landlord, as appropriate, the amount equal to the overpayment or underpayment of Base Rent from such commencement until the determination of Market Rent by Appraisal, together with interest accrued thereon during such period at the Default Interest Rate.

(h) CONDITION OF SPACE. Any space leased by Tenant under this paragraph will be delivered to Tenant in its "as is" condition as of the commencement of the term of this Lease as applied to such space.

(i) AMENDMENT TO LEASE AND MEMORANDUM OF LEASE. Within ten (10) days after request by Landlord or Tenant, the parties shall execute an amendment to this Lease and to any Memorandum of Lease adding to the Premises any space which Tenant has elected to lease pursuant to this paragraph, as of the commencement date specified in this paragraph with respect to such space, and upon the terms and conditions of this Lease.

(j) EFFECT OF DEFAULT. If any default exists by Tenant under this Lease that has not been cured or is being cured by Tenant within the applicable grace period at the time the Election Notice is given or at the commencement of the term of this Lease as to the space in question, Tenant will have no right to exercise its option as to the applicable space and/or to lease such space.

The time limitations with respect to Tenant's election to lease space under this paragraph set forth in subparagraph (d) above and the condition set forth in subparagraph (j) above are solely for the benefit of Landlord, and Landlord may at its option waive any such limitation or condition.

57. ADDITIONAL ENVIRONMENTAL ASSESSMENTS; ASBESTOS REMOVAL. Landlord will promptly obtain and provide to Tenant, in sufficient time to allow Tenant to prepare for construction of the Tenant Improvements, the additional environmental investigation and assessment work requested by Dana Wagner of

Bruce A. Liesch Associates, Inc. pursuant to a letter to Brad Childs (sic) dated December 1, 1992 and a letter to Che Hsien Chang dated November 20, 1992, and Landlord shall complete such governmental environmental reporting as shall be required by applicable laws. Tenant will pay Landlord 50% of the reasonable cost of such work, within 10 days of written demand. Landlord agrees that Landlord will, at Landlord's sole expense, remove, encapsulate or otherwise address any



asbestos situated in any space leased by Tenant pursuant to this Lease when such space is first made available by Landlord to Tenant in accordance with applicable laws and in such a time frame (to the extent reasonably possible) as not to interfere with the timely completion of improvements to be constructed in such space by Tenant.

58. ROOF ANTENNAS. Subject to the terms of paragraph 31 of this Lease, Tenant may install on the roof of the Premises antenna and satellite dishes for use in connection with its business, so long as such installation does not interfere with the use and operation of (a) any television, radio, communications or other equipment in any adjoining structure, or (b) any electronic control system or elevators in any adjoining structure, or (c) any other transmitting, receiving or master TV antenna on any adjoining structure.

59. CONTINGENCIES. Tenant's obligations under this Lease shall be contingent upon the following occurring or being satisfied on or before the dates set forth below:

(a) Tenant shall receive the Letter of Credit on or before the date 15 business days after the date of this Lease.

(b) Tenant shall receive, on or before the date 25 business days after the date of this Lease, Subordination, Non-disturbance and Attornment Agreements, in the form attached to this Lease as Exhibit F, executed by each holder of any deed of trust that has priority over this Lease (which agreements Landlord agrees to use its best efforts to provide to Tenant on or before the date 25 business days after the date of this Lease and which agreements Landlord and Tenant agree to execute).

Tenant may waive such contingencies by written notice given to Landlord on or before the applicable contingency date. Tenant's failure to so waive any such contingency on or before the applicable contingency date shall be deemed to be an exercise of Tenant's right to terminate this Agreement based upon the failure of such contingency.

60. MEMORANDUM OF LEASE; RECORDABLE TERMINATION. Either party will, upon the written request of the other party, execute a short form lease ("Memorandum of Lease") regarding this Lease, in a form suitable for recording in the Los Angeles County Records. Such Memorandum of Lease will be dated as of

the date of this Lease and will disclose the parties; the term of this Lease, descriptions of the Premises, Tenant's extension and expansion rights and rights of first refusal and such other terms and conditions as the parties agree upon. The party requesting the execution of such Memorandum of Lease will bear all costs of the Memorandum of Lease, including any recording fees. Upon the determination of the Commencement Date and the written request of either party,



the parties will execute an amendment to the Memorandum of Lease setting forth the Commencement Date, with the party requesting the execution of such amendment bearing all costs of the amendment, including any recording fees. Upon the execution of a pertinent amendment to this Lease and the written request of either party, the parties will execute a corresponding amendment to the Memorandum of Lease, with the party requesting the execution of such amendment bearing all costs of the amendment, including any recording fees. Either party will, following any termination of this Lease and upon the written request of the other party, execute a document setting forth the date of such termination, in a form suitable for recording in the Los Angeles County Records. Failure of a party to execute such a document will not affect the termination, and in such event the party requesting the document may execute and file an affidavit setting forth the date of termination. The party requesting the execution of such document will bear all costs thereof, including any recording fees.

61. MISCELLANEOUS. This Lease cannot be changed orally, but only by agreement in writing signed by the party against whom, or against whose successors and assigns, enforcement of the change is sought. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger as to any existing subtenancies and shall, at the option of Landlord, terminate any and all such existing subtenancies or, at Landlord's option, operate as an assignment to it of any and all such subtenancies. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. If there is more than one tenant, the obligations hereunder imposed upon the Tenant shall be joint and several. Time is of the essence of this Lease and each and all of its provisions. This Lease shall be construed and enforced in accordance with the laws of the State of California. The term "Default Interest Rate" shall mean an annual rate equal to the reference or prime rate of Bank of America ("Reference Rate"), or the successor to such rate, plus 2 percentage points per annum, or the maximum interest rate permitted by law, whichever is less. Any amount due from Tenant, if not paid when first due, shall bear interest at the Default Interest Rate from the date due until paid. If any covenant, agreement, or condition of this Lease or the application thereof to any person, firm, corporation, or circumstance is or becomes to any extent invalid or unenforceable, the remainder of this Lease, or the application of such covenant, agreement, or condition to persons, firms, corporations, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and in lieu of each clause or provision of this Lease that is illegal, invalid, or unenforceable, there shall be added as a part of this Lease a clause or provision as

similar in terms to such clause or provision as is possible and as may be legal, valid, and enforceable. If any excavation or other building operation shall be made, or is about to be made, upon any adjoining property or streets, upon the request of Landlord, Tenant shall permit the owner or lessee of such adjoining property and their respective representatives to enter the Premises and shore

the foundations and walls thereof, and to do any other act or thing reasonably necessary, in Landlord's opinion, for the safety or preservation of the Premises. Landlord's acceptance of a partial rent payment shall not constitute a waiver of any rights of Tenant or Landlord, including, without limitation, any right Landlord may have to recover possession of the Premises, in unlawful detainer, or otherwise. The parties agree that, except as in this Lease otherwise provided, and subject to the provisions of paragraph 35 of this Lease, the covenants and agreements herein contained shall bind and inure to the benefit of the successors and assigns of the parties.

Exhibits A through F are attached hereto and become part of this Lease.

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

LANDLORD:

GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation

By /s/ S. Bradford Child

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Its

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And By

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Its

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TENANT:

ADC TELECOMMUNICATIONS, INC., a Minnesota corporation

By /s/ LeRoy Morgan

-----  
Its Vice President  
-----

FIBERMUX CORPORATION, a California corporation

By /s/ Steve Kim

-----  
Steve Y. Kim, President

And By /s/ Frederic T. Boyer

-----  
Frederic T. Boyer, Chief Financial Officer

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EXHIBIT A

INSIDE OF SHADED AREA = "ROCKWELL AREA"  
410 SPACES

EXHIBIT B

LEGAL DESCRIPTION

Parcels B and C and the Southerly 111.5 of D of Parcel Map L.A. No. 5336, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map filed in Book 168 Pages 61 and 62 of Parcel Maps, in the Office of the County Recorder of Los Angeles, State of California.

Except 50 percent of all oil, gas, mineral, asphaltum and other hydrocarbon substances underlying said property or that may be produced thereon or therefrom, but without the right of entry above the depth of 500 feet below the surface of said land, as reserved by Frank S. Lombardi, et al. in Deed recorded March 1, 1956 in Book 50473 Page 258, Official Records.

OFFICE -- ASSEMBLY/WAREHOUSE

FIBERMUX BLOCK PLAN  
FIRST FLOOR  
21415 PLUMMER ST CHATSWORTH, CA  
12/7/92

FIBERMUX BLOCK PLAN  
SECOND FLOOR  
21415 PLUMMER ST CHATSWORTH, CA  
12/7/92

EXHIBIT C

December 9, 1992  
VER. B

SCOPE STATEMENT

FIBERMUX PROJECT

21415 PLUMMER STREET

OFFICE

ARCHITECTURAL

- A. Reuse existing walls to extent possible.
- B. All walls to receive paint (some graphics may be used). VP and President's offices to receive grade 1 vinyl. Restrooms to receive grade 2 vinyl.
- C. Reuse existing ceiling tile and grid replacing damaged tile as required.
- D. Reuse existing doors and frames. Replace existing hardware with Schlage L series. Any new doors and frames to match existing. A master key system for the building is desirable.
- E. Office areas will be carpeted reusing existing to the extent possible. All new carpet will be broadloom. Reused carpet will be thoroughly cleaned before occupancy.
- F. Provide alternate cost to install dissipative tile, Armstrong Excelon SDT, in the lab areas.
- G. Major corridor walls to receive grade 2 vinyl.
- H. Reuse existing window treatments. Replace missing and repair nonfunctional window treatment items.
- I. All construction will be in accordance with all laws, codes, and

regulations including ADA.

#### ALTERNATES

- A. Provide cost to upgrade ceiling tile to USG Glacier 2'x 2' with shadow reveal as an alternate.
- B. Provide cost to upgrade all doors to solid core oak doors.
- C. Provide alternative cost for multispec (Zolatone) paint on major corridor walls.
- E. Director, VP offices and conference room walls will extend to the deck and receive sound batt insulation. All other walls shall extend to the dropped ceiling unless otherwise required by code.

#### ELECTRICAL

- A. Reuse existing light fixtures. Provide Lithonia Optimax 2'x 4' fixtures in the CADD drafting area.
- B. Convenience power and communications wiring to be supplied to panel workstations through power poles. Three duplex outlets and one communications outlet box to be provided in each private office. Communication outlets will be piped in the wall to the plenum space.
- C. Tenant has a LAN that will require wiring.
- D. All communication and computer wiring to be performed by the communication contractor.
- E. Re configure the emergency lighting to support the new room layout.
- F. General Contractor will remove all workstation communication cabling. The house and entrance cabling will remain.

#### ALTERNATES

- A. Provide cost to upgrade light fixtures to Lithonia Optimax in the open office areas as an alternate. Recessed can fixtures will be utilized along one long wall of each room with the Optimax fixtures to eliminate the "cave" effect.
- B. Develop alternate cost to add Leviton occupancy sensing switches to all private offices and conference rooms.

#### MECHANICAL

- A. HVAC system to be re configured as necessary to provide comfort to new room layout. Existing HVAC heat pumps will be reused with new distribution provided. Any new diffusers to match existing. HVAC system to be tested and balanced before occupancy.
- B. Provide additional HVAC capacity as required to meet comfort requirements.

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- C. Review the possibility of moving the air handlers (one or more on the lower floor) to improve the layout and flow of the assembly process. Develop a cost alternative associated with the scheme along with detailed drawings.

#### FURNISHINGS

- A. Tenant will provide office furniture and all labor and equipment to move furniture and furnishings to the building.
- B. Contractor will provide electricians to make connections to the furniture panels during the move.
- C. Tenant will provide A/V equipment (except screens) and white boards.

#### ALTERNATES

- A. Provide a recessed aluminum framed bulletin board with sliding, lockable glass doors (4'x 6') next to the lunch room entrance.

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#### LUNCH ROOM

##### ARCHITECTURAL

- A. Walls will receive grade 2 vinyl. More than one type of vinyl incorporating graphics will likely be used.
- B. Floors will be carpeted except in vending and serving areas which will be VCT tile.
- C. Casework in the lunch room will be new. Provide pigeonhole unit for bag lunches.



## ALTERNATES

- A. Provide alternate price for ceramic tile in place of VCT in vending and serving areas.

## ELECTRICAL

- A. Provide necessary power and water to vending machines. Estimate 6 vending machines at 20A each plus two additional 20A outlets for microwaves. The coffee machine will require a 3/8" water line.
- B. Provide utility connections required for future soup and salad bar including drain (note: the drain could be handled with an integral sump and pump in the salad bar).
- B. Lighting will be a combination of recessed cans and accent lighting.

## MECHANICAL

- A. Provide adequate ventilation including air changes in lunch room. Note there is a concern regarding food odors in the eating areas.

## ALTERNATES

- A. Provide the cost to add activated charcoal filtration to the lunch room air handlers.

## FURNISHINGS

- A. Tenant will provide new furniture for the lunch room.

## TRAINING CENTER/CONFERENCE ROOMS/DEMO ROOM/BOARD ROOM

### ARCHITECTURAL

- A. Wall covering to be grade 2 vinyl.
- B. Doors to have sound gaskets and threshold seals.
- C. Each room will have an AV screen.
- D. Provide blocking to support white boards.

- E. Provide tack strips (2 walls) in the Training Room.
- F. One conference room will be configured to support video conferencing and will require acoustic panels on all the walls.

#### ALTERNATES

- A. Provide cost to extend all drywall partitions to the deck and receive sound batt insulation.
- B. Provide alternate cost for 2'x 2' USG Glacier tile with shadow reveal edge and foil backing.

#### ELECTRICAL

- A. Lighting must support A/V presentations as well as good general lighting. Must be able to dim lighting or provide various lighting levels through light types.
- B. Provide wall mounted raceways along the two longest walls to furnish power and communication connection in the Training Room.
- C. Provide five boxes piped to the plenum in one conference room to support video teleconferencing.
- D. Each conference room will have one communication box piped to the plenum to provide network connection.

#### MECHANICAL

- A. Separate HVAC control for these spaces to be provided.
- B. HVAC to be sized to provide comfort at maximum room occupancy and equipment load (e.g. computer training).

#### COMPUTER ROOM

#### ARCHITECTURAL

- A. Walls will extend to the deck
- B. Install 2' x 4' vinyl coated ceiling tile.
- C. Floor will receive dissipative VCT tile.

D. This room is a secured area and will minimally require a secure lock (e.g. Medico) or a card reader station if such a system is installed by the Tenant.

E. The existing computer room will be relocated.

#### ALTERNATES

A. Provide cost for access flooring including ramp and railing in one-half of the room.

B. Provide cost of viewing window in hallway wall (4' x 6') if allowable by code.

#### ELECTRICAL

A. Reuse existing lighting, if possible.

B. Power requirements will be identified on separate attached list.

C. Provide EPO switch at the door for the computer equipment as required by code.

#### MECHANICAL

A. Room shall have separate HVAC control including humidity control. Reuse existing equipment, if possible.

#### ALTERNATES

A. Provide a separate zone pre-action sprinkler system coordinated with the EPO system.

#### ASSEMBLY AREA

##### ARCHITECTURAL

A. All walls to receive paint and possibly graphics.

B. Floor to be VCT tile. Floor to receive static dissipative wax before occupancy.

C. Reuse existing ceiling tile and lighting.

D. Warehouse floors will be sealed with gray urethane.

- E. All warehouse walls to receive paint.
- F. Provide capability to load/unload trucks at the grade level doors. This may require a lift which might be recessed into the floor.
- G. Provide a strip curtain enclosure for the water wash machine. Note: a frame to support the curtain will have to be fabricated.
- H. Provide a curb around the water wash machine (suggest a painted flange curb, gasketed and bolted to the floor).
- I. Fencing could be used to secure the stock areas.
- J. Provide the capability to handle and properly dispose of trash. Design must comply with existing laws and regulations.

#### ALTERNATES

- A. Provide alternate cost to remove dropped ceiling and provide lighting using fluorescent industrial fixtures. This alternate would include using spiral duct for HVAC which would be painted. Exposed ceiling would be reviewed for finish.
- B. Provide the cost for corner protectors and wall protection on walls in the high traffic areas of the warehouse and assembly areas.

#### ELECTRICAL

- A. Provide convenience power to benches via drop cords. See the layout for locations.
- B. Electrical power and utility connections for assembly equipment are provided in the attached equipment list.

#### MECHANICAL

- A. Provide a compressed air distribution system. Air compression system will include a compressor, dryer and coalescing filter furnished by the Tenant.
- B. Recommendations for compressed air system are attached.
- C. Provide vacuum system piping from the vacuum pump (by Tenant) to required equipment (see equipment schedule).

OTHER

FIRE PROTECTION

- A. Revise the sprinkler system to accommodate the new room layout and meet code and insurance requirements.
- B. Revise the fire alarm system as required to provide the required pull stations and alarm coverage for all areas of the building.

SECURITY

- A. A card access security system will be reviewed for incorporation. Such a system will include card readers at primary entrances, electric strikes in those entrance doors and release switches in panic hardware.
- B. All door locks will be organized to a building master system.

LIFE SAFETY

- A. Provide required fire extinguishers.

ALTERNATES

- A. Provide recessed fire extinguisher and first aid cabinets.

PAGING

- A. Provide a paging system for the assembly and warehouse areas.

PLUMBING

- A. All existing restroom and drinking fountain fixtures to remain.
- B. See lunch room and assembly area equipment lists for other plumbing requirements.
- C. Provide an eyewash and emergency shower near the water wash machine.

## EXHIBIT D

### APPRAISAL PROCEDURES

The parties to this Lease will initially attempt to agree upon the Market Rent. If they have been unable to so agree within the period that they are required to agree as to such matter under the Lease, then either party may request by written notice to the other party ("Appraisal Request") that the matter be determined by an appraisal board consisting of three appraisers who are members of the Appraisers Institute (or a successor or similar organization, if such organization no longer exists) and have at least five (5) years' experience appraising commercial real estate in the Chatsworth, California area. One appraiser will be appointed by each party, and each such appraiser will have no material financial or other business interest in common with the party selecting such appraiser. If a party fails to appoint an appraiser and notify the other party of such appointment within 30 days after the Appraisal Request is made, then the appraiser that was appointed by such other party within such 30 day period will be the sole appraiser. If two appraisers are properly appointed and such first two appraisers are unable to agree on a third appraiser within thirty (30) days after the appointment of the second appraiser, then such third appraiser will be appointed by the presiding judge of the Los Angeles County Superior Court, or by any person to whom such presiding judge formally delegates the matter, or, if such methods of appointment fail, by the American Arbitration Association.

The parties will submit a copy of this Lease to the sole appraiser or the three appraisers, as the case may be. If the appraisal is conducted by a sole appraiser, such sole appraiser will render to Landlord and Tenant his or her determination of the Market Rent applicable during the period in question to the parties by the 60th day after the Appraisal Request was made. If the appraisal is conducted by three appraisers, each appraiser will submit his or her determination(s) of the Market Rent applicable during the period in question in a sealed envelope by the 30th day following appointment of the last appraiser, and any determinations not submitted by such time shall be disregarded. In such cases, the parties will meet on such 30th day (or if it is not a business day, on the first business day thereafter) at 11:00 a.m. at the office of Landlord, or such other place as the parties may agree, and simultaneously deliver the determinations. If the determinations of at least two of the appraisers are identical in amount, such amount will be deemed the decision of the appraisers. If the determination of the three appraisers are different in amount, the decision as to the Market Rent will be independently determined as follows:

(a) If neither the highest nor lowest determination differs from the middle determination by more than 15% of such middle determination, then the decision will be deemed to be the average of the three determinations; and

(b) If clause (a) does not apply, then the decision will be deemed to be the average of the middle determination and the determination closest in amount to such middle determination.

The decision of the appraisers, determined as above set forth, will be final and non-appealable. The fees and expenses of the appraiser or appraisers will be shared equally by Landlord and Tenant.

During the period of time that any appraisal is pending under this Lease, Tenant shall pay Base Rent at the rate that was last in effect under the Lease and the appropriate retroactive adjustment shall be made between the parties within 10 days after the appraisers have made their determination.

EXHIBIT E

[Issuer's Letterhead]

IRREVOCABLE STANDBY LETTER OF CREDIT

To Beneficiaries:

ADC Telecommunications, Inc.

Letter of Credit No.

Issue Date: \_\_\_\_\_, 199\_

Fibermux Corporation

Gentlemen:

For the account of GREENVILLE DALLAS DELAWARE, INC. ("Customer"), with an address at 255 Shoreline Drive, Ste. 600, Redwood City, California 94065, THE DEVELOPMENT BANK OF SINGAPORE, LTD. ("Issuer") hereby establishes in your favor as "Beneficiary" this IRREVOCABLE STANDBY LETTER OF CREDIT (the "Standby Letter"), available for payment in the manner and on the terms following:

1. This Standby Letter authorizes Beneficiary to draw one or more drafts upon Issuer, at sight, in the full amount then due and payable to

Beneficiary after Customer's default under the terms of paragraph 23 of that certain Lease dated as of \_\_\_\_\_, 1992, between Greenville Dallas Delaware, Inc., as Landlord, and ADC Telecommunications, Inc. and Fibermux Corporation, jointly as Tenant (the "Lease").

2. Beneficiary's Draft(s) must:

- (a) not exceed, in the aggregate, \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_) (the "Drawing Amount");
- (b) not be dated later than the Expiry Date specified in paragraph 6 of this Standby Letter;
- (c) quote upon its face, "Drawn under Irrevocable Standby Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 199\_, and issued by THE DEVELOPMENT BANK OF SINGAPORE, LTD. (NEW YORK AGENCY), [insert address] ; and  
-----
- (d) be duly completed and signed in the form of EXHIBIT SL.1 attached to this Standby Letter and incorporated by reference as though repeated here verbatim.

3. This Standby Letter has the sole purpose of making payment available against the monetary sum due and owing from Customer to Beneficiary after Customer's default under paragraph 23 of the Lease, all as certified by Beneficiary in the Request for Payment (described under paragraph (4) of this Standby Letter).

4. To receive payment under this Standby Letter, Beneficiary must present the following documents (the "Required Documents"):

- (a) Beneficiary's original Draft as detailed in paragraph 2 of this Standby Letter;
- (b) the original of a Request for Payment Under Irrevocable Standby Letter of Credit (the "Request For Payment") written on Beneficiary's letterhead, duly completed and signed by persons who certify their authority to bind Beneficiary, all in the form of EXHIBIT SL.2 attached to this Standby Letter and incorporated by reference as though repeated here verbatim; and
- (c) the original of this Standby Letter.

5. Reference in this Standby Letter to the Lease Agreement or to any other aspect of the underlying bargain between Beneficiary and Customer is for identification purpose only. No intent exists to incorporate into this Standby Letter any term of the Lease or any aspect of such underlying bargain.



6. This Standby Letter shall stay in force until 11.59 p.m., New York, New York time on the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_ (as may be extended from time to time, the "Expiry Date") and shall be deemed automatically extended without amendment for additional periods of not less than one (1) year from the then effective Expiry Date until \_\_\_\_\_, 199\_\_ , unless not later than sixty (60) days prior to the then effective Expiry Date Issuer shall present to Beneficiary a notice that this Standby Letter will not be renewed or that this Standby Letter will be renewed for an additional period of less than one (1) year.

7. Beneficiary must present all the Required Documents on or before the Expiry Date to Issuer at Issuer's letter of credit department, [Insert address]. The word "present" (or "presentation" for purposes of this Standby Letter) means actual receipt through registered mail, through a professional overnight courier service, or through personal hand delivery.

8. The right to draw under this Standby Letter may not be assigned and shall not be transferable.

9. The amount available under this Standby Letter should be irrevocably decreased from time to time by the amount of each Draft honored by Issuer. In the spaces provided below in this paragraph, Issuer shall note the amount of each such Draft so honored, the date it paid such Draft and the reduced amount available under this Standby Letter as consequence of each such payment.

Draft Amount	Date Paid	Reduced amount of this Standby Letter
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----

10. This Standby Letter shall be governed by the Uniform Customs and Practice for Documentary Credits (1983 Revision) Publication No. 400 of the International Chamber of Commerce (the "Uniform "Customs") and, as to matters not governed by the Uniform Customs, the laws of the State of New York.

11. Issuer engages with Beneficiary that each Draft and other Required Documents related thereto shall be duly honored upon presentation to the Issuer of such Required Documents if drawn and presented in strict compliance with the terms of this Standby Letter.

THE DEVELOPMENT BANK OF SINGAPORE,  
LTD. (NEW YORK AGENCY)

By \_\_\_\_\_

Its \_\_\_\_\_

PLEASE EXAMINE THIS STANDBY LETTER AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, PLEASE CONTACT CUSTOMER IMMEDIATELY TO SEE IF THE STANDBY LETTER CAN BE AMENDED. OTHERWISE, YOU RISK LOSING PAYMENT UNDER THIS STANDBY LETTER FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

EXHIBIT SL.1

DRAFT

Drawn under Irrevocable Standby Letter or Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 199\_\_, and issued by THE DEVELOPMENT BANK OF SINGAPORE. LTD. (NEW YORK AGENCY)

\$ \_\_\_\_\_, \_\_\_\_\_

On sight, pay \_\_\_\_\_ DOLLARS (US\$ \_\_\_\_\_) by a single check payable to the following two (2) payees: ADC Telecommunications, Inc. and Fibermux Corporation.

TO: The Development Bank of Singapore (New York Agency)  
[Address of Bank]  
Attn: Letter of Credit Department

ADC TELECOMMUNICATIONS, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

FIBERMUX CORPORATION

By \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT SL.2

[Beneficiary's Letterhead]

REQUEST FOR PAYMENT  
UNDER  
IRREVOCABLE STANDBY LETTER OF CREDIT

[Date]

Letter of Credit No. \_\_\_\_\_

Issue Date: \_\_\_\_\_, 19\_\_

To Issuer:

The Development Bank of Singapore, Ltd. (New York Agency)

[Address of Bank]

Attn: Letter of Credit Department

Gentlemen:

The undersigned are, collectively, the "Beneficiary" of the captioned IRREVOCABLE STANDBY LETTER OF CREDIT (the "Standby Letter"). As the "Issuer," you established the Standby Letter in Beneficiary's favor for the account of the "Customer," GREENVILLE DALLAS DELAWARE, INC. Beneficiary hereby draws on the Standby Letter in the amount of \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_).

In support of this drawing, Beneficiary hereby certifies and warrants:

1. The Standby Letter was issued to back up certain of Customer's obligations under a lease (the "Lease"), as more particularly described in the Standby Letter.

2. The Customer has defaulted on one or both of the following obligations (Beneficiary must so indicate below) imposed upon Customer by the Lease:

- (a) Customer has failed to keep the Standby Letter in effect for the period of time required by paragraph 23 of the Lease [yes \_\_\_\_];  
or
- (b) Customer has defaulted in the performance of Landlord's Environmental Indemnity in a manner and as defined in paragraph 23 of the Lease [yes \_\_\_\_].

Such default(s) have not only occurred but are continuing without cure. Beneficiary has not transferred or otherwise assigned, in whole or in part, its rights under the Lease.

3. This Request For Payment is attached to a Draft for the sum of \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_). That Draft, this Request For Payment and the original copy of the Standby Letter constitute the "Required Documents" referred to in paragraph (4) in the Standby Letter.

4. If paragraph 2 (b) of this Request for Payment is applicable, under the terms of the Lease the sum of such Draft is presently due and payable from Customer to Beneficiary, but Customer has wrongfully failed to pay such sum. Beneficiary served upon Customer and other parties all demands, notices, and the like as required (if any) under the Lease.

5. The terms of the Lease presently entitle Beneficiary to draw upon the Standby Letter for the full sum of the Draft to which this Request For Payment is attached.

6. Each individual who has signed this Request for Payment and accompanying Draft:

- (i) is an officer of the Beneficiary for which such individual signed, and
- (ii) has authority to bind such Beneficiary in all matters concerning the Standby Letter.

IN WITNESS WHEREOF, the undersigned Beneficiary executed, attested or otherwise officially sealed (as applicable), delivered, and presented this Request (for Payment, attached to the undersigned Beneficiary's Draft, this day of \_\_\_\_\_, 19\_\_.

ADC TELECOMMUNICATIONS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

FIBERMUX CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT F

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT, dated as of \_\_\_\_\_, 199\_\_, among GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION (REALTY) PTE. LTD., a Singapore corporation ("Beneficiary"), GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant").

WITNESSETH:

WHEREAS, Beneficiary is the beneficiary under that certain deed of trust dated as of October 3, 1986, recorded January 26, 1988 as Instrument No. 88-109752, Official Records, Office of the County Recorder of Los Angeles, State of California (said deed of trust, as it may be amended, increased, renewed, modified, consolidated, replaced, combined, substituted, severed, split, spread or extended, being hereinafter referred to as the "Deed of Trust"), between Beneficiary and the trustor described therein (predecessor in interest to the Landlord described above), which encumbers the land and the buildings located at 21415 and 21605 Plummer Street, Los Angeles, California, and more particularly described therein (the "Property").

WHEREAS, Tenant and Landlord have entered into a certain agreement of lease dated December 18, 1992 (such Lease, as it may be hereafter amended from time to time with the Beneficiary's consent, being referred to as the "Lease") covering certain premises (the "Demised Premises") in the Property.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant covenants and agrees that the Lease now is and shall at all times continue to be subject and subordinate in each and every respect to the Deed of Trust. Tenant, upon request, shall execute and deliver any certificate

or other instrument which the Beneficiary may reasonably request to confirm said subordination.

2. Tenant certifies that the Lease is presently in full force and effect and unmodified and no base rent payable thereunder has been paid more than 1 (one) month in advance of its due date, and that no material default by Tenant exists under the Lease which has continued beyond the expiration of any applicable grace period.

3. As long as Tenant is in compliance with the terms of this Agreement and no default exists under the Lease which has continued beyond the expiration of any applicable grace period, Beneficiary shall not name Tenant as a party defendant to any action for foreclosure or other enforcement of the Deed of Trust (unless required by law), nor shall the Lease be terminated by Beneficiary in connection with, or by reason of, foreclosure or other proceedings for the enforcement of the Deed of Trust, or by reason of a transfer of the landlord's interest under the Lease pursuant to the taking of a deed or assignment in lieu of foreclosure (or similar device), nor shall Beneficiary interfere with Tenant's use or possession of the Demised Premises unless the holder of the landlord's interest under the Lease (the "Landlord") would have had the right to do so if the Deed of Trust had not been made, provided that the Person (as defined in the Deed of Trust) acquiring, or succeeding to, the interests of the Landlord as a result of any such action or proceeding, and such Person's successors and assigns (any of the foregoing being hereinafter referred to as the "Successor"), shall not be:

- (a) subject to any credits, offsets, defenses or claims which Tenant may have against any prior Landlord, except as permitted by the Lease or by statute; or
- (b) bound by base rent which Tenant might have paid for more than the current month to any prior Landlord, unless such prepayment shall have been made with Beneficiary's prior written consent; or
- (c) liable for any act or omission of any prior Landlord; or
- (d) bound by any covenant to undertake or complete any improvement to the Demised Premises or the building forming a part of the Property except as expressly required of the Landlord pursuant to the Lease; or
- (e) required to account for any security deposit other than any security deposit actually delivered to the Successor; or
- (f) liable for any payment to Tenant of any sums, or the granting to Tenant of any credit, in the nature of a contribution towards the cost of preparing, furnishing or moving into the Demised Premises or any portion thereof except as expressly required of the Landlord pursuant

to the Lease.

4. If the interest of the Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of the Deed of Trust or pursuant to a taking of a deed in lieu of foreclosure (or similar device), Tenant shall be bound to the Successor under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, with the same force and effect as if the Successor were the Landlord, and Tenant hereby does (a) agree to attorn to

the Successor, including Beneficiary if it be the Successor, as its Landlord, (b) affirm its obligations under the Lease, and (c) agree to make payments of all sums due under the Lease to the Successor, said attornment, affirmation and agreement to be effective and self-operative without the execution of any further instruments, upon the Successor succeeding to the interest of the Landlord under the Lease. Tenant waives the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give it any right or election to terminate or otherwise adversely affect the Lease or the obligations of Tenant thereunder by reason of any foreclosure or similar proceeding.

5. Tenant shall not change the terms, covenants, conditions and agreements of the Lease in a manner which materially reduces the rent or other charges payable or space demised thereunder or has a material adverse effect upon the value of the landlord's interest thereunder without the express consent in writing of the Beneficiary.

6. Tenant shall notify Beneficiary of any default of the Landlord under the Lease which would entitle Tenant to cancel the Lease or abate the rent or any additional rent payable thereunder, and agrees that Beneficiary shall have the same rights to cure any such default as are afforded to the Landlord under the Lease.

7. Anything herein or in the Lease to the contrary notwithstanding, in the event that Beneficiary shall acquire title to the Property, Beneficiary shall have no obligation, nor incur any liability, beyond Beneficiary's then interest, if any, in the Property and Tenant shall look exclusively to such interest of Beneficiary, if any, in the Property for the payment and discharge of any obligations imposed upon Beneficiary hereunder or under the Lease and Beneficiary is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that with respect to any money judgment which may be obtained or secured by Tenant against Beneficiary, Tenant shall look solely to the estate or interest owned by Beneficiary in the Property and Tenant will not collect or attempt to collect any such judgment but of any other assets of Beneficiary.

8. Tenant acknowledges that it has notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Beneficiary as part of the security for the note secured by the Deed of Trust. In the event that Beneficiary notifies Tenant of a default under the Deed of Trust and demands that Tenant pay its rent and all other sums due under the Lease to Beneficiary, Tenant and Landlord agree that Tenant shall pay its rent and all other sums due under the Lease to Beneficiary.

9. This Agreement may not be modified except by an agreement in writing signed by the parties or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

10. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Mortgage except as specifically set forth herein.

11. The Tenant agrees that this Agreement satisfied any condition or requirement in the Lease relating to the granting of a non-disturbance agreement by Beneficiary. Tenant further agrees that in the event there is any inconsistency between the terms and provisions hereof and the terms and provisions of the Lease dealing with non-disturbance by Beneficiary, the terms and provisions hereof shall be controlling.

12. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement, must be in writing and mailed to the party to whom the notice, demand or request is being made by certified or registered mail. For such purposes, the addresses of the parties shall be as follows:

IF TO BENEFICIARY:

Government of Singapore Investment Corporation (Realty) Pte. Ltd.

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IF TO LANDLORD:

Greenville Dallas Delaware, Inc.  
c/o GSIC Realty Corporation  
255 Shoreline Drive  
Suite 600  
Redwood City, California 94065

IF TO TENANT:



Fibermux Corporation  
9310 Topanga Canyon Blvd.  
Chatsworth, California 91311  
(prior to the Commencement Date under the Lease)

or

Fibermux Corporation  
21415 Plummer Street  
Chatsworth, California 91311  
(after the Commencement Date under the Lease)

With a copy to:

ADC Telecommunications, Inc.  
12501 Whitewater Drive  
Minnetonka, Minnesota 55343  
(Attn: Chief Financial Officer and Attn: General Counsel)

Any party may change the place that notices and demands are to be sent by written notice delivered in accordance with this Agreement.

13. This Agreement shall be governed by the laws of the State of California.

14. If any term of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term to any person or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Beneficiary:

GOVERNMENT OF SINGAPORE  
INVESTMENT CORPORATION  
(REALTY) PTE. LTD.

By \_\_\_\_\_

Its \_\_\_\_\_

Tenant:

ADC TELECOMMUNICATIONS, INC.,  
a Minnesota corporation

By

-----

Its

-----

FIBERMUX CORPORATION,  
a California corporation

By

-----

Steve Y. Kim, President

And By

-----

Frederic T. Boyer, Chief  
Financial Officer

Landlord:

GREENVILLE DALLAS DELAWARE, INC.

By

-----

Its

-----

And By

-----

Its

-----

State of California )  
 )SS.  
County of Los Angeles )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared Steve Y. Kim and Frederic T. Boyer, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the person whose  
name is subscribed to the within instrument and acknowledged to me that they  
executed the same in their authorized capacities, and that by their signature on  
the instrument the entity on behalf of which the persons acted executed the  
instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 )SS.  
County of Hennepin )

On \_\_\_\_\_, before me, \_\_\_\_\_  
personally appeared Steve Y. Kim and Frederic T. Boyer, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the persons whose  
names are subscribed to the within instrument and acknowledged to me that they  
executed the same in their authorized capacities, and that by their signatures  
on the instrument the entity on behalf of which the persons acted executed the  
instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 )SS.  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally  
appeared \_\_\_\_\_, personally known to me (or  
proved to me on the basis of satisfactory evidence) to be the persons whose

names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

[Attach Singapore acknowledgment for Beneficiary]

#### MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of December 18, 1992, among GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), and ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant").

#### AGREEMENT:

For valuable consideration, Landlord and Tenant agree as follows:

1. PREMISES. Landlord has leased to Tenant and Tenant has leased from Landlord the Premises as set forth in the Lease dated as of the date of this Memorandum, between Landlord and Tenant ("Lease"), such Premises consisting of the building known as 21415 Plummer Street, Chatsworth, California, and certain parking areas. Such building and certain of such parking areas are situated, together with the building known as 21605 Plummer Street, Chatsworth, California and certain other parking areas, on the land legally described on attached Exhibit A.

2. INCORPORATION OF LEASE TERMS. This Memorandum is made subject to and together with all of the terms, covenants and conditions contained in the Lease and any amendments that may be made from time to time to the Lease. All of the terms, covenants and conditions of the Lease and any amendments that may be made from time to time to the Lease are incorporated in this Memorandum by this reference as fully as if they had been set forth in this Memorandum. All capitalized words used in this Memorandum that are not defined in this Memorandum have the definitions given them in the Lease.

3. TERM; EXTENSION RIGHTS. The term of the Lease will commence on the Commencement Date as defined in the Lease and will end, unless sooner terminated as provided in the Lease, on the last day of the 72nd month after the Commencement Date; provided, however, that Tenant has the right to extend the term for two (2) additional consecutive six year periods, as set forth in the Lease.

4. OTHER RIGHTS. Tenant has expansion rights and rights of first offer regarding the building known as 21605 Plummer Street and certain parking areas on the land legally described on attached Exhibit A, all as set forth in the Lease.

EXECUTION:

Landlord and Tenant have executed this Memorandum of Lease as of the date first written above.

LANDLORD:

GREENVILLE DALLAS DELAWARE,  
INC., a Delaware corporation

By /s/ S. Bradford Child  
-----

Its  
-----

And By  
-----

Its  
-----

TENANT:

ADC TELECOMMUNICATIONS,  
INC., a Minnesota corporation

By /s/ LeRoy J. Morgan  
-----

Its Vice President

FIBERMUX CORPORATION, a  
California corporation

By /s/ Steve Y. Kim

Steve Y. Kim, President

And By /s/ Frederic T. Boyer,

Frederic T. Boyer, Chief  
Financial Officer

State of California )  
 )SS.  
County of SAN MATEO )

On JAN 13, 1993 , before me, ANNE MOK personally  
appeared S BRADFORD CHILD , personally known to me to be the persons

whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: Anne Mok (Seal)

State of Minnesota )  
 )SS.  
County of Hennepin )

On \_\_\_\_\_, before me, \_\_\_\_\_ personally  
appeared \_\_\_\_\_, personally known to me or proved  
to me on the basis of satisfactory evidence) to be the person whose name is  
subscribed to the within instrument and acknowledged to me that he executed the  
same in his authorized capacity, and that by his signature on the instrument the

entity on behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 ) SS.  
County of Los Angeles )

On 1-4-93 , before me, \_\_\_\_\_ personally  
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appeared Steve Y. Kim and Frederic T. Boyer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the

same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: /s/ Janice S. Parvin (Seal)  
-----

1-4-93

THIS INSTRUMENT WAS DRAFTED BY,  
AND WHEN RECORDED RETURN TO:

Kenneth T. Tyra  
Dorsey & Whitney  
2200 First Bank Place East  
Minneapolis, Minnesota 55402

EXHIBIT A

Parcels B and C and the Southerly 111.5 of D of Parcel Map L.A. No. 5336, in the City of Los Angeles, in the County of Los Angeles, State of California, as per

map filed in Book 168 Pages 61 and 62 of Parcel Maps, in the Office of the County Recorder of Los Angeles, State of California.

Except 50 percent of all oil, gas, mineral, asphaltum and other hydrocarbon substances underlying said property or that may be produced thereon or therefrom, but without the right of entry above the depth of 500 feet below the surface of said land, as reserved by Frank S. Lombardi, et al. in Deed recorded March 1, 1956 in Book 50473 Page 258, Official Records.

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT, dated as of JANUARY 4, 1993 among THE  
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DEVELOPMENT BANK OF SINGAPORE LTD., NEW YORK AGENCY ("Beneficiary"), GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant").

WITNESSETH:

WHEREAS, Beneficiary is the beneficiary under that certain deed of trust dated as of May 25, 1989, recorded May 31, 1989 as Instrument No. 89-878400, Official Records, Office of the County Recorder of Los Angeles, State of California, (said deed of trust, as it may be amended, increased, renewed, modified, consolidated, replaced, combined, substituted, severed, split, spread or extended, being hereinafter referred to as the "Deed of Trust"), between Beneficiary and the trustor described therein (predecessor in interest to the Landlord described above), which encumbers the land and the buildings located at 21415 and 21605 Plummer Street, Los Angeles, California, and more particularly described therein (the "Property").

WHEREAS, Tenant and Landlord have entered into a certain Lease dated December 18, 1992 (such Lease, as it may be hereafter amended from time to time with the Beneficiary's consent, being referred to as the "Lease"), covering certain premises (the "Demised Premises") in the Property.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant covenants and agrees that the Lease now is and shall at all times continue to be subject and subordinate in each and every respect to the Deed of Trust. Tenant, upon request, shall execute and deliver any certificate or other instrument which the Beneficiary may reasonably request to confirm said subordination.

2. Tenant certifies that the Lease is presently in full force and effect



and unmodified and no base rent payable thereunder has been paid more than 1 (one) month in advance of its due date, and that no material default by Tenant exists under the Lease which has continued beyond the expiration of any applicable grace period.

3. As long as Tenant is in compliance with the terms of this Agreement and no default exists under the Lease which has continued beyond the expiration of any applicable grace period, Beneficiary shall not name Tenant as a party defendant to any action for foreclosure or other enforcement of the Deed of Trust (unless required by law), nor shall the Lease be terminated by Beneficiary in connection with, or by reason of, foreclosure or other proceedings for the enforcement of the Deed of Trust, or by reason of a transfer of the landlord's interest under the Lease pursuant to the taking of a deed or assignment in lieu of foreclosure (or similar device), nor shall Beneficiary interfere with Tenant's use or possession of the Demised Premises unless the holder of the landlord's interest under the Lease (the "Landlord") would have had the right to do so if the Deed of Trust had not been made, provided that the Person (as defined in the Deed of Trust) acquiring, or succeeding to, the interests of the Landlord as a result of any such action or proceeding, and such Person's successors and assigns (any of the foregoing being hereinafter referred to as the "Successor"), shall not be:

- (a) subject to any credits, offsets, defenses or claims which Tenant may have against any prior Landlord, except as permitted by the Lease or by statute; or
- (b) bound by base rent which Tenant might have paid for more than the current month to any prior Landlord, unless such prepayment shall have been made with Beneficiary's prior written consent; or
- (c) liable for any act or omission of any prior Landlord; or
- (d) bound by any covenant to undertake or complete any improvement to the Demised Premises or the building forming a part of the Property except as expressly required of the Landlord pursuant to the Lease; or
- (e) required to account for any security deposit other than any security deposit actually delivered to the Successor; or
- (f) liable for any payment to Tenant of any sums, or the granting to Tenant of any credit, in the nature of a contribution towards the cost of preparing, furnishing or moving into the Demised Premises or any portion thereof except as expressly required of the Landlord pursuant to the Lease.

4. If the interest of the Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of the Deed of Trust or pursuant to a taking of a deed in lieu of foreclosure (or similar

device), Tenant shall be bound to the Successor under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, with the same force and effect as if the Successor were the Landlord, and Tenant hereby does (a) agree to attorn to the Successor, including Beneficiary if it be the Successor, as its Landlord, (b) affirm

its obligations under the Lease, and (c) agree to make payments of all sums due under the Lease to the Successor, said attornment, affirmation and agreement to be effective and self-operative without the execution of any further instruments, upon the Successor succeeding to the interest of the Landlord under the Lease. Tenant waives the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give it any right or election to terminate or otherwise adversely affect the Lease or the obligations of Tenant thereunder by reason of any foreclosure or similar proceeding.

5. Tenant shall not change the terms, covenants, conditions and agreements of the Lease in a manner which materially reduces the rent or other charges payable or space demised thereunder or has a material adverse effect upon the value of the landlord's interest thereunder without the express consent in writing of the Beneficiary.

6. Tenant shall notify Beneficiary of any default of the Landlord under the Lease which would entitle Tenant to cancel the Lease or abate the rent or any additional rent payable thereunder, and agrees that Beneficiary shall have the same rights to cure any such default as are afforded to the Landlord under the Lease.

7. Anything herein or in the Lease to the contrary notwithstanding, in the event that Beneficiary shall acquire title to the Property, Beneficiary shall have no obligation, nor incur any liability, beyond Beneficiary's then interest, if any, in the Property and Tenant shall look exclusively to such interest of Beneficiary, if any, in the Property for the payment and discharge of any obligations imposed upon Beneficiary hereunder or under the Lease and Beneficiary is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that with respect to any money judgment which may be obtained or secured by Tenant against Beneficiary, Tenant shall look solely to the estate or interest owned by Beneficiary in the Property and Tenant will not collect or attempt to collect any such judgment but of any other assets of Beneficiary.

8. Tenant acknowledges that it has notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Beneficiary as part of the security for the note secured by the Deed of Trust. In the event that Beneficiary notifies Tenant of a default under the Deed of Trust and demands that Tenant pay its rent and all other sums due under the Lease to Beneficiary, Tenant and Landlord agree that Tenant shall pay its rent and all other sums due under the Lease to Beneficiary.

9. This Agreement may not be modified except by an agreement in writing

signed by the parties or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

10. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Deed of Trust except as specifically set forth herein.

11. The Tenant agrees that this Agreement satisfied any condition or requirement in the Lease relating to the granting of a non-disturbance agreement by Beneficiary. Tenant further agrees that in the event there is any inconsistency between the terms and provisions hereof and the terms and provisions of the Lease dealing with non-disturbance by Beneficiary, the terms and provisions hereof shall be controlling.

12. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement, must be in writing and mailed to the party to whom the notice, demand or request is being made by certified or registered mail. For such purposes, the addresses of the parties shall be as follows:

IF TO BENEFICIARY:

The Development Bank of Singapore, New York Agency

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-----  
-----

IF TO LANDLORD:

Greenville Dallas Delaware, Inc.  
c/o GSIC Realty Corporation  
255 Shoreline Drive  
Suite 600  
Redwood City, California 94065

IF TO TENANT:

Fibermux Corporation  
9310 Topanga Canyon Blvd.  
Chatsworth, California 91311  
(prior to the Commencement Date under the Lease)

or

Fibermux Corporation  
21415 Plummer Street  
Chatsworth, California 91311  
(after the Commencement Date under the Lease)

With a copy to:

ADC Telecommunications, Inc.  
12501 Whitewater Drive  
Minnetonka, Minnesota 55343  
(Attn: Chief Financial Officer and Attn: General Counsel)

Any party may change the place that notices and demands are to be sent by written notice delivered in accordance with this Agreement.

13. This Agreement shall be governed by the laws of the State of California.

14. If any term of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term to any person or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Beneficiary:

THE DEVELOPMENT BANK OF  
SINGAPORE, NEW YORK AGENCY

By \_\_\_\_\_

Its \_\_\_\_\_

Tenant:

ADC TELECOMMUNICATIONS,  
INC., a Minnesota corporation

By /s/ LeRoy J. Morgan  
-----

Its Vice President  
-----

FIBERMUX CORPORATION, a  
California corporation

By /s/ Steve Y. Kim

-----  
Steve Y. Kim, President

And By /s/ Frederic T. Boyer

-----  
Frederic T. Boyer, Chief  
Financial Officer

Landlord:

GREENVILLE DALLAS DELAWARE,  
INC.

By /s/ S Bradford Child

-----  
Its \_\_\_\_\_

And By \_\_\_\_\_

Its \_\_\_\_\_

State of California )  
 ) SS.  
County of Los Angeles )

On 1-4-93 , before me, \_\_\_\_\_, personally

-----  
appeared Steve Y. Kim and Frederic T. Boyer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: /s/ Janice S. Parvin (Seal)  
-----

State of Minnesota )  
 ) SS.  
County of Hennepin )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the entity on behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 ) SS.  
County of SAN MATEO )  
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On JAN 13, 1993, before me, ANNE MOK, personally appeared S. BRADFORD CHILD, personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: Anne Mok (Seal)  
-----

[Attach Singapore acknowledgment for Beneficiary]

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT, dated as of JANUARY 4, 1993 among  
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GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION (REALTY) PTE. LTD., a Singapore corporation ("Beneficiary"), GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant").

WITNESSETH:

WHEREAS, Beneficiary is the beneficiary under that certain deed of trust dated as of October 3, 1986, recorded January 26, 1988 as Instrument No. 88-109752, Official Records, Office of the County Recorder of Los Angeles, State of California (said deed of trust, as it may be amended, increased, renewed, modified, consolidated, replaced, combined, substituted, severed, split, spread or extended, being hereinafter referred to as the "Deed of Trust"), between Beneficiary and the trustor described therein (predecessor in interest to the Landlord described above), which encumbers the land and the buildings located at 21415 and 21605 Plummer Street, Los Angeles, California, and more particularly described therein (the "Property").

WHEREAS, Tenant and Landlord have entered into a certain Lease dated December 18, 1992 (such Lease, as it may be hereafter amended from time to time with the Beneficiary's consent, being referred to as the "Lease"), covering certain premises (the "Demised Premises") in the Property.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant covenants and agrees that the Lease now is and shall at all times continue to be subject and subordinate in each and every respect to the Deed of Trust. Tenant, upon request, shall execute and deliver any certificate or other instrument which the Beneficiary may reasonably request to confirm said subordination.

2. Tenant certifies that the Lease is presently in full force and effect and unmodified and no base rent payable thereunder has been paid more than 1 (one) month in advance of its due date, and that no material default by Tenant exists under the Lease which has continued beyond the expiration of any applicable grace period.

3. As long as Tenant is in compliance with the terms of this Agreement and no default exists under the Lease which has continued beyond the expiration of any applicable grace period, Beneficiary shall not name Tenant as a party defendant to any action for foreclosure or other enforcement of the Deed of Trust (unless required by law), nor shall the Lease be terminated by Beneficiary in connection with, or by reason of, foreclosure or other proceedings for the enforcement of the Deed of Trust, or by reason of a transfer of the landlord's interest under the Lease pursuant to the taking of a deed or assignment in lieu of foreclosure (or similar device), nor shall Beneficiary interfere with

Tenant's use or possession of the Demised Premises unless the holder of the landlord's interest under the Lease (the "Landlord") would have had the right to do so if the Deed of Trust had not been made, provided that the Person (as defined in the Deed of Trust) acquiring, or succeeding to, the interests of the Landlord as a result of any such action or proceeding, and such Person's successors and assigns (any of the foregoing being hereinafter referred to as the "Successor"), shall not be:

- (a) subject to any credits, offsets, defenses or claims which Tenant may have against any prior Landlord, except as permitted by the Lease or by statute; or
- (b) bound by base rent which Tenant might have paid for more than the current month to any prior Landlord, unless such prepayment shall have been made with Beneficiary's prior written consent; or
- (c) liable for any act or omission of any prior Landlord; or
- (d) bound by any covenant to undertake or complete any improvement to the Demised Premises or the building forming a part of the Property except as expressly required of the Landlord pursuant to the Lease; or
- (e) required to account for any security deposit other than any security deposit actually delivered to the Successor; or
- (f) liable for any payment to Tenant of any sums, or the granting to Tenant of any credit, in the nature of a contribution towards the cost of preparing, furnishing or moving into the Demised Premises or any portion thereof except as expressly required of the Landlord pursuant to the Lease.

4. If the interest of the Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of the Deed of Trust or pursuant to a taking of a deed in lieu of foreclosure (or similar device), Tenant shall be bound to the Successor under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, with the same force and effect as if the Successor were the Landlord, and Tenant hereby does (a) agree to attorn to

the Successor, including Beneficiary if it be the Successor, as its Landlord, (b) affirm its obligations under the Lease, and (c) agree to make payments of all sums due under the Lease to the Successor, said attornment, affirmation and agreement to be effective and self-operative without the execution of any further instruments, upon the Successor succeeding to the interest of the Landlord under the Lease. Tenant waives the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give it any right or election to terminate or otherwise adversely affect the Lease or the obligations of Tenant thereunder by reason of any foreclosure or similar



proceeding.

5. Tenant shall not change the terms, covenants, conditions and agreements of the Lease in a manner which materially reduces the rent or other charges payable or space demised thereunder or has a material adverse effect upon the value of the landlord's interest thereunder without the express consent in writing of the Beneficiary.

6. Tenant shall notify Beneficiary of any default of the Landlord under the Lease which would entitle Tenant to cancel the Lease or abate the rent or any additional rent payable thereunder, and agrees that Beneficiary shall have the same rights to cure any such default as are afforded to the Landlord under the Lease.

7. Anything herein or in the Lease to the contrary notwithstanding, in the event that Beneficiary shall acquire title to the Property, Beneficiary shall have no obligation, nor incur any liability, beyond Beneficiary's then interest, if any, in the Property and Tenant shall look exclusively to such interest of Beneficiary, if any, in the Property for the payment and discharge of any obligations imposed upon Beneficiary hereunder or under the Lease and Beneficiary is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that with respect to any money judgment which may be obtained or secured by Tenant against Beneficiary, Tenant shall look solely to the estate or interest owned by Beneficiary in the Property and Tenant will not collect or attempt to collect any such judgment but of any other assets of Beneficiary.

8. Tenant acknowledges that it has notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Beneficiary as part of the security for the note secured by the Deed of Trust. In the event that Beneficiary notifies Tenant of a default under the Deed of Trust and demands that Tenant pay its rent and all other sums due under the Lease to Beneficiary, Tenant and Landlord agree that Tenant shall pay its rent and all other sums due under the Lease to Beneficiary.

9. This Agreement may not be modified except by an agreement in writing signed by the parties or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

10. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Deed of Trust except as specifically set forth herein.

11. The Tenant agrees that this Agreement satisfied any condition or requirement in the Lease relating to the granting of a non-disturbance agreement by Beneficiary. Tenant further agrees that in the event there is any inconsistency between the terms and provisions hereof and the terms and provisions of the Lease dealing with non-disturbance by Beneficiary, the terms

and provisions hereof shall be controlling.

12. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement, must be in writing and mailed to the party to whom the notice, demand or request is being made by certified or registered mail. For such purposes, the addresses of the parties shall be as follows:

IF TO BENEFICIARY:

Government of Singapore Investment Corporation (Realty) Pte. Ltd

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-----

IF TO LANDLORD:

Greenville Dallas Delaware, Inc.  
c/o GSIC Realty Corporation  
255 Shoreline Drive  
Suite 600  
Redwood City, California 94065

IF TO TENANT:

Fibermux Corporation  
9310 Topanga Canyon Blvd.  
Chatsworth, California 91311  
(prior to the Commencement Date under the Lease)

or

Fibermux Corporation  
21415 Plummer Street  
Chatsworth, California 91311  
(after the Commencement Date under the Lease)

With a copy to:

ADC Telecommunications, Inc.  
12501 Whitewater Drive  
Minnetonka, Minnesota 55343  
(Attn: Chief Financial Officer and Attn: General Counsel)

Any party may change the place that notices and demands are to be sent by written notice delivered in accordance with this Agreement.

13. This Agreement shall be governed by the laws of the State of California.

14. If any term of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term to any person or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Beneficiary:

GOVERNMENT OF SINGAPORE  
INVESTMENT CORPORATION  
(REALTY) PTE. LTD.

By \_\_\_\_\_

Its \_\_\_\_\_

Tenant:

ADC TELECOMMUNICATIONS,  
INC., a Minnesota corporation

By /s/ LeRoy J. Morgan  
-----

Its Vice President  
-----

FIBERMUX CORPORATION, a  
California corporation

By /s/ Steve Y. Kim  
-----  
Steve Y. Kim, President

And By /s/ Frederic T. Boyer  
-----  
Frederic T. Boyer, Chief  
Financial Officer

Landlord:

GREENVILLE DALLAS DELAWARE,  
INC.

By /s/ S. Bradford Child  
-----

Its \_\_\_\_\_

And By \_\_\_\_\_

Its \_\_\_\_\_

State of California )  
 )SS.  
County of Los Angeles )

On 1-4-93 , before me, \_\_\_\_\_, personally  
-----

appeared Steve Y. Kim and Frederic T. Boyer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: /s/ Janice S. Parvin (Seal)  
-----

State of Minnesota )  
 )SS.  
County of Hennepin )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally  
appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the entity on

behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 ) SS.  
County of SAN MATEO )  
-----

On JAN 13, 1993 , before me, ANNE MOK , personally  
-----  
appeared S. BRADFORD CHILD , personally known to me to be the persons  
-----

whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: Anne Mok (Seal)  
-----

LEASE AGREEMENT  
KRAUS-ANDERSON

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- EXHIBIT A Shopping Center Site Plan
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- EXHIBIT C Plans and Specifications
- EXHIBIT D Additional Provisions
- EXHIBIT E Sign Criteria

KRAUS-ANDERSON  
SHOPPING CENTER LEASE AGREEMENT

THIS LEASE, Made this 2nd day of August 19 93 , by and between  
-----  
Engelsma Limited Partnership, a Minnesota limited partnership at 523 South  
-----  
Eighth Street, Minneapolis, Minnesota 55404, sometimes hereinafter called  
"LANDLORD", and ADC Telecommunications, Inc., a Minnesota corporation, at 4900  
-----  
W. 78th St., Minneapolis, Minnesota 55435 , hereinafter called "TENANT".  
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ARTICLE 1

PREMISES AND  
TERM:

SECTION 1. LANDLORD hereby leases to TENANT, and TENANT hereby  
leases from LANDLORD, the store unit shown outlined in red on  
Exhibit A, attached hereto and made a part hereof. (The premises  
outlined in red are hereafter called the "leased premises" and  
contain approximately 4,000 square feet.) Said store unit is

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situated in the City of Waseca , County of Waseca ,  
-----  
and State of Minnesota , located in the Northridge Plaza  
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Shopping Center, which shopping center is located on land  
legally described in Exhibit B attached hereto and made a part  
of hereof. The shopping center name is subject to change by  
LANDLORD.

SECTION 2. To Have And To Hold the leased premises unto TENANT  
for a term of SEE EXHIBIT D years commencing on --- day of

-----  
--- , 19 -- , and ending on the -- day of  
-----  
-- , unless sooner terminated as hereinafter  
-----

provided.

SECTION 3. In the event the leased premises should not be ready  
for occupancy or LANDLORD for any reason is unable to deliver  
possession thereof by the commencement date of this lease,  
LANDLORD shall not be liable nor responsible for any claims,  
damages or liabilities in connection therewith or by reason  
thereof and this lease shall remain in full force and effect.  
TENANT shall not be liable for rent until LANDLORD delivers  
possession of the leased premises to TENANT, but the term shall  
not be extended by the delay.

ARTICLE 2

PREPARATION  
OF LEASED  
PREMISES:

SECTION 1. TENANT takes and accepts the leased premises in their "as is" condition. "As is" shall mean in tenantable condition so that the lights, front and rear doors, HVAC, plumbing, water heater, exhaust fans and roll gates (all as applicable) are in working or operating condition. Taking of possession of the leased premises by TENANT shall be conclusive evidence that the leased premises were, on that date, in good, clean and tenantable condition as represented by LANDLORD. TENANT acknowledges that no representations as to the repair of the leased premises or promises to alter, remodel or improve the leased premises have been made by LANDLORD.

ARTICLE 3

MINIMUM RENT:

SECTION 1. The fixed annual minimum rent shall be payable by TENANT in equal monthly installments, on or before the first day of each month in advance, at the office of LANDLORD or at such other place designated by LANDLORD without prior demand therefore. Said fixed annual minimum rent shall be Thirteen

-----  
Thousand Three Hundred Twenty and No/100 Dollars

-----  
(\$13,320.00) payable One Thousand One Hundred Ten and

-----  
No/100 Dollars (\$1,110.00) per month. Minimum

-----  
rent for any partial month at the beginning of the lease term shall be equitably prorated, and is payable on the commencement date of the lease term.

SECTION 2. On execution of this lease, TENANT shall pay \$ 2,220.00 to LANDLORD. \$ 1,110.00 of the sum shall be the

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minimum monthly rent due for the first full month of the term. If TENANT is not in default of any of the provisions of this Lease, \$ 1,110.00 of the sum shall be applied toward the

-----  
minimum monthly rent due for the last month of the term.

SECTION 3. TENANT waives and disclaims any present or future right to withhold any rent payment or other payment due under this lease, or to set off any obligation of LANDLORD against any such payment, however incurred, and agrees that it will not claim or assert any right to so withhold or setoff.

SECTION 4. All rental and other sums payable hereunder by TENANT



which are not paid when due shall bear interest from the date due to the date paid at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less. In addition to the above, TENANT shall pay LANDLORD a \$25.00 service charge for all monthly minimum rent payments not paid by the 10th day of the month for which they are payable. Said \$25.00 charge is a service charge to cover extra expense involved in collecting and handling delinquent payments.

#### ARTICLE 4

(text deleted)

2

#### ARTICLE 5

(text deleted)

#### ARTICLE 6

COMMON AREAS  
AND COMMON  
AREA  
EXPENDITURES:

SECTION 1. The term "common areas" shall mean all that portion of shopping center improvements excepting only that area which is constructed for lease to tenants or hereafter leased to tenants. LANDLORD has made no representation as to identity, type, size or number of other stores or tenancies in the shopping center, and LANDLORD reserves the unrestricted right to change the design or size of the building, the driveways, parking areas, and identity and type of other stores or tenancies and add buildings and other structures provided only that the size of the leased premises, reasonable access to the leased premises and minimum parking facilities as required by governmental authorities having jurisdiction, shall not be substantially or materially impaired, subject to the provisions of Article 15 hereof.

SECTION 2. LANDLORD grants to TENANT, its employees, customers and invitees, the nonexclusive right during the term of this lease to use the common areas from time to time constructed, such use to be common with LANDLORD and all tenants of LANDLORD, its and their employees, customers, and invitees. TENANT shall not at any time interfere with the rights of LANDLORD and other tenants, its and their employees, customers and invitees, to use any part of the common areas. It is understood and agreed that LANDLORD may contract for mutual easement rights with adjoining landowners who shall thereafter along with their employees, customers, and invitees use the common areas in common with LANDLORD, TENANT and all tenants of LANDLORD, and their employees, customers, and invitees to the extent of the

adjoining landowners' contract rights.

SECTION 3. LANDLORD agrees to manage, operate and maintain all common areas and common facilities within the common areas of the shopping center. The manner in which such areas and facilities shall be maintained and the expenditures therefor shall be at the sole discretion of LANDLORD, who shall have the right to adopt and promulgate reasonable nondiscriminatory rules and regulations, from time to time, including the right to designate parking areas for the use of employees of tenants of the shopping center and to restrict such employees from parking areas designated exclusively for customers. Upon reasonable request by LANDLORD, TENANT shall furnish a complete list of the name of the TENANT's employees at the leased premises who have automobiles and of the

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license numbers of their automobiles and the license numbers of all motor vehicles operated by TENANT. LANDLORD shall have the right to use portions of the common areas for the purpose of displays, promotions, programs, games, or other uses which may be of interest to all or part of the general public. LANDLORD shall have the right to close portions of the common areas from time to time for repairs, to prevent accruing of public rights therein and for any other legitimate purpose.

SECTION 4. TENANT agrees to pay as additional rent TENANT's proportionate share of all expenditures incurred by LANDLORD in managing, maintaining, repairing, replacing, operating, insuring, securing, lighting and cleaning the common areas including, but not limited to, the cost of snow removal, line and exterior painting, insurance of employees, traffic regulation, security patrols and security guards for the entire shopping center, replacement of paving, curbs, sidewalks, landscaping, drainage, roof and lighting facilities, and including the cost of heating and air conditioning the shopping center enclosed mall and walkway areas, if any, (plus fifteen percent (15%) of the total of the foregoing for overhead) in monthly payments with the monthly rent payments. TENANT's proportionate share of such costs shall be based on the proportion the total square foot area on the ground floor in the leased premises bears to the total square foot rentable area on the ground floor in the shopping center. The monthly payments may be based on LANDLORD's reasonable estimate of the costs subject hereto made at the beginning of each lease year. At the end of each lease year, LANDLORD shall furnish a statement of all costs subject hereto and TENANT's share thereof certified to by LANDLORD. If, at the end of any lease year, the amount paid

by TENANT is greater than its share as shown on said statement, the excess shall be credited against the next rent payments due hereunder. If at the end of any lease year, the amount paid by TENANT is less than its share as shown on said statement, the deficiency shall be payable with the next monthly minimum rent payment due hereunder.

ARTICLE 7

USE: SECTION 1. The leased premises may be used for only office use -----  
for the development and engineering of devices in the -----  
-----  
telecommunications industry (subject always to the -----  
-----  
provisions of Section 2 of this Article 7) and for no other purpose without the written consent of LANDLORD. TENANT agrees to occupy the leased premises upon the commencement date of the term hereof and to operate the entire leased premises during the term of this lease unless prevented from doing so by strikes, damage to the premises or other similar cause beyond the TENANT's control, and to conduct its business at all times in good faith, in a high grade and reputable manner. TENANT shall conduct its business in the leased premises during the regular customary days and hours for such type of business in the city or trade area in which the shopping center is located. TENANT shall promptly comply with all laws, ordinances and regulations affecting the leased premises or TENANT's business therein, plus insurance company requirements affecting the cleanliness, safety, use and occupation of the leased premises.

SECTION 2. TENANT shall not, without LANDLORD's prior written consent, conduct any auction, fire, closing-out or bankruptcy sales in or about the leased premises nor obstruct the common areas or use the same for business or display purposes, nor abuse the building, other improvements, fixtures or personal property constituting the shopping center (including, without limitation, walls, ceilings, partitions, floors and wood, stone and iron work), nor use plumbing for any purpose other than that for which constructed, nor make or permit any noise or odor objectionable to the public, to other occupants of the building or the LANDLORD to emit from the leased premises; nor create, maintain or permit a nuisance thereon; nor do any act tending to injure the reputation of the shopping center; nor without LANDLORD's prior written consent, place or permit any radio or television antenna, loud speaker or sound amplifier, or any phonograph or other devices similar to any of the foregoing outside of the leased premises or at any place where the same may be seen or heard outside of the leased premises; nor, where loading and delivery facilities are provided, use or permit to be used entrances for delivery or pick-up of merchandise or

supplies to or from the leased premises, or permit trucks or other delivery vehicles while being used for any such purpose to be parked at any place within the shopping center except such facilities as are specifically provided for such purpose. TENANT shall not permit any blinking or flashing light to emit from the leased premises. TENANT shall keep the leased premises and loading platform areas allowed for the use of TENANT, clean and free from rubbish and dirt at all times, and shall store all trash and garbage within the leased premises and will make the same available for regular pick-up which TENANT will arrange at the TENANT's expense. TENANT shall not burn any trash or garbage at any time in or about the shopping center.

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SECTION 3. (text deleted)

SECTION 4. LANDLORD reserves the right, without liability to TENANT, to refuse admission to the shopping center and the leased premises outside ordinary business hours to any person who is not known to any watchman in charge, or who is not properly identified, to eject any person from the shopping center whose conduct may be harmful to the safety and interest of shopping center tenants or to close any part of the shopping center during any riot or other commotion where person or property may be imperiled.

SECTION 5. TENANT shall use the shopping center name as its advertised address when referring to its business in the leased premises in newspaper and other advertising. The right to use such name for such purpose for the term of this lease is hereby licensed by LANDLORD to TENANT. LANDLORD retains all property rights in such name and TENANT shall not acquire or have any rights in or to such name other than as are expressly granted by LANDLORD in this Section 5 or otherwise in writing.

#### ARTICLE 8

#### UTILITIES:

SECTION 1. TENANT shall pay for all heating, air conditioning, electricity, gas, water and sewer charges used in the leased premises throughout the term of this lease.

SECTION 2. If TENANT receives utilities through a meter which utilities are also supplied to other tenants of the shopping center, then TENANT shall pay to LANDLORD as additional rent a sum equivalent to its proportionate share of the total utility meter charge as TENANT'S portion thereof. TENANT shall pay LANDLORD, as additional rent, along with TENANT'S payment of monthly rent a sum equivalent to TENANT'S consumption of said

services as computed by LANDLORD.

SECTION 3. TENANT agrees to keep the air conditioning and heating systems operating during business hours at levels sufficient to satisfy the requirements of the leased premises and that it will not at any time obtain or seek to obtain any such conditioned or heated air by methods or means which would draw such conditioned or heated air from the air conditioned and heated shopping center enclosed mall and walkway areas, if any.

SECTION 4. LANDLORD shall not be liable in damages or otherwise if the furnishings by LANDLORD or by any other supplier of any utility or other service to the leased premises shall be interrupted or impaired by fire, repairs, accident, or by any causes beyond LANDLORD's reasonable control.

SECTION 5. In compliance with the Federal Energy Policy and Conservation Act of 1975, LANDLORD has provided within the leased premises a heating and air conditioning system capable of maintaining a summer indoor condition of 78 DEG. F, and a winter indoor condition of 65 DEG. F, such temperatures to be taken approximately two (2) feet away from any wall.

#### ARTICLE 9

#### TAXES:

SECTION 1. LANDLORD shall pay all real property taxes and installments of special assessments payable therewith on the shopping center land and improvements payable during the lease term and rental taxes on rentals levied during the term hereof upon the rentals from the leased premises. TENANT shall reimburse LANDLORD for TENANT's share of such payments of real property taxes and installments of special assessments. TENANT's share of such costs shall be based on the ratio that the total square foot floor area on the ground floor in the leased premises bears to the total square foot rentable floor area on the ground floor in the shopping center except buildings separately taxed or assessed for which such taxes and assessments are directly allocated to their tenants. TENANT shall also reimburse LANDLORD for rental taxes, and gross receipts taxes, if any, paid by LANDLORD on rentals from the leased premises. One-twelfth of a full year's taxes, installments of which are next payable, shall be payable on the first day of each month and added to the monthly rental. This amount may be based on LANDLORD's reasonable estimate until the actual tax amounts are available and when available an adjustment shall be made and any difference shall be payable based on TENANT's actual share as determined. TENANT's share of such taxes payable in the first and last calendar year of the lease term shall be equitably prorated based on the portion of the year included in the lease term. TENANT shall pay all personal property and similar taxes on its property in the

leased premises.

ARTICLE 10

REPAIRS:

SECTION 1. LANDLORD shall keep the foundations, exterior walls (except plate glass or glass or other special breakable materials used in structural portions) and roof in good repair, and (whether or not necessary or required by proper governmental authority) make modifications or replacements thereof, except that LANDLORD shall not be required to make any such repairs, modifications or replacements which become necessary or desirable by reason of the negligence of TENANT, its agents, servants or employees.

SECTION 2. (text deleted)

SECTION 3. Except as provided in Section 1 and 2 of this Article, the LANDLORD shall have the right at TENANT's cost and expense but shall not be obliged to make repairs, replacements or improvements of any kind upon the leased premises, or any equipment, facilities or fixtures therein contained, including heating and air conditioning equipment or other equipment serving only the leased premises even if located outside the leased premises, which at all times TENANT shall repair, replace and keep in good order and in a clean, sanitary and safe condition, ordinary wear and tear excepted, in accordance with all applicable laws, ordinances and regulations of any governmental authority having jurisdiction. If LANDLORD exercises its rights pursuant to this Section 3, TENANT shall reimburse LANDLORD for costs and expenses incurred hereunder upon demand. TENANT shall permit no waste, damage or injury to the leased premises.

SECTION 4. TENANT shall forthwith at its own cost and expense replace with glass of the same quality any cracked or broken glass, including plate glass or glass or other special breakable materials used in structural portions, and any interior and exterior windows and doors in the leased premises. If specifically required by LANDLORD, TENANT shall maintain a policy or policies in acceptable companies insuring LANDLORD and TENANT, as their interests may appear, against breakage of all such glass in the leased premises.

ARTICLE 11

INSTALLATIONS,  
ALTERATIONS  
AND SIGNS:

SECTION 1. TENANT, at its own expense, shall purchase, install and maintain in good condition its trade fixtures and floor covering, and all interior wall coverings and decorating.

SECTION 2. TENANT shall not make any repairs, alterations or additions to the leased premises or make any contract therefor without first procuring LANDLORD's written consent and delivering to LANDLORD the plans and specifications and copies of the proposed contracts and necessary permits, and shall furnish indemnification against liens, costs, damages and expenses as LANDLORD may require. All alterations, additions, improvements and fixtures, other than trade fixtures, which may be made or installed by either of the parties hereto upon the leased premises and which in any manner are attached to the floors, walls or ceiling shall, at the termination of the lease, become the property of LANDLORD, and shall remain upon and be surrendered with the leased premises as a part thereof, without damage or injury; any floor covering affixed to the floor or track lighting affixed to the ceiling shall likewise become the property of LANDLORD, all without compensation or credit to TENANT. All fixtures installed by TENANT shall be new or completely reconditioned. SEE EXHIBIT D.

SECTION 3. TENANT shall promptly pay all contractors and materialmen, so as to avoid the possibility of a lien attaching to the leased premises, and should any lien be made or filed, TENANT shall bond against or discharge the same within ten (10) days after written request by LANDLORD. Nothing in this lease contained shall be construed as a consent on the part of the LANDLORD so as to subject the LANDLORD's estate in the leased premises to any lien or liability under the lien laws of the State in which the leased premises are located.

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SECTION 4. Except to the extent permitted by LANDLORD's Sign Criteria on Exhibit E hereto, TENANT shall not erect or install any exterior window or door signs, advertising media or window lettering or placards or other signs or install any interior window or door signs, advertising media or window or door lettering or placards or other signs without LANDLORD's prior written consent. TENANT shall not install any exterior light or plumbing fixtures, shades or awnings, or make any exterior decoration or painting, or build any fence, or make any changes to the store front without LANDLORD's prior written consent. Use of roof is reserved to LANDLORD.

ARTICLE 12



INDEMNITY:

SECTION 1. TENANT agrees to indemnify and save LANDLORD harmless against any and all claims, demands, damages, costs and expenses, including reasonable attorneys' fees, arising from the conduct or management of the business conducted by TENANT or from any breach or default on the part of TENANT in the performance of any covenant or agreement on the part of TENANT to be performed pursuant to the terms of this lease, or from any act or negligence of TENANT, its agents, contractors, servants, employees, sublessees, concessionaires or licensees, in or about the leased premises or the common areas, the sidewalks adjoining the same, and the loading platform area allocated to the use of TENANT. LANDLORD shall not be liable and TENANT waives all claims for damages to person or property sustained by TENANT or TENANT's employees, agents, servants, contractors, sublessees, concessionaires, invitees, and customers resulting from the building in which the leased premises are located or by reason of the leased premises or any equipment or appurtenances thereunto appertaining becoming out of repair, or resulting from any accident in or about the leased premises, the building in which the same are situated or resulting directly or indirectly from any act or neglect of any other tenant in the shopping center. This shall apply especially, but not exclusively, to the flooding of the leased premises, and to damage caused by steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures. All property belonging to TENANT or any occupant of the leased premises or the shopping center shall be there at the risk of TENANT or such person only, and LANDLORD shall not be liable for damage thereto or theft or misappropriation thereof.

ARTICLE 13

INSURANCE:

SECTION 1. TENANT shall not carry any stock of goods or do anything in or about the leased premises which shall in any way tend to increase insurance rates on the leased premises or the building in which the same are located without the consent of LANDLORD. If LANDLORD shall consent to such use, TENANT agrees to pay as additional rental any increase in premiums for insurance resulting from the business carried on in the leased premises by TENANT. If TENANT installs any electrical equipment that overloads the power lines to the building, TENANT shall, at its own expense, make whatever changes are necessary to avoid such overload and to comply with the requirements of insurance underwriters and insurance rating bureaus and governmental authorities having jurisdiction.

SECTION 2. TENANT agrees to procure and maintain a policy or policies of liability insurance, at its own cost and expense, insuring LANDLORD and TENANT from all claims, demands, or actions for injury or death sustained by one or more persons as



a result of any one occurrence in the amount of One Million Dollars (\$1,000,000), and for damage to property in an amount of not less than One Hundred Thousand Dollars (\$100,000) made by or on behalf of any person or persons, firm or corporation arising from, related to or connected with, the conduct and operation of TENANT's business in the leased premises. Said insurance shall not be subject to cancellation except after at least ten (10) days' prior written notice to LANDLORD, and the policy or policies, or duly executed certificate or certificates for the same, shall be deposited with LANDLORD at the commencement of the term and upon any renewal of said insurance not less than thirty (30) days prior to the expiration of the term of such coverage.

SECTION 3. LANDLORD may procure fire and extended coverage (including coverage for rental loss in connection with damage and destruction covered by the said fire and extended coverage insurance) and other reasonably necessary insurance on the shopping center. Such insurance shall be for the benefit of LANDLORD and TENANT shall have no interest therein. TENANT shall reimburse LANDLORD, monthly with its rental payments, for its share of the actual net cost and expense to LANDLORD of such insurance. TENANT's share of such costs shall be that fractional part of the total of such costs as the total area of the leased premises bears to the total rentable area of all buildings and structures constituting part of this shopping center. One-twelfth of the amount due shall be payable on the first day of each month and added to the monthly rental. This amount may be based on an estimate until the actual premiums are available and when available an adjustment shall be made and any difference shall be payable based on TENANT's actual share as determined.

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SECTION 4. TENANT shall maintain at its own cost and expense, fire and extended coverage, vandalism, malicious mischief and special extended coverage insurance in an amount adequate to cover the cost of replacement of all alterations, changes, wall coverings, floors, furnishings, decorations, additions, fixtures and improvements in the leased premises in the event of a loss, in companies and in form acceptable to LANDLORD. The insurance which the TENANT agrees to carry in this Section shall insure the full insurable value of the improvements and betterments installed by the TENANT in the leased premises, whether the same have been paid for entirely or partially by TENANT. TENANT will further deposit the certificate thereof with LANDLORD.

SECTION 5. If TENANT fails to comply with the requirements of

this Article 13, LANDLORD may obtain such insurance and keep the same in effect and TENANT shall pay LANDLORD the premium costs thereof on demand.

#### ARTICLE 14

FIRE OR  
OTHER  
CASUALTY:

SECTION 1. In case the shopping center shall be partially or totally destroyed by any fire or other casualty so as to become partially or totally untenable, the same shall be repaired at the expense of LANDLORD, (unless LANDLORD shall elect not to rebuild, as hereinafter provided), and the rent shall abate until the leased premises are repaired and the extent to which the leased premises are untenable. SEE EXHIBIT D.

SECTION 2. In case the shopping center buildings, including common areas, shall be destroyed or so damaged by fire or other casualty as to render more than fifty percent (50%) thereof untenable, or if the unexpired term of this lease is two (2) years or less on the date of any substantial destruction or damage, then LANDLORD may, if it so elects by notice in writing within thirty (30) days after such destruction or damage, terminate this lease. The above shall apply whether or not any part of the leased premises is damaged or destroyed. LANDLORD's obligation to repair or rebuild pursuant to this Article shall be limited to a basic building and the replacement of any interior work which may have originally been installed at LANDLORD's cost. In no event in the case of any such destruction shall LANDLORD be required to repair or replace TENANT's stock in trade, leasehold improvements, fixtures, furniture, furnishings or floor coverings and equipment. TENANT covenants to make such repairs and replacements and to furnish LANDLORD, on demand, evidence of insurance assuring its ability to do so.

#### ARTICLE 15

EMINENT  
DOMAIN:

SECTION 1. If the whole of the leased premises shall be taken under the power of eminent domain, then the term of this lease shall cease as of the day possession shall be taken and the rent shall be paid up to that date.

SECTION 2. In the event more than ten percent (10%) of the land area in the shopping center is so taken, the LANDLORD shall have the right to terminate this lease at the time and with the rent adjustment as provided in Section 1 by giving TENANT written notice of termination within sixty (60) days after the taking of possession by such public authority.

SECTION 3. If any of the floor area of the leased premises or forty percent (40%) or more of the parking area shall be so taken, then LANDLORD or TENANT shall have the right either to terminate this lease, or, subject, in the case of TENANT, to

LANDLORD's rights of termination as set forth in this Article, to continue in possession of the remainder of the leased premises upon notice in writing to the other party hereto within thirty (30) days after such taking of possession. In the event this lease is not terminated, all of the terms herein provided shall continue in effect except that the rent shall be equitably abated as to any portion of the leased premises so taken and LANDLORD shall make all necessary repairs or alterations to the extent provided in Article 14, Section 2 of this lease.

SECTION 4. All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the leased premises, shall be the property of LANDLORD, whether such damages shall be awarded as compensation for diminution in value of the leasehold or to the fee of the leased premises; provided, however, that LANDLORD shall not be entitled to any separate award made to TENANT for loss of business, depreciation of or cost of removal of stock and fixtures.

ARTICLE 16

ASSIGNMENT

AND SUBLETTING:

SECTION 1. TENANT shall not assign or in any manner transfer this lease or any interest therein, nor sublet said leased premises or any part or parts thereof, nor permit occupancy by anyone without the prior written consent of LANDLORD. Consent by LANDLORD to one or more assignments of this lease or to one or more sublettings of the leased premises shall not operate as a waiver of LANDLORD's rights under this Article. No assignment shall release TENANT of any of its obligations under this lease or be construed or taken as a waiver of any of LANDLORD's rights hereunder. For the purposes hereof, if TENANT is a corporation or partnership or other entity, any change in the ownership of TENANT shall be deemed to be an assignment which shall require LANDLORD's consent as above set forth. The acceptance of rent from someone other than TENANT shall not be deemed to be a waiver of any of the provisions of this lease or consent to any assignment or subletting of the leased premises. SEE EXHIBIT D.

SECTION 2. TENANT agrees not to change the advertised name of the place of business operated in the leased premises, which name shall be ADC Kentrox without prior consent of LANDLORD.

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SECTION 3. Neither this lease nor any interest therein, shall pass to any trustees or receiver in bankruptcy, or any assignee for the benefit of creditors, or by operation of law.

## ARTICLE 17

ACCESS TO  
PREMISES:

SECTION 1. LANDLORD shall have the right to enter upon the leased premises during all business hours for the purpose of inspecting the same or of making repairs, additions or alterations thereto or to the building in which the same are located, or for the purpose of exhibiting the same to prospective tenants, purchasers or others. LANDLORD's exercise of such right shall not be deemed an eviction or disturbance of TENANT's use or possession.

## ARTICLE 18

REMEDIES:

SECTION 1. LANDLORD may terminate TENANT's estate herein demised and TENANT's right to possession hereunder upon the failure of TENANT to pay an installment of rent when due or to perform any other of its covenants under this lease and the continuance of such default for thirty (30) days (ten (10) days in the case of the payment of rent or other monetary obligations of TENANT hereunder) after written notice to TENANT.

SECTION 2. If, at any time during the term of this lease (a) the TENANT shall file in any court a petition in bankruptcy or insolvency or for reorganization, or for arrangement or for the appointment of a receiver or trustee of all or a portion of the TENANT's property, or (b) an involuntary petition of any kind referred to in Subdivision (a) of this Section shall be filed against the TENANT, and such petition shall not be vacated or withdrawn within thirty (30) days after the date of filing thereof, or (c) if the TENANT shall make an assignment for the benefit of creditors, or (d) if the TENANT shall be adjudicated a bankrupt, or (e) a receiver shall be appointed for the property of the TENANT by order of a court of competent jurisdiction (except where such receiver shall be appointed in an involuntary proceeding, if he shall not be withdrawn within thirty (30) days from the date of appointment), TENANT's estate and right to possession hereunder shall terminate ipso facto upon the happening of any one of such events, and the TENANT shall then quit and surrender the leased premises to the LANDLORD, but the TENANT shall remain liable as hereinafter provided.

SECTION 3. Upon the termination of the estate as aforesaid, the LANDLORD may re-enter the leased premises by any lawful means, and remove all persons and chattels therefrom and LANDLORD shall not be liable for damages or otherwise by reason of lawful re-entry or termination. Notwithstanding such termination, the liability of TENANT for the rent provided for hereinabove shall not be extinguished for the balance of the term remaining after said termination.

Should termination of TENANT's estate as herein provided, or should LANDLORD take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may from time to time without terminating this lease, make such alterations and repairs as may be necessary in order to relet the premises, and relet said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this lease) and at such rental or rentals and upon such other terms and conditions as LANDLORD in its sole discretion may deem advisable; upon each such reletting all rentals received by the

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LANDLORD from such reletting shall be applied, first, to the payment of any indebtedness other than rent due hereunder from TENANT to LANDLORD; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees and of costs of such alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by LANDLORD and applied in payment of future rent as the same may become due and payable hereunder.

If such rentals received from such reletting during any month be less than that to be paid during that month by TENANT hereunder, TENANT shall pay any such deficiency to LANDLORD. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by LANDLORD shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given to TENANT or unless the termination thereof be decreed by a court of competent jurisdiction.

Notwithstanding any such reletting without termination, LANDLORD may at any time thereafter elect to terminate this lease for such previous breach. Should LANDLORD at any time terminate this lease for any breach, in addition to any other remedies it may have, it may recover from TENANT all damages it may incur by reason of such breach, including the cost of recovering the leased premises, reasonable attorneys' fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the leased premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from TENANT to LANDLORD.

SECTION 4. In the event of any breach hereunder by TENANT,

LANDLORD may immediately or at any time thereafter, without notice, cure such breach for the account and at the expense of TENANT. If LANDLORD at any time by reason of such breach, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorneys' fees, the sum or sums so paid by LANDLORD, with interest thereon at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less, from the date of payment thereof, shall be deemed to be due from TENANT to LANDLORD on the first day of the month following the payment of such respective sums or expenses.

SECTION 5. LANDLORD is hereby given a lien upon all property of TENANT which shall come in or be placed upon the leased premises and whether acquired by TENANT before or after the date hereof to secure the payment of rent and the performance of each and every covenant herein contained to be performed by TENANT. Upon default by TENANT, and failure to cure as provided in Section 1 of this Article, LANDLORD, with notice or demand, may take possession of and sell such property with legal process at public or private sale after one publication of a notice thereof in a daily newspaper published in the county where the leased premises are situated, not less than ten (10) days before such sale or by giving minimum notices required by law. The proceeds of any such sale shall be applied first to the payment of expenses thereof, second to the discharge of the rent or other liability hereunder unpaid, and the balance, if any, shall be held for the account of the TENANT. TENANT agrees to execute and record any financing statements and other documents necessary to perfect of record the lien herein granted.

SECTION 6. Should LANDLORD be in default under the terms of this lease, LANDLORD shall have reasonable and adequate time in which to cure the same after written notice to LANDLORD by TENANT.

SECTION 7. TENANT hereby expressly waives, to the full extent waivable, any and all rights or redemption granted by or under any present or future laws in the event of TENANT being evicted or dispossessed for any cause, or in the event of LANDLORD obtaining possession of the leased premises, by reason of the violation by TENANT of any of the covenants or conditions of this lease, or otherwise.

#### ARTICLE 19

#### SURRENDER OF POSSESSION:

SECTION 1. At the expiration of the lease term, whether by lapse of time or otherwise, TENANT shall surrender the leased premises broom clean and in good condition and repair, reasonable wear and tear and loss by fire or unavoidable, insurable casualty excepted. If the leased premises are not surrendered at the end

of the term or the sooner termination thereof, TENANT shall indemnify LANDLORD against loss or liability resulting from delay by TENANT in so surrendering the premises. TENANT shall promptly surrender all keys for the leased premises to

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LANDLORD at the place then fixed for payment of rent.

SECTION 2. In the event TENANT remains in possession of the leased premises after the expiration of the tenancy created hereunder with the consent of LANDLORD and without execution of a new lease, it shall be deemed to be occupying the leased premises as a tenant from month to month, at twice the minimum rent, subject to all the other conditions, provisions and obligations of this lease insofar as the same are applicable to a month-to-month tenancy.

SECTION 3. Upon the expiration of the tenancy hereby created, if LANDLORD so requires in writing, TENANT shall promptly remove any alterations, additions, improvements and fixtures other than trade fixtures placed in the leased premises by TENANT and designated in said request, and repair any damage occasioned by such removals at TENANT's expense, and in default hereof. LANDLORD may effect such removals and repairs, and TENANT shall pay LANDLORD the cost thereof, with interest at the rate of eighteen percent (18%) per annum, or the highest rate permitted by law whichever is less, from the date of payment by LANDLORD.

#### ARTICLE 20

SUBORDINATION: SECTION 1. TENANT agrees that this lease shall be subordinate to any mortgages or trust deeds that may hereafter be placed upon said leased premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof provided that the mortgagee or trustee thereunder shall agree to recognize TENANT's rights hereunder as long as TENANT is not in default hereunder. TENANT further agrees that upon notification by LANDLORD to TENANT, this lease shall be or become prior to any mortgages or trust deeds that may heretofore or hereunder be placed on the said leased premises. TENANT shall execute and deliver whatever instruments may be required for the above purposes, and failing to do so within ten (10) days after demand in writing, does hereby make, constitute and irrevocably appoint LANDLORD as its attorney-in-fact and in its name, place and stead so to do. TENANT shall in the event of the sale or assignment of LANDLORD's interest in the building of which the leased premises form a part, or in the event of any proceedings brought for the



foreclosure of, or in the event of exercise of the power of sale under any mortgage made by LANDLORD covering the leased premises, attorn to the purchase and recognize such purchaser as LANDLORD under this lease.

SECTION 2. TENANT shall, upon demand, in the event any proceedings are brought for the foreclosure of, or in the event of an exercise of power of sale under any mortgage, trust deed, or other financing investment, made by the LANDLORD covering the leased premises, attorn in writing to the purchaser upon any such foreclosure of sale and recognize such purchase as the LANDLORD under the lease.

#### ARTICLE 21

##### NOTICES:

SECTION 1. Whenever under this lease provision is made for notice of any kind, such notice shall be in writing and shall be deemed sufficient to TENANT if actually delivered to TENANT or sent by registered or certified mail, return receipt requested, postage prepaid, to the last Post Office address of TENANT furnished to LANDLORD for such purpose, or to the leased premises; and to LANDLORD if actually delivered to LANDLORD or if sent by registered or certified mail, return receipt requested, postage prepaid, to the LANDLORD at the address furnished for such purpose, or to the place then fixed for the payment of rent. If the holder of record of any mortgage or ground lessor's interest covering the leased premises shall have given prior written notice to TENANT that it is the holder of said mortgage or lessor's interest and such notice includes the address at which notices to such mortgagee or ground lessor are to be sent, then TENANT agrees to give to such party or parties notice simultaneously with any notice given to LANDLORD to correct any default of LANDLORD as hereinabove provided and agrees that such party or parties shall have the right within thirty (30) days after receipt of said notice, to correct or remedy such default before TENANT may take any action under this lease by reason of such default.

#### ARTICLE 22

##### CONSENTS:

SECTION 1. The parties agree that whenever under this lease provision is made for securing the written consent, permission or approval of either that such written consent, permission or approval shall not be unreasonably withheld or delayed.

#### ARTICLE 23

(text deleted)



## ARTICLE 24

OFFSET STATEMENT: SECTION 1. Within ten (10) days after request therefor by LANDLORD, TENANT shall provide an offset statement in recordable form to any proposed mortgagee or purchaser, or to LANDLORD, certifying (if such be the case) that this lease is in full force and effect and there are no defenses or offsets thereto, or stating those claimed by TENANT and certifying to such other matters as such party shall reasonably require. In the event TENANT should refuse to execute and deliver said statement and/or certificate, LANDLORD shall have the right to, as attorney-in-fact for TENANT, make such a statement, TENANT hereby constituting and irrevocably appointing LANDLORD its attorney-in-fact for such purpose. LANDLORD's mortgage lenders and purchasers shall be entitled to rely upon any statement so executed pursuant to this Article 24.

## ARTICLE 25

TITLE: SECTION 1. LANDLORD covenants that it has full right and authority to enter into this lease for the full term hereof. LANDLORD further covenants that TENANT, upon performing the covenants and agreements of this lease to be performed by said TENANT, will have, hold and enjoy quiet possession of the leased premises.

## ARTICLE 26

GENERAL: SECTION 1. RELATIONSHIP OF PARTIES. Nothing contained herein shall be deemed or construed by anyone as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

SECTION 2. CUMULATIVE REMEDIES AND NON-WAIVER. The various rights and remedies contained in this lease shall not be considered as exclusive of any other right or remedy, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to approval of any subsequent similar act.

SECTION 3. HEADINGS. The headings of the several articles

contained herein are for convenience only and do not define, limit or construe the contents of such articles.

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SECTION 4. BINDING EFFECT OF LEASE. The covenants, agreements and obligations herein contained, except as herein otherwise specifically provided, shall extend to, bind and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns. LANDLORD, at any time and from time to time may make an assignment of its interest in this lease, and, in the event of such assignment and the assumption by the assignee of the covenants and agreements to be performed by LANDLORD herein, LANDLORD and its successors and assigns (other than the assignee of this lease) shall be released from any and all liabilities hereunder.

SECTION 5. FORCE MAJEURE. SEE EXHIBIT D.

SECTION 6. RECORDING OF LEASE. TENANT shall not record this lease without the written consent of LANDLORD. SEE EXHIBIT D.

SECTION 7. ACCEPTANCE OF PAYMENT. No payment by TENANT or receipt by LANDLORD of a lesser amount than the amount then due under this lease shall be deemed to be other than on account of the earliest portion thereof due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and LANDLORD may accept such check or payment without prejudice to LANDLORD's right to recover the balance due or pursue any other remedy in this lease provided.

SECTION 8. NO BROKERAGE. Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with the execution of this lease, except as listed below, and each of the parties agrees to indemnify the other against, hold it harmless from, all liabilities arising from any such claim for which such party is responsible (including, without limitation, the cost of counsel fees in connection therewith) except as follows.

SECTION 9. UNENFORCEABILITY. Unenforceability of any provision contained in this lease shall not affect or impair the validity of any other provision of this lease.

SECTION 10. GOVERNING LAW. The laws of the state in which the shopping center is located shall govern the validity, performance and enforcement of this lease.

SECTION 11. ADDITIONAL PROVISIONS. Additional provisions, if any, are set forth on the attached Exhibit D, which is by reference made a part hereof.

SECTION 12. EXHIBITS ATTACHED. The following exhibits are part of this lease agreement: Exhibit A, Shopping Center Site Plan; Exhibit B, Shopping Center Legal Description; Exhibit C, Plans and Specifications; Exhibit D, Additional Provisions; and Exhibit E, Sign Criteria, if any. All said Exhibits are hereby incorporated herein by reference and are construed as a part of this lease.

SECTION 13. JOINT AND SEVERAL LIABILITY. In the event that two or more individuals, corporations, partnerships or other entities (or any combination of two or more thereof) shall sign this lease agreement as TENANT, the liability of each such individual, corporation, partnership or other entity to perform all obligations hereunder shall be deemed to be joint and several. In like manner, in the event that the TENANT named in this lease agreement shall be a partnership or other business association, the members of which are, by virtue of statute, or general law, subject to personal liability, then and in that event, the liability of each such member shall be deemed to be joint and several.

SECTION 14. RIGHT TO REPAIR. LANDLORD shall have the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the leased premises and serving other parts of the building in locations which will not materially interfere with the TENANT's use thereof.

SECTION 15. TENANT'S CONFLICTS. TENANT hereby covenants, warrants and represents that by executing this lease and by the operation of the leased premises under this lease, it is not violating, has not violated and will not be violating any restrictive covenant or agreement contained in any other lease or contract affecting the TENANT or any affiliate, associate or any other person or entity with whom or with which TENANT is related or

connected financially or otherwise. TENANT hereby covenants and agrees to indemnify and save harmless LANDLORD any future owner of the fee or any part thereof, and any mortgagee thereof against and from all liabilities, obligations, damages, penalties, claims, costs and expenses, including attorneys' fees, paid, suffered or incurred by them or any of them as a result of any breach of the foregoing covenant. TENANT's

liability under this covenant extends to the acts and omissions of any sub-tenant, and any agent, servant, employee or licensee of any sub-tenant of TENANT.

SECTION 16. WAIVER OF SUBROGATION. Anything in this lease to the contrary notwithstanding, LANDLORD and TENANT each hereby waives any and all rights of recovery, claim, action or cause-of-action, against the other, its agents (including partners, both general and limited), officers, directors, shareholders or employees, for any loss or damage that may occur to the leased premises, or any improvements thereto, or said shopping center of which the leased premises are a part, or any improvements thereto, or any property of such party therein, by reason of fire, the elements, or any other cause which could be insured against under the terms of standard fire and extended coverage insurance policies, regardless of cause or origin, including negligence of the other party hereto, its agents, officers or employees, and covenants that no insurer shall hold any right of subrogation against such other party.

SECTION 17. EXECUTION OF LEASE BY LANDLORD AND LANDLORD'S EXCULPATION. The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the leased premises and this document becomes effective and binding only upon the execution and delivery hereof by LANDLORD and TENANT. All negotiations, considerations, representations and understandings between LANDLORD and TENANT are incorporated herein and may be modified or altered only by agreement in writing between LANDLORD and TENANT and no act or omission of any employee or agent of LANDLORD or of LANDLORD's broker shall alter, change, or modify any of the provisions hereof. Further, if the LANDLORD or any successor in interest shall be an individual, joint venture, tenancy in common, firm, or partnership, general or limited, there shall be no personal liability on such individual or on the members of such joint venture, tenancy in common, firm, or partnership or on such joint venture, tenancy in common, firm, or partnership, in respect to any of the covenants or conditions of this lease, and in the event of any default or breach by LANDLORD with respect to any of the terms, covenants and conditions of this lease to be observed, honored or performed by LANDLORD, TENANT shall look solely to the estate and property of LANDLORD in the land and buildings owned by LANDLORD comprising the shopping center for the collection of any judgment (or any other judicial procedures requiring the payment of money by LANDLORD) and no other property or assets of LANDLORD shall be subject to levy, execution, or other procedures for satisfaction of TENANT's remedies.

IN WITNESS WHEREOF, LANDLORD and TENANT have signed and sealed this lease as of the day and year first above written.

ENGELSMA LIMITED PARTNERSHIP

ADC TELECOMMUNICATIONS, INC. a Minnesota corporation

By /s/ Lloyd Engelsma  
-----

By /s/ W.C. Hamer  
-----

Its General Partner  
-----

Its Vice President, Chief  
Technical Officer  
-----

And  
-----

Its  
-----

LANDLORD

TENANT

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STATE OF MINNESOTA )  
 ) ss.  
COUNTY OF HENNEPIN )

The foregoing instrument was acknowledged before me this 2nd day of August, 1993, by Lloyd Engelsma, the General Partner of Engelsma Limited Partnership, a Minnesota limited partnership on behalf of the corporation. [LANDLORD]

/s/ Victoria J. Pease  
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Victoria J. Pease  
NOTARY PUBLIC - MINNESOTA  
HENNEPIN COUNTY  
My commission expires 3-8-95

STATE OF )  
 ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this 30th day of July, 1993, by William C. Hamer, the Vice President and Chief Technical Officer of ADC Telecommunications, Inc., a Minnesota corporation, on behalf of the corporation. [TENANT]

JUDITH G. PANKRATZ  
NOTARY PUBLIC - MINNESOTA  
HENNEPIN COUNTY  
My commission expires July 29, 1997

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EXHIBIT A

NORTHRIDGE SHOPPING CENTER

highway 13 & 17th avenue n.e. waseca, minnesota

[MAP]

EXHIBIT B

SHOPPING CENTER LEGAL DESCRIPTION

Block 2, North Ridge, County of Waseca, State of Minnesota, except the following:

Beginning at the Northeast corner of Block 2; thence South 0 DEG. 20'30" East, assumed bearing, 342.86 feet along the east line of said Block 2; thence South 89 DEG. 40'13" West 175 feet along a line parallel with the North line of said Block 2; thence North 00 DEG. 20'30" West 342.86 feet to the North line of said Block 2; thence North 89 DEG. 40'13" East 175 feet to beginning. Containing 1.38 acres, or 60,000.5 square feet, more or less. Subject to easements and restrictions of record, if any; and

except the following:

Commencing at the Southwest corner of Block 2, North Ridge (point of beginning); thence North 00 DEG. 00'01" West, assumed bearing 127.97 feet along the West line of said Block 2, thence South 89 DEG. 59'59" West 15 feet along the boundary line of said Block 2; thence North 00 DEG 00'01" West 12.16 feet along

the West line of said Block 2; thence North 89 DEG. 40'13" East 357 feet; thence South 00 DEG. 19'47" East 147.33 feet to the South line of said Block 2; thence Westerly along the South line of said Block 2 and along a nontangential curve concave to the South central angle 03 DEG. 14'27", radius 533 feet, arc length 30.15 feet; thence Westerly along the South line of said Block 2 and along a tangential curve concave to the South, central angle 03 DEG. 22'47", radius 533 feet, arc length 31.44 feet; thence North 89 DEG. 44'03" West, assumed bearing, 281.42 feet along the South line of said Block 2 to the point of beginning; and

except the following:

Commencing at the southwest corner of said Block 2, thence South 89 DEG. 44'03" East, assumed bearing, 281.42 feet along the South line of said Block 2; thence Easterly along the South line of said Block 2 and along a tangential curve concave to the South, central angle 06 DEG. 37'14", radius 533 feet, arc length 61.59 feet to the True Point of Beginning; thence North 00 DEG. 19'47" West 220 feet; thence North 89 DEG. 40'13" East 180 feet; thence South 00 DEG. 19'47" East 265.57 feet to the South line of said Block 2; thence North 75 DEG. 53'04" West 128.30 feet along the South line of said Block 2; thence Westerly along the South line of said Block 2 and along a tangential curve concave to the South, central angle 03 DEG. 05'28", radius 533 feet, arc length 28.74 feet to said True Point of Beginning.

TO BE ATTACHED TO AND BECOME A PART OF THAT CERTAIN LEASE AGREEMENT COVERING SPACE IN THE NORTHRIDGE SHOPPING CENTER.

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EXHIBIT C  
PLANS AND SPECIFICATIONS

LANDLORD'S AND TENANT'S CONSTRUCTION:

Tenant hereby acknowledges and agrees that it is aware of the requirements set forth in the Americans with Disabilities Act 42 U.S.C. Secs. 12101-12213 (the "ADA") and warrants that all construction done by Tenant in connection with the terms and conditions of this lease, both in the first instance and subsequently throughout the term of this Lease, shall be in compliance with the requirements of the ADA. If the Landlord grants its consent to proposed changes to be made by the Tenant in the leased premises, the granting of such consent by the Landlord will not mean that the Tenant's proposed changes necessarily comply with the ADA; the question of compliance is the Tenant's responsibility.

Tenant shall hold Landlord harmless and shall protect and defend Landlord in any cause of action brought against Landlord or to which Landlord is a defendant, arising out of alleged violations of the ADA., wherein, by the provisions of this Lease, Tenant was obligated to and failed to comply with any provision of the ADA.

TO BE ATTACHED TO AND BECOME A PART OF THAT CERTAIN LEASE AGREEMENT  
COVERING SPACE IN THE SHOPPING CENTER

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EXHIBIT D  
ADDITIONAL PROVISIONS

ARTICLE 1, SECTION 2 - TERM: The term of this lease shall commence upon the earlier of (i) the date upon which Tenant opens the leased premises for business, or (ii) September 1, 1993, and the lease term shall be three years, plus that period of time, if any, prior to September 1, 1993 that Tenant is open for business in the leased premises.

Tenant shall have the right to use and occupy the leased premises for the period from the date upon which the leased premises are turned over to Tenant until the commencement of the lease term (the "construction period") for purposes of adapting the premises to Tenant's use under this lease. Tenant's use and occupancy of the leased premises during the construction period shall be governed by all the terms and conditions of this lease, including, but not limited to, the payment by Tenant of all charges for utility services furnished to the leased premises; provided, however, that Tenant shall not owe or pay Landlord any sums for minimum rent, real estate taxes, insurance, or common area maintenance associated with the leased premises during said construction period.

ARTICLE 11, SECTION 2 - INSTALLATIONS AND ALTERATIONS BY TENANT: If Tenant uses non-union workers to construct installations or alterations to the leased premises pursuant to this Section 2, and any labor disputes arise as a result thereof, Tenant shall (i) promptly resolve such dispute; and (ii) indemnify Landlord from any and all damages suffered by Landlord as a result of Tenant's use of said non-union labor. Notwithstanding anything in this Section 2 to the contrary, Tenant shall not be required to obtain Landlord's consent before Tenant makes repairs, alterations or additions to the leased premises ("Tenant Changes") if such Tenant Changes do not cost more than \$3,000 and do not affect or change the roof or structure of the building.

ARTICLE 12, INDEMNITY - SECTION 1:



A. TENANT agrees to indemnify and save LANDLORD harmless against any and all claims, demands, damages, costs and expenses, including reasonable attorneys' fees, arising from the conduct or management of the business conducted by TENANT or from any breach or default on the part of TENANT in the performance of any covenant or agreement on the part of TENANT to be performed pursuant to the terms of this lease, or from any act or negligence of TENANT, its agents, contractors, servants, employees, sublessees, concessionaires or licensees, in or about the leased premises and the loading platform area allocated to the use of TENANT. TENANT's general liability insurance described in Article 13, Section 2 hereof insuring LANDLORD and TENANT shall be primary insurance coverage with no right of contribution as to all claims for damage to person or property sustained by TENANT's employees, agents, servants, contractors, sublessees, concessionaires, invitees, and customers resulting from the building in which the leased premises are located or by reason of the leased premises or any equipment or

appurtenances thereunto appertaining becoming out of repair, or resulting from any accident in or about the leased premises, or resulting directly or indirectly from any act or neglect of any other tenant in the shopping center. The terms of the foregoing sentence shall apply especially, but not exclusively, to the flooding of the leased premises, and to damage caused by steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors or noise, or the bursting or leaking of pipes or plumbing fixtures. All property belonging to TENANT or any occupant of the leased premises or the shopping center shall be there at the risk of TENANT or such person only, and LANDLORD shall not be liable for damage thereto or theft or misappropriation thereof.

B. LANDLORD agrees to indemnify and save harmless TENANT from and against all claims, demands, damages, costs and expenses, including reasonable attorneys' fees, arising from any property damage or personal injury caused by the negligent act or misconduct of LANDLORD or LANDLORD's agents, servants, or employees, where such property damage or personal injury occurs outside of the leased premises but within the shopping center.

ARTICLE 14, SECTION 1 - FIRE OR OTHER CASUALTY: If Landlord fails to restore the leased premises to tenantable condition as described in this Article within ninety (90) days after the date of destruction, then Tenant may elect to terminate this lease by providing Landlord with ten (10) days' prior written notice of termination.

ARTICLE 16, SECTION 1 - ASSIGNMENT AND SUBLETTING: Notwithstanding anything herein to the contrary, Tenant shall have the right, without the consent of Landlord first obtained, to assign this lease to its parent company, if any, or to any affiliate or subsidiary corporation, or a corporation into which Tenant shall be merged or sold, provided, however, that Tenant shall remain liable for the performance of all Tenant obligations under this lease, and provided further that such assignee shall agree in writing to assume all of Tenant's obligations

hereunder.

ARTICLE 26, SECTION 5 - FORCE MAJEURE: Whenever a period of time is herein provided for either party to do or perform any act or thing, that party shall not be liable or responsible for any delays, and applicable periods for performance shall be extended accordingly, due to strikes, lockouts, riots, acts of God, shortages of labor or materials, national emergency, acts of a public enemy, governmental restrictions, laws or regulations, or any other cause or causes, whether similar or dissimilar to those enumerated, beyond its reasonable control, provided the party prevented from performing gives the other party written notice of such cause promptly after its commencement; however, either party may terminate this lease by giving the other party written notice thereof if such cause continues for a period of 45 days, except in the case of the Landlord's obligation to deliver the leased premises to the Tenant at the commencement of the initial term of this lease, in which case such right shall arise after the expiration of 15 days after the commencement of such a cause. The provisions of this Section 5 shall not operate to excuse TENANT

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from prompt payment of rent, percentage rent, additional rent, or other monetary payments required by the terms of this lease.

ARTICLE 26, SECTION 6 - RECORDING OF LEASE: Either party will, upon the written request of the other party, execute a short-form lease ("Memorandum of Lease") regarding this lease, in a form suitable for recording. Such Memorandum of Lease will be dated as of the date of this lease and will disclose the parties, the term of the lease, descriptions of the leased premises, Tenant's expansion and extension rights, if any, and any such other terms and conditions as the parties agree upon. The party requesting the execution of such Memorandum of Lease will bear all costs of the Memorandum of Lease, including any recording fees. Upon the execution of a pertinent amendment to this lease and the written request of either party, the parties will execute a corresponding amendment to the Memorandum of Lease, with the party requesting the execution of such amendment bearing all costs of the amendment, including any recording fees. Either party will, following any termination of this lease and upon the written request of the other party, execute a document setting forth the date of such termination, in a form suitable for recording. Failure of a party to execute such a document will not affect the termination, and in such event the party requesting the document may execute and file an affidavit setting forth the date of termination. The party requesting the execution of such document will bear all costs thereof, including any recording fees.

ENVIRONMENTAL AUDIT: Tenant shall have the right, at Tenant's sole cost and expense, to conduct a phase-I environmental audit of the leased premises. Tenant may terminate this lease before the commencement of the lease term, with ten (10) days' prior written notice to Landlord, if such audit reveals any environmental contamination in the leased premises; provided, however, that if Tenant terminates the lease pursuant to this provision, then (i) Tenant shall,

at Landlord's request, restore the leased premises to the condition existing at the time of delivery of said premises to Landlord, and (ii) Tenant shall provide Landlord with a copy of such environmental audit.

RIGHT OF FIRST REFUSAL: If Landlord intends to lease Bay 8 (outlined in green upon Exhibit "A" attached to this lease) to another lessee during the term of this lease, Tenant shall have the right to lease said Bay 8 from Landlord subject to the following terms and conditions:

(a) Landlord shall provide Tenant with written notice of Landlord's intent to lease Bay 8 to a third-party ("Prospect"), and Tenant shall have two business days to exercise its rights to lease Bay 8 by written notice to Landlord. If Tenant fails to deliver written notice of Tenant's exercise of its right to lease within said two business days, then Landlord shall have the right to lease Bay 8 to said Prospect, without any further consent or act by Tenant.

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(b) If Tenant exercises its right to lease the Bay 8 as aforesaid, Tenant shall lease the Bay 8 from Landlord upon the same terms and conditions as were offered to the Prospect, and said lease shall commence no later than thirty (30) days after Tenant's written notice to Landlord exercising Tenant's right to lease.

(c) Notwithstanding anything herein to the contrary, if Landlord leases Bay 8 to a Prospect pursuant to this Paragraph, Landlord shall have the right to renew or extend Landlord's lease to said Prospect or that Prospect's assignee or sublessee without first offering Bay 8 to Tenant.

RENEWAL OPTION: Tenant shall have the option to renew the term of this lease for one (1) period of three (3) years upon the same terms and conditions as are provided herein except that the fixed minimum rent during said renewal term shall be determined in the manner hereinafter provided, and there shall be no further options to renew.

The said option shall be exercised by Tenant giving notice by certified mail to Landlord, return receipt requested, at least one hundred eighty (180) days before the expiration of the then existing term and not more than 365 days before the expiration of the then existing term. It shall be a condition of the exercise of the foregoing option that at the time of the exercise of said option, Tenant shall not be in default hereunder.

Within thirty (30) days after the receipt by Landlord of Tenant's exercise of the option herein granted, the Landlord and Tenant shall commence negotiations with regard to the fixed minimum rent to be paid by Tenant to Landlord during the option term. Provided, however, that in the event that Landlord and Tenant

are unable to agree on said fixed minimum rent within ninety (90) days from the date of exercise of the option, then it shall be deemed that Tenant did not exercise its option and the lease will terminate at the end of the then existing term.

Notwithstanding the foregoing, Tenant's option to renew this lease may be terminated by Landlord at any time after receipt of notice of Tenant's exercise of the option, by notice from Landlord that it is Landlord's intention to no longer continue to operate the shopping center as a retail shopping center. Landlord's notice to Tenant must be given to Tenant by certified mail, return receipt requested, not less than ninety (90) days prior to the end of the then existing term of this lease.

EXHIBIT E

NORTHRIDGE SHOPPING CENTER  
Waseca, Minnesota  
SIGNAGE CRITERIA

NORTHRIDGE SHOPPING CENTER  
Waseca, Minnesota  
SIGNAGE CRITERIA

Explanation	1
Exterior Sign Criteria - General	2
Exterior Sign Criteria - Lighting	3
Exterior Sign Criteria (cont.)	4
Prohibited Signs	5-6
Sign Approvals	7

EXPLANATION

1. It is intended that the signing of the stores at the Northridge Shopping Center shall be developed in an imaginative and varied manner. This criteria shall govern for all Tenant signing at Northridge.
2. Although previous and current signing practices of the Tenant will be considered, they will not govern signs to be installed at Northridge.

3. Approval of store design drawings or working drawings and specifications for Tenant's leased premises does not constitute approval of any sign work. Landlord's written approval of Tenant's sign drawing and specifications is required.
4. The furnishing and installation of a sign and the costs incurred shall be the responsibility of the Tenant. Sign construction is to be completed in compliance with the instructions contained within this criteria.
5. Each Tenant will be required to identify its premises by a sign.

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#### EXTERIOR SIGN CRITERIA-GENERAL

1. Tenants' signs shall be store identity signs only, and such name shall not include any item sold therein.
2. Tenants will be allocated an area on the exterior fascia of the shopping center, directly in front of the occupied store, and proportionately equal to the lineal footage of the store front.
3. Tenant's sign shall be restricted to the recessed area on the exterior fascia of the parapet wall. Maximum height of sign letters shall not exceed four feet (4'), and an 18" border will be required from each end of the Tenant's allocated sign area.

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#### EXTERIOR SIGN CRITERIA-LIGHTING

1. The parapet fascia of the Shopping Center will be externally illuminated from the canopy. Therefore, Tenants' signs shall consist of either individually illuminated or non-illuminated letters per specifications furnished in this criteria.
2. Sign letters or components that are illuminated shall not have exposed neon or other lamps. All light source shall be concealed by translucent material. Maximum brightness, in any event, shall not exceed 100 foot lamberts.

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3. Tenants' signs may be fabricated out of the following materials.
  - A. Marine grade plywoods.
  - B. Plexiglass edged with silva-trim or equal.
  - C. Fabricated sheet metal or cast aluminum.

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PROHIBITED SIGNS

- C. The following type of signs or sign components shall be PROHIBITED.
  1. Signs employing exposed raceways, ballast boxes, or transformers.
  2. Moving or rotating signs.
  3. Signs employing moving or flashing lights.
  4. Signs employing luminous, vacuum-formed type, plastic letters.
  5. Signs, letters, symbols, or identification of any nature painted directly on exterior doors or windows, excluding addresses.
  6. Cloth, wood, paper, or cardboard signs; stickers or decals on exterior surfaces (doors and/or windows) of the premises.
  7. Signs employing unedged or uncapped plastic letters, or letters with no returns and exposed fastenings.
  8. Free-standing signs.
  9. Rooftop signs.

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PROHIBITED SIGNS (cont.)

10. Signs employing noise making devices and components.

11. Signs exhibiting the names, stamps, or decals of the sign manufacturer or installer.

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#### SIGN APPROVALS

1. Tenant shall submit drawings and specifications, including samples of materials and colors, for all its proposed sign work. Three (3) sets of drawings will be required by our Sign Consultants. The drawings shall clearly show location of sign on designated sign area, including graphics, color, construction, and attachment details. Full information regarding electrical load requirements and brightness in foot lamberts is also to be included.
2. The Sign Consultant shall return one (1) set of the sign drawings, as soon as possible, to the Tenant. The drawing will either be marked "Approved," "Approved Based on Landlord's Modifications," or "Disapproved." Sign drawings that have been "Approved Based on Landlord's Modifications" are to be returned to the Landlord bearing Tenant's approval, or are to be redesigned and resubmitted for Landlord's approval within seven (7) days of receipt by Tenant. Sign drawings that have been "Disapproved" are to be redesigned and resubmitted to Landlord's Sign Consultant for approval, also within seven (7) days of receipt by Tenant.

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## LEASE

THIS LEASE, dated as of December 18, 1992, is made by and between GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), and ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant"), upon the following terms and conditions.

## 1. LEASE OF PREMISES AND DEFINITIONS.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, on an as-is basis except as herein otherwise specifically provided, that certain building commonly known as 21415 Plummer Street, Los Angeles, California depicted on the attached EXHIBIT A (hereinafter referred to as the "Premises" and sometimes as the "Building"), subject, however, to, and together with, the easements, restrictions and other matters of record and access which is disclosed by inspection.

(b) The term "Property" shall mean that certain real property, of which the Premises is a part, legally described on the attached Exhibit B, on which Property are located the Building and the building commonly known as 21605 Plummer Street ("Rockwell Building").

(c) The term "Tenant's Proportionate Share" shall mean the percentage from time to time obtained by dividing the rentable area of the Premises (including any space added to the Premises as provided in this Lease) by the sum of the rentable area of the Building and the rentable area of the Rockwell Building. Such rentable areas shall be initially measured, not later than the Commencement Date, by Tenant's space planner, at Tenant's expense, in accordance with the National Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1980 ("BOMA Standard"), which space planner shall submit such measurements to Landlord for Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). If the rentable area of the Building, as so measured and approved, is within 1% of 97,104 square feet, then the rentable area of the Building shall, for purposes of this Lease, be deemed to be 97,104 square feet. If the rentable area of the Rockwell Building, as so measured and approved, is within 1% of 130,572 square feet, then the rentable area of the Rockwell Building shall, for purposes of this Lease, be deemed to be 130,572 square feet. If the Building and/or the Rockwell Building is/are subsequently altered so as to affect its/their rentable area(s), Landlord shall, at Landlord's expense, cause the



altered building(s) to be remeasured by a qualified party in accordance with

the BOMA Standard, which remeasurements shall be submitted to Tenant for Tenant's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Tenant from Landlord). If the rentable area of the Building or of the Rockwell Building, as so remeasured and approved, is within 1% of the actual or deemed rentable area of the Building or Rockwell Building applicable under this Lease immediately prior to the alteration(s), then the rentable area of the Building or of the Rockwell Building shall, for the purposes of this Lease, be deemed to be the actual or deemed rentable area of the Building or of the Rockwell Building applicable under this Lease immediately prior to the alteration(s). If less than all of the Rockwell Building is added to the Premises pursuant to this Lease, Landlord shall, at Landlord's expense, cause the added space to be measured by a qualified party in accordance with the BOMA Standard, which measurement shall be submitted to Tenant for Tenant's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Tenant from Landlord). The parties to this Lease shall execute an amendment to this Lease establishing Tenant's Proportionate Share and the rentable areas of the Premises, the Building and/or the Rockwell Building, if necessary, at the time of the initial measurement and each subsequent measurement.

(d) "Appraisal" shall mean an appraisal of Market Rent (as defined in this Lease below) conducted in accordance with the procedures set forth in attached Exhibit D.

(e) "Market Rent" shall mean the annual Base Rent (expressed as an amount per square foot of rentable area) that the Landlord would receive as of the commencement date of the term in question if it were to lease the space in question pursuant to the terms of this Lease (except to the extent that this Lease is inconsistent with the assumptions and requirements set forth below) to a tenant with a credit standing comparable to that of Tenant; with parking rights as provided in this Lease; for a term equal to the period in question; with a commencement date of the date in question; and in an "as is" condition, except to the extent that Landlord is required under this Lease to make improvements. In determining the "Market Rent", current conditions in the marketplace for comparable transactions shall be considered, including without limitation, tenant inducements, if and to the extent then a part of market conditions, such as, but not limited to, buildout allowances or work, free rent, financial inducements and credits for moving expenses. For purposes of determining Market Rent it shall be assumed that Landlord and Tenant are each ready, willing and able to enter into such a lease but are under no compulsion to do so.

(f) The term "Consumer Price Index" shall mean the Consumer Price Index issued by the U.S. Department of Labor, Bureau of Labor Statistics for Urban Wage Earners and Clerical Workers, U.S. City Average (1982-1984=100), or its successor index

2. TERM. The initial term of this Lease shall commence on the Commencement Date (defined below) and shall end on the last day of the 72nd month thereafter.

Landlord agrees to use its best efforts (including appropriate legal proceedings, if reasonably required) to enforce that certain Agreement dated December 1, 1992, between Landlord and Symbolics, Inc. and that certain letter agreement dated November 6, 1992, among Landlord, Rockwell International Corporation ("Rockwell") and Symbolics, Inc., copies of which have been provided to Tenant. The Commencement Date shall be the earlier of the date that Tenant commences business operations in the Premises or the date 180 days following the date of this Lease, unless Rockwell's vacation of the Premises is delayed beyond February 28, 1993, in which case the Commencement Date shall be extended by the number of days (not to exceed 30 days) of such delay. If such delay exceeds 30 days, Tenant shall have the option to (a) terminate this Lease or (b) continue with the extension of the Commencement Date for such period (not to exceed 30 days) as Tenant shall determine, such option to be exercised by Tenant by written notice given to Landlord within 10 days after the expiration of the initial 30-day period of delay referred to above. Tenant shall have full occupancy of the Premises immediately following Rockwell's vacation of the Premises until the Commencement Date in order to construct the Tenant Improvements and move into the Building. Such occupancy shall be subject to each and every provision of this Lease except that Tenant shall not be obligated to pay any Base Rent or Impositions applicable to the period prior to the Commencement Date. Upon determination of the Commencement Date, Landlord and Tenant will execute an agreement confirming the Commencement Date.

3. RENT. Tenant shall pay to Landlord, in advance, on the Commencement Date and on the 1st day of each calendar month thereafter during the initial term of this Lease, the following net monthly rental ("Base Rent"), over and above the other and additional payments to be made by Tenant as hereinafter provided, as follows:

<TABLE>  
<CAPTION>

Months	Base Rent to be paid per month
<S>	<C>
1st month	\$77,000.00
2nd through 5th month	\$ 0
6th through 9th month	\$38,500.00
10th through 36th month	\$77,000.00
37th through 72nd month	\$77,000.00, subject to the following increase.

</TABLE>

; provided, however, that the Base Rent payable for the first month shall be reduced by \$2,531.50 for each day that Tenant's commencement of business operations in the Premises is later than the date 150 days after the date of this Lease (but such reduction shall in no event exceed \$77,000). Commencing with the first day of the 37th month of the initial term hereof, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index, as such Index for the 36th month of the initial term hereof bears to such Index for the month preceding the first full month of the initial term; provided, however, that in no event shall the monthly Base Rent commencing on the 37th month of the initial term be more than \$88,550.00 or less than \$83,930.00.

Notwithstanding the foregoing, if the rentable area of the Premises is deemed, pursuant to paragraph 1(c) of this Lease, to be an amount other than 97,104 square feet, then Tenant shall pay to Landlord, in advance, on the Commencement Date and on the 1st day of each month thereafter during the initial term of this Lease, the following Base Rental, rather than the Base Rental set forth in the immediately preceding grammatical paragraph:

<TABLE>

<CAPTION>

Months	Base Rent to be paid per month
<S>	<C>
1st month	\$.793 per rentable square foot
2nd through 5th month	\$ 0
6th through 9th month	\$.3965 per rentable square foot
10th through 36th month	\$.793 per rentable square foot
37th through 72nd month	\$.793 per rentable square foot, subject to the following increase.

</TABLE>

; provided, however, that the Base Rent payable for the first month shall be reduced by \$.02607 per rentable square foot for each day that Tenant's commencement of business operations in the Premises is later than the date 150 days after the date of this Lease (but such reduction shall in no event exceed \$.793 per rentable square foot for one month). In such case, commencing with the

first day of the 37th month of

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the initial term hereof, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index, as such Index for the 36th month of the initial term hereof bears to such Index for the month preceding the first full month of the initial term; provided, however, that in no event shall the monthly Base Rent commencing on the 37th month of the initial term be more than \$.9120 per rentable square foot or less than \$.8644 per rentable square foot.

The foregoing Base Rent schedules refer to calendar months beginning with the first full calendar month of the initial term of this Lease. Accordingly, if the Commencement Date is other than the first day of a calendar month, the Base Rent for the partial month preceding the first full calendar month of the initial term of this Lease, which is payable on the Commencement Date, shall be determined on a prorated basis, using for such determination the monthly Base Rent stated above with respect to the 10th calendar month.

The term "rent" as used in this Lease shall refer collectively to the Base Rent and to all additional rent, charges and other sums payable hereunder. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder after the expiration of any applicable grace period will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any trust deed covering the Premises. ACCORDINGLY, IF ANY INSTALLMENT OF RENT OR ANY OTHER SUMS DUE FROM TENANT SHALL NOT BE RECEIVED BY LANDLORD WHEN DUE OR IF A GRACE PERIOD IS APPLICABLE, PRIOR TO THE EXPIRATION OF THE GRACE PERIOD, TENANT SHALL PAY TO LANDLORD A LATE CHARGE EQUAL TO 5% OF SUCH OVERDUE AMOUNT. THE PARTIES HEREBY AGREE THAT SUCH LATE CHARGE REPRESENTS A FAIR AND REASONABLE ESTIMATE OF THE COSTS LANDLORD WILL INCUR BY REASON OF LATE PAYMENT BY TENANT BASED UPON THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS LEASE. [INITIALS OF THE PARTIES AS TO THE TWO SENTENCES SHOWN IN BOLD: \_\_\_\_\_]

4. PARKING. Tenant shall have the right to use 215 parking spaces on the Property in the Fibermux Area shown on the attached EXHIBIT A ("Fibermux Area"). Landlord, using reasonable efforts, shall also attempt to obtain parking for an additional 173 vehicles (the "Additional Parking Spaces"). Any Additional Parking Spaces not provided within the Fibermux Area shall be provided first (a) in the Rockwell Area shown on the attached EXHIBIT A ("Rockwell Area"), and (b) then at 21540 Plummer Street (across the street from the Premises). All Additional Parking Spaces to be provided by Landlord shall meet applicable governmental requirements and shall be approximately the same size as the existing spaces in the Fibermux and Rockwell Areas shown on the attached EXHIBIT A. All parking spaces to be provided by Landlord in the

Fibermux Area and the other areas shall be identified and controlled in a manner reasonably acceptable to Landlord and Tenant. Such parking spaces shall also be non-tandem and shall be on the basis of the

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existing stall striping; provided, however, that Tenant may, in its sole discretion, elect to permit Landlord to provide some or all of the Additional Parking Spaces on a tandem basis; and provided further, however, that Tenant may restripe the delivery area of the Premises and/or the parking spaces on any parking area provided by Landlord for Tenant's use, at Tenant's sole expense, and in such event the number of additional parking spaces yielded by such areas after such restriping by Tenant shall be deemed to be "Additional Parking Spaces" for purposes of this Lease.

For each month after the Commencement Date and continuing through the initial term of this Lease, so long as 173 Additional Parking Spaces are not so provided, Landlord shall pay to Tenant on the first day of each such month a sum equal to \$45.00 times the number of such Additional Parking Spaces not so provided for that month; provided, however, that for the first seven months following the Commencement Date, the sum due from Landlord for each such Additional Parking Space not provided shall only be \$22.50; and provided further, however, that, if Tenant adds Additional Parking Spaces as a result of its restriping of the Fibermux Area as provided above, Landlord shall have no obligation to make such payments with respect to such added spaces from and after the date that they are added to the Fibermux Area. Tenant shall deduct such amounts due for each month of the initial Lease term from the monthly rental payment for such month; provided, however, that, as to the 1st through 5th full calendar months following the Commencement Date, the sums due from Landlord shall be deducted by Tenant from the payment of Base Rent due for the 6th full calendar month following the Commencement Date (and, if necessary, the Base Rent payments due in subsequent months) under this Lease.

From and after the date Tenant has more than 215 parking spaces on the Property (except to the extent that such excess parking spaces are leased to Tenant as a result of Tenant's exercise of the Expansion Option), such payments of \$45.00 per month or \$22.50 per month, as the case may be, shall cease with respect to each such space in excess of 215 spaces. For each Additional Parking Space provided by Landlord in the locations described in subparagraphs (a) and (b) above after the date of this Lease, the amount otherwise payable by Landlord hereunder shall be reduced by \$30.00 per month for each such Additional Parking Space so provided.

Tenant may enter into a lease or leases for parking at other than the sites described in subparagraphs (a) and (b) above for: those Additional Parking Spaces which Landlord does not commit by a written notice delivered to Tenant by February 1, 1993 to provide to Tenant as of the Commencement Date; or any Additional Parking Spaces that are provided by Landlord at any time during the

initial term of this Lease and are thereafter, during such initial term, terminated by any landlord(s) thereof. Landlord shall provide at least 75 days' prior written notice to Tenant if Landlord will be providing Additional Parking Spaces after the

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Commencement Date. Landlord shall provide at least 75 days' prior written notice to Tenant if Landlord will cease to provide any Additional Parking Spaces, in which case Tenant shall be entitled to enter into parking leases to replace such Additional Parking, as provided above. Notwithstanding the foregoing, notices from Landlord to Tenant of either the provision or cessation of Additional Parking Spaces which result from the elimination of any parking permitted by the City of Los Angeles upon its easement area shall be the 75 days notice specified above or the number of days of notice of elimination of parking Landlord receives from the City of Los Angeles, whichever is less. Within ten (10) days after entering into any parking lease, Tenant shall provide a copy thereof to Landlord. If Landlord thereafter provides to Tenant the Additional Parking Spaces required on either of the sites described in subparagraphs (a) or (b) above, and Tenant consequently cancels its parking lease(s), Landlord shall, at Landlord's election made by written notice to Tenant at the time such Additional Parking Spaces are delivered to Tenant, either reimburse Tenant for the lease cancellation charge for each such canceled parking space or pay Tenant \$15 per month for the remainder of the initial term of this Lease for each parking space as to which Landlord has elected not to pay the such cancellation charge. Such reimbursement by Landlord to Tenant for lease cancellation charges shall include Tenant's unamortized costs of improving such parking site, based on a six-year amortization period.

Notwithstanding the foregoing provisions of this paragraph 4, if Rockwell ceases to lease all or any portion of the Rockwell Building, then the following shall apply:

(1) If Rockwell at any time no longer leases any space in the Rockwell Building, then a portion of the parking spaces in the Rockwell Area will be added, at no cost to Tenant, to the parking spaces already available to Tenant, which portion shall be determined by adding together the parking spaces then in the Rockwell Area and the Fibermux Area, dividing such sum by the total rentable square footage of the Rockwell Building and of the Building, multiplying such dividend (the "Dividend") by the rentable area of the Building and subtracting the number of parking spaces in the Fibermux Area from the result. The resulting figure will be rounded to the nearest whole number. If Tenant has then exercised or subsequently exercises the Expansion Option, then another portion of the parking spaces in the Rockwell Area will be provided to Tenant, at no cost to Tenant, which portion shall be determined by multiplying the Dividend by the rentable area of the Expansion Space, the resulting figure to be rounded to the nearest whole number.

(2) If Rockwell continues to lease a part of the Rockwell Building, then a portion of the parking spaces in the Rockwell Area will be added, at no cost to Tenant, to the parking spaces available to Tenant in the Fibermux Area, which portion shall be determined as follows:

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[total parking spaces in the Rockwell Area] - [(total parking spaces in the Rockwell Area) x (rentable area of the portion of Rockwell Building being leased by Rockwell) divided by rentable area of Rockwell Building] - [(total parking spaces on the Property) x (rentable area of the portion of the Rockwell Building that is not being leased by Rockwell) divided by (total rentable area of the Building and the Rockwell Building)], rounded to the nearest whole number

PLUS, IF TENANT HAS THEN EXERCISED OR SUBSEQUENTLY EXERCISES THE EXPANSION OPTION:

[total parking spaces on the Property x (rentable area of the Expansion Space) divided by (total rentable area of the Building and the Rockwell Building)], rounded to the nearest whole number

If Rockwell at any time no longer leases any portion of the Rockwell Building, spaces shall be reallocated as provided in subparagraph (1) above, notwithstanding that parking spaces may have been previously allocated pursuant to subparagraph (2) above. The parking spaces made available to Tenant under subparagraphs (1) and (2) above shall be as close as possible to the space leased by Tenant and served by such parking. Such added parking spaces shall be deemed to be Additional Parking Spaces as follows:

(A) if Tenant does not elect to lease any Expansion Space pursuant to paragraph 55 of this Lease, then all such added parking spaces shall be deemed to be Additional Parking Spaces; or

(B) if Tenant elects to lease any Expansion Space pursuant to paragraph 55 of this Lease, then all such added parking spaces shall be deemed to be Additional Parking Spaces, except for the portion of such added parking spaces leased to Tenant with respect to the Expansion Space as provided above.

If any of the approximately 97 parking spaces in the Rockwell Area that are located upon an easement granted by the City of Los Angeles are eliminated because such easement is revoked in whole or in part by the City of Los Angeles, and if such elimination results in a reduction in the number of parking spaces that would otherwise have been provided to Tenant as set forth above, then Landlord shall for the remainder of the initial term of this Lease pay to Tenant, on the first day of each month during which such parking spaces would



otherwise have been provided to Tenant as set forth above, a sum equal to \$45.00 times the number of parking spaces that would otherwise have been provided to Tenant as set forth above.

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5. FULL NET LEASE. Landlord shall receive the rent free and clear of any and all other impositions, taxes, liens, charges, or expenses of any nature whatsoever in connection with the ownership and operation of the Premises, except as herein expressly provided. In addition to the rent reserved above, Tenant shall pay to the parties respectively entitled thereto all impositions, insurance premiums, operating charges, maintenance charges, construction costs, and any other charges, costs, and expenses that arise or may be contemplated under any provisions of this Lease during the term hereof. It is the intention of the parties that this Lease shall not be terminable for any reason by Tenant, and that Tenant shall in no event be entitled to any set-off against, abatement of, or reduction in rent payable under this Lease, except as herein otherwise expressly provided (including, without limitation, the provisions of paragraph 43 of this Lease).

6. USE. The Premises shall be used and occupied only for the businesses of testing, assembly, fabrication, warehousing and/or shipping of electronic components, circuit boards and/or cabinets, and for sales and/or general office uses related to such types of businesses and for other uses incidental to the foregoing and for no other use or purpose.

7. QUIET ENJOYMENT. Provided Tenant performs its obligations hereunder, Tenant shall lawfully and quietly occupy the Premises during the term of this Lease without hindrance or molestation by Landlord, subject, however, to the matters herein set forth; provided, however, that, if Tenant is dispossessed of all or part of the Premises by any party who or which does not claim such possession through Tenant, Tenant shall be entitled to an equitable abatement of Base Rent, Impositions, Insurance Costs and other charges under this Lease from the date of Tenant's dispossession until Tenant's possession is restored and, if Tenant's possession is not restored within 60 days after Tenant was dispossessed, Tenant may terminate this lease by written notice given to Landlord within ten (10) days after the expiration of such 60-day period and before Tenant's possession is restored.

8. PAYMENT OF IMPOSITIONS. Tenant covenants and agrees to pay to Landlord Tenant's Proportionate Share (as defined in paragraph 1(c) of this Lease) of all "Impositions" upon or with respect to the Property. As used herein, the term "Impositions" shall include any form of real estate tax, assessment, license fee, commercial rental tax, improvement bond or bonds, levy, or other tax, general and special, ordinary and extraordinary, foreseen as well as unforeseen, of any kind or nature whatsoever, imposed by any authority having the power to tax (including any city, state, or federal government, or any school, agricultural, sanitary, water, fire, street, drainage, or other



improvement district thereof ) against any legal or equitable interest of Landlord in the Premises or in the Property, against Landlord's right to rent or other income therefrom, and against Landlord's business of leasing the Premises or the Property; provided, however, that "Impositions" shall not include inheritance, personal or corporate income, or estate taxes. The term

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"Impositions" shall also include any tax, fee, levy, assessments, or charge: (a) in substitution of, partially or totally, any of the above-listed Impositions, or (b) that is imposed by reason of this transaction, any modifications or changes hereto, or any transfers hereof. Except as otherwise provided in this Lease, all such payments shall be made at least fifteen (15) days prior to the delinquency date. Tenant shall have the right to contest Impositions if there are reasonable grounds to do so or, if Tenant may not legally do so, to cause Landlord to do so at Tenant's expense.

9. PERSONAL PROPERTY TAXES. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment, and all other personal property of Tenant contained in the Premises or elsewhere.

10. UTILITIES. Tenant shall pay all utility deposits and fees, and all monthly service charges for heat, water, gas, electricity, sewer service, elevator (if there be any) and cleaning service, telephone service, and any other utilities or services whatsoever furnished to the Premises during the term of this Lease.

11. PROPERTY INSURANCE. Landlord shall procure and maintain throughout the terms of this Lease all-risk property and liability insurance insuring the Property (including improvements and betterments, boilers and machinery owned by Landlord, but excluding all equipment, trade fixtures, inventory, machinery and other personal property of the Tenant); provided, however, that Tenant shall maintain builder's risk insurance reasonably satisfactory to Landlord effective from the commencement of construction of the Tenant Improvements until the Commencement Date and Landlord's all-risk insurance shall insure the Tenant Improvements from and after the Commencement Date. Landlord's all-risk insurance shall insure the Property against risk of direct physical loss (including loss caused by the perils of earthquake and, if the Property is in an officially designated flood hazardous area, flood). Landlord's insurance shall be in an amount equal to the actual replacement cost of the Property (exclusive of foundations and excavations) without deduction for physical depreciation, without a coinsurance clause and with a deductible not in excess of \$50,000. The property insurance carrier shall have an A. M. Best Company rating of A:VII or better. Tenant agrees not to do, or fail to do, anything which will violate the reasonable and customary terms of any such insurance to the extent such terms are set forth in policies, copies of which are delivered to Tenant, or otherwise disclosed to Tenant, increase the cost of

such insurance beyond a reasonable level (unless Tenant agrees to pay such increase) or prevent Landlord from procuring policies reasonably satisfactory to Landlord. Within ten days of billing by Landlord, Tenant will reimburse Landlord for Tenant's Proportionate Share of the lesser of (a) all costs of such property insurance carried by Landlord with respect to the Property, and (b) all costs which would have been charged by an identically rated carrier (other than Landlord's carrier) for the same coverage ("Insurance Costs"). Certificates evidencing all such insurance coverages shall be delivered to Tenant by the date of this Lease. Such certificates of insurance

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will provide for thirty (30) days advance notice to Tenant and Landlord in the event of cancellation or nonrenewal of such insurance.

12. OTHER INSURANCE. Tenant agrees to maintain in full force and from the Date of this Lease and in effect at all times during the term of this Lease, at no expense to Landlord, for the protection of Tenant and Landlord, as their interest may appear, policies of insurance issued by a responsible carrier or carriers reasonably acceptable to Landlord which afford the following coverages:

(a) Worker's Compensation - Statutory limits;

(b) Employer's liability - Not less than:

Bodily Injury by Accident - \$250,000 each accident

Bodily Injury by Disease - \$250,000 policy limit

Bodily Injury by Disease - \$250,000 each employee; and

(c) Commercial General Liability Insurance on a coverage form at least as broad as the most recent edition of Commercial General Liability Coverage Form (CG0001) published by the Insurance Services Office, Inc. naming the Landlord as Additional Insured using an endorsement form at least as broad as the most recent edition of Additional Insured-Managers or Lessors of Premises Endorsement Form (CG2011) as published by the Insurance Services Office, Inc. The limits of such insurance shall be no less than:

<TABLE>

<S>	<C>
Each Occurrence Limit	\$2,000,000
General Aggregate Limit	\$2,000,000
Products/Completed Operations Aggregate Limit	\$2,000,000

Personal Injury and Advertising	
Injury Limit	\$1,000,000
Fire Damage (Any One Fire)	\$50,000
Medical Expense (Any One Person)	\$5,000

</TABLE>

Such Commercial General Liability Insurance shall cover Bodily Injury, Personal Injury and Property Damage Liability occasioned by or arising out of or in connection with the use, operation and occupancy of the Premises. Such Commercial General Liability Insurance policy must cover events that occur during the policy period regardless of when the claim is made. Such insurance shall be primary insurance to any other insurance that may be available to Landlord. Any other insurance available to Landlord shall be non-contributing with and excess to this insurance.

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Certificates evidencing all such insurance coverages shall be delivered to Landlord by the date of this Lease. Such certificates of insurance will provide for thirty (30) days advance notice to Tenant and Landlord in the event of cancellation or nonrenewal of such insurance.

13. LOSS PAYABLE REQUIREMENTS. All policies of insurance required hereunder shall provide that the proceeds thereof shall be payable to Tenant and Landlord, as their respective interests may appear, and, if Landlord so elects, the policies referenced in paragraph 11 may be payable also to the holder of any mortgage or deed of trust on the Premises as the interest of such holder may appear, pursuant to a standard mortgagee clause or a loss payable clause.

14. WAIVER OF CLAIMS. Each party to this Lease hereby releases the other from any and all claims, and waives its entire right of recovery against the other, for loss or damage arising out of or incident to the perils insured against under the policies specified in paragraphs 11 and 12 above to the extent such loss or damage is insured against under such policies, whether due to the negligence of such parties or the agents, employees, contractors, or invitees of either of them. Tenant also waives all claims against Landlord with respect to Tenant's personal property in the Premises.

15. LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS. Tenant agrees that, if Tenant shall at any time fail to make any payment or perform any other act to be made or performed by it under this Lease, Landlord may, but shall not be obligated to, make such payment or perform such other act to the extent Landlord may deem desirable, with full rights of offset, and without waiving or releasing Tenant from any obligation under this Lease. All sums so paid by Landlord and all expenses paid in connection therewith, including without limitation attorneys' fees, together with interest thereon at the Default Interest Rate (defined in the paragraph of this Lease entitled "Miscellaneous")

from the date of such payment, shall be paid by Tenant to Landlord on demand.

16. MAINTENANCE AND REPAIR. Except as otherwise set forth in this Lease, Tenant shall, at Tenant's sole cost and expense, keep the entire Premises (and every part thereof, including, without limitation, the roof membrane) secure, clean and in good order, condition, and repair, and shall make promptly all necessary repairs, interior and exterior, ordinary as well as extraordinary, foreseen as well as unforeseen, casualty and condemnation excepted; provided, however, that Landlord shall be responsible for maintaining and repairing the foundation, the structure of the exterior walls and of the roof and the other structural members of the Building in accordance with prudent property management standards, unless the need for such maintenance and repair results from Tenant's failure to satisfy its maintenance and repair obligations with respect to the remainder of the Premises or (subject to

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the provisions of paragraphs 11 and 14 of this Lease) the negligence or intentional acts of Tenant, its employees, agents, contractors or invitees. Tenant shall also, at Tenant's sole cost and expense, keep the entire Fibermux Area and any portions of the Rockwell Area provided by Landlord to Tenant for parking pursuant to paragraph 4 of this Lease or any other provision of this Lease (including, but not limited to, all paving, striping, landscaping and attendant driveways, entrances, walkways, curbs, gutters, drains and the like) clean and in good order, condition and repair, and shall make promptly all necessary repairs, ordinary as well as extraordinary, foreseen as well as unforeseen. When used in this paragraph, the term "repair(s)" shall include alterations, replacements, and renewals. All repairs shall be equal in quality and class to the original work. Landlord shall have no obligation, in any manner whatsoever, to repair or maintain the Premises, except as specifically otherwise provided in this Lease. Landlord may, at its option, perform Tenant's repair obligations under this Lease at Tenant's expense if Tenant does not do so within the applicable cure period provided for in this Lease.

17. SURRENDER OF PREMISES. Upon expiration or any sooner termination of this Lease, Tenant shall surrender to Landlord the entire Premises, together with all Alterations (as defined in paragraph 25 of this Lease), in the same condition as when received or installed (unless such Alterations are to be removed pursuant to paragraph 24 of this Lease), ordinary wear and tear and casualty and condemnation excepted, and clean and free of debris and free of any liens created or suffered to be created by Tenant and (b) Tenant shall properly remove from the Premises all Hazardous Materials for which it has responsibility under this Lease. Tenant may, and upon Landlord's request shall, remove any Trade Fixtures or personal property belonging to Tenant, provided that Tenant shall perform prior to expiration of the term of this Lease all restoration made necessary by such removal. Landlord may, at Tenant's expense, retain or dispose of in any manner any Trade Fixtures or personal property of Tenant that Tenant does not remove from the Premises upon expiration or termination of the term of

this Lease, in which case title thereto shall vest in Landlord. The term "Trade Fixtures" as used herein shall mean all fixtures, equipment, and personal property owned by Tenant and used in connection with the operation of any business on the Premises, whether or not affixed to the Premises.

18. SERVICE CONTRACTS. Tenant shall, at Tenant's sole cost and expense, either (a) enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor for servicing all hot water, heating, and air conditioning systems, elevators (if there be any) and building equipment within the Premises or (b) provide similar services through the use of its own qualified employees. The maintenance contractor and the contract, or the employees of Tenant, as the case may be, shall be subject to the approval of Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10

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days after a written request for such approval has been received by Landlord from Tenant). The contract or employee-provided services shall include all services suggested by the equipment manufacturers and shall become effective, and a copy thereof shall be delivered to Landlord, within thirty (30) days of the date Tenant takes possession of the Premises. Landlord shall deliver to Tenant the service manuals for the items to be serviced as provided in this paragraph and shall deliver and assign to Tenant all warranties covering such items.

19. WASTE. Tenant shall not do or suffer any waste or damage, disfigurement, or injury to the Premises or permit or suffer any overloading of the floors of the Premises.

20. ADA. During the construction of the Tenant Improvements specified in paragraph 53 of this Lease, Tenant shall also alter and renovate the Premises to meet the standards established under the provisions of the Americans With Disabilities Act ("ADA"), and, for such alterations and additions, Landlord will pay Tenant the sum of \$38,000.00 ("ADA Payment"), regardless of the actual cost of such alterations and renovations. During the full term of this Lease, Tenant shall also promptly, at its expense (except for the ADA Payment), comply with the requirements of the ADA applicable to the Premises, to the construction of the Tenant Improvements, to all other alterations of the Premises by Tenant and to Tenant's use of the Premises.

21. WAIVER OF REPAIR AND DEDUCT. Tenant hereby waives any and all rights it may have to make repairs at Landlord's expense or in lieu thereof to vacate the Premises as provided in California Civil Code Section 1942 or any other law, statute, or ordinance now or hereafter in effect; provided, however, that such waiver does not constitute a waiver of any of Tenant's specific self-help or setoff rights expressly set forth in this Lease.

22. COMPLIANCE WITH LAWS. Tenant shall, at Tenant's sole cost and expense, comply promptly with all laws, ordinances, orders, regulations, and requirements of all federal, state, and local governmental agencies, and with the reasonable recommendations of any insurer under any policies required under this Lease, that may be applicable to the Premises or the use thereof; provided, however, that: (a) Tenant shall not be obligated to make any repairs, alterations or improvements to the Premises that are required by governmental authorities pursuant to requirements that were in effect on the date of this Lease to the extent that the Building was not in compliance with such requirements on the date of this Lease, except for ADA requirements; and (b) Tenant shall not be responsible for any matters for which Landlord is responsible under paragraph 23 of this Lease. Landlord shall be responsible for the costs of compliance described in subparagraphs (a) and (b) of this paragraph 22. Tenant shall be obligated to make any repairs, alterations or improvements to the Premises that are required by governmental

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authorities to comply with requirements enacted after the day of this Lease; provided, however, that, with respect to such requirements that apply generally to buildings similar to the Building, (1) Tenant will be obligated to cause such compliance to occur and to pay the cost of such compliance only to the extent such the cost of such compliance is equal to or less than \$25,000 in any calendar year and (2) Landlord will be obligated to cause such compliance to occur and to pay the cost of such compliance only to the extent that the cost of such compliance is in excess of \$25,000 per calendar year. If Landlord pays any cost under subparagraph (2) of this paragraph 22, then monthly Base Rent shall be increased thereafter by an amount equal to the monthly amortization of such cost paid by Landlord, determined using an interest rate equal to the Reference Rate and a period equal to the manufacturer's estimated useful life of the improvement, alteration and/or replacement to which such cost relates.

23. HAZARDOUS MATERIALS. Tenant agrees not to cause or permit the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as defined below) on, under, in, above, to, or from the Property other than presence, use, storage and transportation which is both (a) required for and solely incidental to Tenant's principal use and operation of the Premises, and (b) in strict compliance with all applicable federal, state, and local laws, regulations, and orders (such obligations of Tenant being referred to below as "Tenant's Environmental Obligations"). For the purposes of this Lease the term "Hazardous Materials" shall refer to any substances, materials, and wastes that are or become regulated as hazardous or toxic substances under any applicable local, state, or federal law, regulation, or order ("Environmental Laws"). Tenant shall indemnify, defend, and hold Landlord harmless from and reimburse Landlord for any breach of Tenant's Environmental Obligations and all of the following which may result from such a breach: (1) any loss, cost, expense, claim, or liability



arising out of any investigation, reporting, monitoring, clean-up, containment, removal, storage, or restoration work required by any applicable federal, state, or local law, governmental agency, or political subdivision or prudent standards of real estate ownership and management; and (2) any claims of third parties for loss, injury, expense, or damage arising out of the presence, release, or discharge of any Hazardous Materials on, under, in, above, to, or from the Premises during the term of this Lease.

Landlord shall indemnify, defend, and hold Tenant harmless from and reimburse Tenant as to the presence, use, generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials on, under, in, above, to, or from the Property prior to the Commencement Date, other than as a result of the breach of Tenant's Environmental Obligations, and all of the following which may result therefrom: (A) any loss, cost, expense, claim, or liability arising out of any investigation, reporting, monitoring, clean-up, containment, removal, storage, or restoration work required by any applicable federal, state, or local law (which

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requirements Landlord agrees to satisfy at its sole expense), governmental agency, or political subdivision or prudent standards of real estate ownership and management; and (B) any claims of third parties for loss, injury, expense, or damage arising out of such presence, release, or discharge of any Hazardous Materials on, under, in, above, to, or from the Premises ("Landlord's Environmental Indemnity"). Landlord will deliver to Tenant, not later than the date required by paragraph 59 of this Lease, an irrevocable Standby Letter of Credit ("Letter of Credit") in the initial amount of \$2,000,000, issued to Tenant (but not its assigns) by The Development Bank of Singapore Ltd. (New York Agency), or another bank of Landlord's selection which is reasonably satisfactory to Tenant, as security for the performance of Landlord's Environmental Indemnity. Such Letter of Credit shall be in substantially the form attached to this Lease as EXHIBIT E.

If Landlord defaults at any time during the initial term in the performance of Landlord's Environmental Indemnity and such default continues uncured for 30 days after written notice to Landlord, Tenant may draw upon the Letter of Credit for the full amount paid by Tenant to cure a breach of Landlord's Environmental Indemnity. Landlord will, at Landlord's expense, keep the Letter of Credit in effect in the initial amount, less such draws, until the 31st day after the end of the initial term of this Lease (or, if Hazardous Materials as to which Landlord has indemnified the Tenant pursuant to this Lease are present or have been used, generated, released, discharged, stored, disposed of or transported on, in, above, to or from the Property during the initial term of this Lease, then until such later date as (i) all governmental agencies having jurisdiction under Environmental Laws make final determinations that all of the proper actions have been taken or that no actions are required with

respect to such Hazardous Materials and such determinations have been delivered to Tenant or (ii) a court having jurisdiction over such matters determines that Landlord has no indemnification responsibilities to Tenant regarding such Hazardous Materials under the terms of this Lease and all appeals or the time periods therefor have been exhausted with no change in such determination); provided, however, that Tenant may waive such requirement at any time by express written notice.

Tenant will have the right to draw on the Letter of Credit for the then full amount of the Letter of Credit if Landlord fails to renew the Letter of Credit in an amount equal to the original amount thereof, less any amounts drawn by Tenant to date, and for a period equal to the shorter of (x) 1 year or more or (y) the remaining portion of the period with respect to which Landlord is required to maintain the Letter of Credit, if such period can be determined with certainty, and accomplish such renewal and deliver the renewed Letter of Credit to Tenant at least 15 days before any expiration date, time being of the essence. If Tenant draws upon the Letter of Credit because Landlord has failed to renew the Letter of Credit as required above, Tenant shall hold the proceeds of such draw in a separate interest-

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bearing account (in Tenant's name) of Tenant's choosing. The proceeds and interest in such account shall be paid to Tenant or Landlord as follows:

(AA) to Landlord, upon receipt by Tenant of a renewed Letter of Credit conforming to the requirements of this Lease;

(BB) to Tenant, if and to the extent that Tenant would have been entitled to draw upon the Letter of Credit if it had been renewed; and/or

(CC) to Landlord, if and when Landlord is no longer required to provide the Letter of Credit under the terms of this Lease.

Tenant agrees that, upon termination of Landlord's obligation to provide the Letter of Credit, Tenant will surrender the Letter of Credit to Landlord and will execute all such certificates as Landlord reasonably requests in connection with the termination of the Letter of Credit.

Landlord represents and warrants to Tenant that Landlord has no knowledge of the presence of any Hazardous Materials on, in, or under the Property in violation of an Environmental Law or of the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Premises in violation of an Environmental Law, except if set forth in (a) that certain Environmental Assessment for 21605 Plummer Street, Chatsworth (Symbolic II), prepared by Rockwell, or (b) that certain draft soil and groundwater assessment report for 21415 and 21605 Plummer Street, Chatsworth, California, dated November 23, 1992,



prepared by Groundwater Technology, or (c) that certain letter prepared by Clayton Environmental Consultants dated November 10, 1992 (collectively, the "Environmental Assessments"). Tenant represents and warrants to Landlord that Tenant has no knowledge of the presence of any Hazardous Materials on, in, or under the Property in violation of an Environmental Law or of the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Premises in violation of an Environmental Law, except if set forth in the Environmental Assessments.

Tenant agrees to provide to Landlord, within 10 days of receipt, a copy of any notice regarding violation of any Environmental Law on or about the Premises arising out of Tenant's operations on the Premises, a copy of any report required by an Environmental Law regarding violation of the Environmental Law on or about the Premises arising out of Tenant's operations on the Premises and a copy of any notice of the emission or release of Hazardous Materials in violation of an Environmental Law or arising out of Tenant's operations on the Premises. Each Party agrees to provide to the other, within 10 days of receipt, a copy of all test reports and correspondence associated with the investigation, monitoring and

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remediation of soil and groundwater on, in or under the Property and a copy of any notice regarding the presence of any Hazardous Materials on, in, or under the Property or the escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of any Hazardous Materials on, in, under or from the Property in violation of any Environmental Law.

If (aa) there is any Hazardous Material on, in, or under the Premises in violation of an Environmental Law (other than those arising out of a breach of Tenant's Environmental Obligations) and (bb) as a result thereof, there is, in the reasonable opinion of Tenant, a danger of harm to the employees or invitees of Tenant, and a governmental agency having jurisdiction orders Tenant to vacate the Premises or any affected portion of the Premises and Tenant does so, then all Base Rent, Impositions, Insurance Costs and other amounts due under this Lease will abate from the date of such vacation, in proportion to the space vacated, until the governmental agency which ordered the vacation rescinds or terminates its order. If such governmental order is not rescinded or terminated within ninety (90) days after such vacation of all or part of the Premises by Tenant, either Landlord or Tenant may, within 30 days after the expiration of such 90 day period, terminate this Lease by written notice to the other party.

Tenant shall have the right during the term of this Lease to conduct such environmental testing and monitoring of the Premises as Tenant deems appropriate, including the installation of ground water monitoring wells and/or such other testing and monitoring as might be included in a Phase II environmental assessment. Such testing and monitoring shall be conducted in

accordance with applicable laws and regulations and only after not less than thirty (30) days prior written notice to Landlord.

The obligations of Landlord and Tenant under this paragraph shall survive the assignment, termination or cancellation of this Lease. The rights of Landlord and Tenant under this paragraph shall be in addition to any other rights and remedies which Landlord or Tenant may have against the Property, each other or any other person under any other document or any Environmental Law.

24. ALTERATIONS. Except for non-structural alterations costing less than \$25,000, Tenant shall not alter the Premises or any part of the Property without the prior written consent of Landlord (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), which consent may be granted upon the condition that such alterations be removed (and the affected portion of the Premises restored), at Tenant's expense, at the expiration or earlier termination of this Lease. Each written request for such consent shall contain a paragraph to be

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signed by Landlord indicating whether or not the alteration in question must be removed by Tenant at the expiration or earlier termination of this Lease.

25. PROPERTY OF LANDLORD. Unless otherwise provided in this Lease, all repairs, improvements, changes, alterations, and building equipment and machinery (other than Trade Fixtures, Tenant's telephone switch and equipment, air compressors and auxiliary air conditioners) made or installed by Tenant (collectively, "Alterations") shall immediately upon completion or installation thereof be and become the property of Landlord without payment therefor by Landlord.

26. DAMAGE OR DESTRUCTION. Subject to the other provisions of this Lease, if the Premises or any portion thereof becomes damaged or wholly or partially untenable because of fire, earthquake, act of God, the elements or other casualty, Landlord shall repair such damage with and to the extent of the insurance proceeds made available to Landlord for such purpose. However, if in Landlord's opinion such repairs cannot be made within one hundred eighty (180) days, Landlord shall so notify Tenant in writing within thirty (30) days of the date of such damage. In such event, either Tenant or Landlord may terminate this Lease within thirty (30) days after Landlord's notice. Termination shall be effected by written notice delivered to the other party within said thirty (30) day period. If this Lease is not so terminated, it shall remain in full force and effect except that an abatement of Base Rent, Impositions, Insurance Costs and other amounts due under this Lease shall be allowed Tenant for such part of the Premises as shall be rendered unusable by Tenant in the conduct of its business during the time such part is so unusable.

27. WAIVER. Tenant hereby waives California Civil Code Sections 1932, 1933, 1941 and 1942, and the provisions of any other law now or hereafter in effect that would relieve Tenant from any obligation to pay rent under this Lease except to the extent expressly provided in this Lease.

28. CONDEMNATION. If the Premises or any portion thereof is taken under the power of eminent domain (hereinafter referred to as "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If more than 10% of the floor area of the Premises is taken by Condemnation, then at Tenant's option, exercisable only in writing and within ten (10) days after Landlord shall have given Tenant written notice of such taking (or, in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession), and provided that Tenant is not in default under this Lease, Tenant may terminate this Lease as of the date the condemning authority takes possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Basic Rent shall be

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reduced in the proportion that the floor area of the portions of the Premises taken bears to the total floor area of the Premises.

29. CONDEMNATION AWARD. In the event any portion of the Premises is taken by Condemnation, Landlord shall be entitled to and shall receive the total award made in such Condemnation, which award Tenant hereby assigns to Landlord, except that Tenant shall be entitled to receive such portion of the award as may be specifically allocated in such proceedings to compensation for Tenant's Trade Fixtures, for improvements paid for by Tenant and not reimbursed out of the Tenant Improvement Allowance and for Tenant's relocation expenses.

30. RESTORATION. If less than the entire Premises shall be taken by Condemnation, and this Lease is not terminated pursuant to paragraph 28, with the net amount of any award received by Landlord in any proceeding for physical damage to the Premises after deducting all of Landlord's costs and expenses of collection, including without limitation attorneys' fees, Landlord shall promptly restore that portion of the Premises not so taken to a complete architectural unit.

31. TENANT'S WORK. All work done by Tenant, its agents and contractors, in or about the Premises or the Property (hereinafter called the "Work") shall be done in all cases subject to the following conditions, each of which Tenant covenants to observe and perform:

(a) No Work involving any structural change and no Work

involving any alteration, restoration, or rebuilding costing more than \$25,000 shall be undertaken until detailed plans and specifications have first been submitted to and approved in writing by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant).

(b) No Work involving a cost, as reasonably estimated by Tenant, of more than \$25,000 shall be undertaken except under the supervision of an architect or engineer approved in writing by Landlord (unless such requirement is waived by Landlord in writing).

(c) All Work shall be (i) commenced only after Landlord has received 10 days' prior notice of such Work or Landlord has approved such Work and only after all required local and other governmental permits and authorizations have been obtained, (ii) done in a good and workmanlike manner, (iii) performed in compliance with the building and zoning laws and with all other laws, ordinances, regulations, and requirements of all federal, state, and local governmental agencies, and in accordance with the recommendations of any insurer under any policies required by this Lease, and (iv) completed promptly and

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free of liens. Approval of any Work by Landlord shall not imply or be construed to indicate compliance with above requirements.

32. MECHANICS' LIENS. Tenant shall not suffer or permit any mechanics' or other liens (or claims thereof) to be filed against the Premises (or Tenant's leasehold interest therein or hereunder) or the Property by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part thereof through or under Tenant; provided, however, that Tenant shall have the right to contest any such liens so long as Tenant provides Landlord with reasonable security (by bond, escrow or otherwise) during such contest. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices that Landlord may deem necessary or advisable for the protection of Landlord, the Premises and the Property from mechanics' liens. If any such liens (or claims thereof) shall at any time be filed against the Premises or the Property, Tenant shall contest the liens or claims as provided above or shall cause the same to be discharged of record within forty-five (45) days after the date of filing.

33. FINANCIAL STATEMENTS. Upon the request of Landlord, Tenant shall provide to Landlord, at no expense to Landlord, copies of the most recent quarterly and annual financial reports with respect to Tenant as have been made available by Tenant to its shareholders.

34. LANDLORD'S ENTRY. Tenant agrees to permit Landlord and any

authorized representatives of Landlord, upon reasonable prior notice to Tenant, to enter the Premises with reasonable frequency during usual business hours, or at any other time in case of emergency, (a) to inspect (which may include environmental audits) the Premises and, if Landlord so desires, but without implying any obligation of Landlord to do so, to make any repairs deemed necessary or desirable by Landlord and to perform any work in the Premises deemed necessary by Landlord to comply with any laws or the recommendations of any insurer, and (b) during the final twelve months of the term of this Lease, for the purpose of leasing the Premises, during which twelve-month period Landlord may display on the Premises, in such manner as not to interfere unreasonably with Tenant's business, usual "For Sale" or "To Let" signs.

35. ASSIGNMENT AND SUBLETTING.

(a) Tenant shall not, without the prior consent of Landlord (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), assign this Lease or any interest herein, sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. This

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Lease shall not, nor shall any interest herein, be assignable as to the interest of Tenant by operation of law except as herein otherwise provided. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. In connection with each consent requested by Tenant, Tenant shall submit to Landlord the terms of the proposed transaction, the identity of the parties to the transaction, the proposed documentation for the transaction, and all other information reasonably requested by Landlord concerning the proposed transaction and the parties involved.

(b) If the Tenant is a privately held corporation, the transfer (except pursuant to a public offering), assignment, or hypothecation of any stock or interest in such corporation in excess of fifty percent (50%) in the aggregate of the voting stock or interest in Tenant shall be deemed an assignment or transfer within the meaning and provisions of this paragraph. If Tenant is a publicly held corporation, the public offering or trading of stock in Tenant shall not be deemed an assignment or transfer within the meaning of this paragraph.

(c) Without limiting the other instances in which it may be reasonable for Landlord to withhold its consent to an assignment or subletting, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold its consent in the following instances:

(1) if at the time consent is requested or at any time prior to the granting of consent, Tenant is in default under this Lease or would be in default under this Lease but for the pendency of any grace or cure period specified in this Lease; or

(2) if the proposed assignee or sublessee is a governmental agency; or

(3) if, in Landlord's reasonable judgment, the use of the Premises by the proposed assignee or sublessee would involve occupancy in violation of this Lease.

(d) If at any time during the term of this Lease Tenant desires to assign its interest in this Lease or sublet all or any part of the Premises, Tenant shall give notice to Landlord setting forth the terms of the proposed assignment or subletting ("Tenant's Request"). If the consummation of the assignment or sublease would cause Tenant to occupy less than 50% of the rentable area of the Premises, Landlord shall have the option, exercisable by written notice given to Tenant within thirty (30) days after Tenant's Request is given ("Landlord's Option Period"), either (1) to consent to the assignment (which consent shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within such 30-day period), in which event the provisions of subparagraph (g) shall be applicable,

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or to consent to the subletting in which event the provisions of subparagraph (h) shall be applicable; (2) to become the assignee or sublessee of Tenant (instead of the entity specified in Tenant's Request) upon the terms set forth in Tenant's Notice; (3) in the event of (A) a proposed assignment, or (B) a proposed subletting of the entire Premises, or a portion of the Premises for all or substantially all of the remainder of the term, to terminate this Lease with respect to, and to retake possession of, the space in question, together with, if only a portion of the Premises is involved, such rights of access to and from such portion as may be reasonably required for its use and enjoyment. If the foregoing sentence is applicable and Landlord does not exercise one of such options, or if Landlord consents or is deemed to consent to the proposed assignment or sublease, Tenant shall be free for a period of one hundred twenty (120) days after giving Tenant's Request, or one hundred twenty (120) days after the date Landlord's consent (if such consent is required) is given to Tenant, or one hundred twenty (120) days after the expiration of Landlord's Option Period (if applicable), to assign its entire interest in this Lease or to sublet such space to the entity specified in Tenant's Request upon the terms set forth therein or to any third party upon the same terms set forth in Tenant's Request, subject to obtaining Landlord's prior consent as hereinabove provided.

(e) Notwithstanding the provisions of subparagraphs (a) and (b) above, Tenant may assign this Lease or sublet the Premises or any portion

thereof, with prior notice to Landlord but without the necessity of Landlord's consent and without extending any option to Landlord pursuant to subparagraph (d) above, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from the merger or consolidation with Tenant ("Affiliate").

(f) No sublease, once consented to by Landlord, shall be modified or terminated by Tenant without Landlord's prior consent (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant).

(g) In the case of an assignment to an entity other than Landlord or an Affiliate, 50% of all sums and other economic consideration received by Tenant as a result of such assignment shall be paid to Landlord after first deducting 50% of: (1) the unamortized cost of leasehold improvements paid for by Tenant, (2) the cost of any concessions and inducements given to the assignee by Tenant and (3) the cost of any real estate commissions and other marketing costs incurred by Tenant in connection with such assignment.

(h) In the case of a subletting to an entity other than Landlord or an Affiliate, 50% of all sums and economic consideration received by Tenant as a result of such subletting shall be paid to Landlord after first deducting 50% of (1) the

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rental due hereunder, prorated to reflect only rental allocable to the sublet portion of the Premises, (2) the cost of leasehold improvements made to the sublet portion of the Premises at Tenant's cost, amortized over the term of this Lease except for leasehold improvements made for the specific benefit of the sublessee, and the cost of any concessions and inducements given to the subtenant by Tenant, all of which shall be amortized over the term of the sublease, and (3) the cost of any real estate commissions and other marketing costs incurred by Tenant in connection with such subletting, amortized over the term of the sublease.

(i) Regardless of Landlord's consent, no subletting or assignment (except to Landlord pursuant to the provisions of subparagraph (d) above) shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity



of exhausting remedies against such assignee or successor. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant of liability under this Lease.

(j) In the event Tenant shall once request the consent of Landlord to any assignment or subletting, then as to each request for consent to a further assignment or subletting Tenant shall pay Landlord's then reasonable and standard processing fee and Landlord's reasonable attorneys' fees incurred in connection therewith; provided, however, that Tenant shall not be required to pay Landlord in excess of \$500 for Landlord's processing fee or attorney's fees in connection with any such request.

(k) In the event of an assignment of this Lease by Tenant to an Affiliate, if Tenant returns the Letter of Credit to Landlord and requests Landlord to do so in writing, Landlord shall promptly cause the Letter of Credit to be reissued in the name of the assignee as Beneficiary. In the event of any other assignment of this Lease by Tenant, the Letter of Credit will not be issued in the name of the assignee and the assignee will have no right to draw upon or have the benefits of the Letter of Credit.

(l) If the initial Tenant assigns this Lease to an Affiliate and does not request that the Letter of Credit be reissued in the name of the Affiliate as Beneficiary pursuant to subparagraph 35(k) above, the Letter of Credit shall be

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maintained by Landlord as required by this Lease for the remainder of the initial term of this Lease and the initial Tenant shall be entitled to draw upon the Letter of Credit on its own behalf or on behalf of such Affiliate.

36. SUBORDINATION. At Landlord's option, this Lease shall be subordinate to any ground lease, mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements, and extensions thereof. Notwithstanding such subordination, Tenant's right to a quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor shall elect to have this Lease prior to the lien of its mortgage, deed of trust, or ground lease, and shall give written notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of such mortgage, deed of trust, or ground lease or the date of the recording thereof.



37. ATTORNTMENT. In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust now or hereafter on the Premises or any part thereof, Tenant shall, if so requested by the purchaser upon such foreclosure or sale or the grantee under a deed in lieu of foreclosure, attorn to such purchaser or grantee and recognize such purchaser or grantee as the Landlord under this Lease.

38. INDEMNIFICATION. Tenant agrees to indemnify, defend, and save Landlord harmless from and to reimburse Landlord for any and all claims arising from (a) the conduct or management of, or any work or thing whatsoever done by or for Tenant in or about the Premises or the Property during the term of this Lease, (b) any condition existing during the term of this Lease of (i) the Premises, (ii) any street, curb, or sidewalk adjoining the Premises, or (iii) any vaults, passageways, or spaces therein or appurtenant thereto, (c) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, (d) any act or negligence of Tenant or any of its agents, contractors, servants, employees, or licensees occurring about the Premises, (e) any accident, injury, or damage whatsoever caused to any person, firm, or corporation occurring during the term of this Lease in or about the Premises or upon or under the sidewalks or the land adjacent thereto, and (f) any and all costs, counsel fees, expenses, and liabilities reasonably incurred in connection with the such claim or action or proceeding brought thereon, except to the extent that any of the above-described claims arise out of the negligence or willful misconduct of Landlord, in which case Landlord agrees to indemnify, defend, and save Tenant harmless from and to reimburse Tenant for any and all claims arising from such

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negligence or wilful misconduct. In case any action or proceedings be brought against an indemnified party by reason of an indemnified claim, the indemnifying party, upon notice from the indemnified party, covenants to resist or defend such action or proceeding by counsel satisfactory to the indemnified party.

39. ATTORNEYS' FEES. If any action arising out of this Lease is brought by either party hereto against the other, then and in that event the unsuccessful party to such action shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party, and if the prevailing party shall recover judgment in such action, such costs, expenses and attorneys' fees (at trial and on appeal) shall be included in and as part of such judgment.

40. LANDLORD'S CORRECTION OF DEFECTS; REPRESENTATIONS. Tenant shall, within 30 days after commencing construction of the Tenant Improvements, provide Landlord with a written list of operating defects, if any, observed by Tenant in

the Building's systems or the portions of the Premises for which Landlord has maintenance responsibility under paragraph 16 of this Lease. Landlord will, not later than the Commencement Date (or such earlier date as may be reasonably required by Tenant in order for Tenant to complete the Tenant Improvements on or before the Commencement Date), correct such defects. Except as otherwise expressly provided in this Lease, Landlord has made no representations of any nature whatsoever in connection with the condition of the Premises or the Property or any part thereof, and Landlord shall not be liable for any defects therein.

41. EVENTS OF DEFAULT. The following events shall be deemed to be events of default by Tenant under this Lease:

(a) The failure of Tenant to pay any installments of Base Rent or additional rent when due, or any other payment or reimbursement to Landlord required herein when due, where such failure shall continue for a period of five (5) days after written notice of such failure.

(b) (i) The application by Tenant for, or Tenant's consent to the appointment of, a receiver, trustee, or liquidator of Tenant or of all or a substantial part of Tenant's assets, (ii) the making by Tenant of any general arrangement or assignment for the benefit of creditors, (iii) Tenant becoming a "debtor" as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days), (iv) the appointment of a trustee or receiver to take possession of all or substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease (unless possession is restored to Tenant within ninety (90) days) or (v) the attachment, execution, or other judicial seizure of all or substantially all of Tenant's

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assets located at the Premises or of Tenant's interest in this Lease (unless such seizure is discharged within ninety (90) days).

(c) Tenant shall fail to comply with any other term, provision, or covenant of this Lease, where such failure shall continue for a period of twenty (20) days after written notice thereof to Tenant, provided, however, that if such failure cannot reasonably be cured within twenty (20) days, Tenant shall not be deemed in default with respect to such failure if Tenant commences to cure such default within said twenty (20) day period and thereafter diligently and continuously prosecutes such cure to a prompt completion. In the event Landlord serves Tenant with a "Notice to Perform or Quit" pursuant to applicable unlawful detainer statutes, such notice shall also constitute the notice required by this subparagraph, provided that such notice gives Tenant at least twenty (20) days in which to perform or quit.

42. LANDLORD'S REMEDIES. Upon the occurrence of any event of default

by Tenant, Landlord may, at its option and without any further notice or demand (in addition to any other rights and remedies under this Lease, at law or in equity) do any of the following:

(a) Landlord shall have the right, so long as such default continues, to give notice of termination to Tenant. On the date specified in such notice (which shall not be less than three (3) days after the giving of such notice) this Lease shall terminate.

(b) In the event of any such termination of this Lease, Landlord may then or at any time thereafter re-enter the Premises and remove therefrom all persons and property and again repossess and enjoy the Premises, without prejudice to any other remedies that Landlord may have by reason of Tenant's default or of such termination.

(c) The amount of damages that Landlord may recover in the event of such termination shall include, without limitation: (1) the amount at the time of award (computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent) of (A) unpaid rent earned at the time of termination, (B) the amount by which the unpaid rent that would have been earned during the period from termination until the award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided, and (C) the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rent loss that Tenant proves could be reasonably avoided; (2) all legal expenses and other related costs incurred by Landlord following Tenant's default; (3) all costs incurred by Landlord in restoring the Premises to good order and condition, or, to the extent reasonably necessary to accomplish such reletting, in remodeling, renovating, or otherwise

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preparing the Premises for reletting; and (4) all other costs (including without limitation any brokerage commissions) incurred by Landlord in reletting the Premises.

(d) Following the termination of this Lease (or upon Tenant's failure to remove its personal property from the Premises after the expiration of the term of this Lease), Landlord may remove any and all personal property located in the Premises and sell or place such property in a public or private warehouse or elsewhere at the sole cost and expense of Tenant in accordance with applicable law. Tenant waives all claims for damages that may be caused by Landlord's removing, storing, or selling the property as herein provided.

(e) Landlord shall have the right to cause a receiver to be appointed in any action against Tenant to take possession of the Premises and to collect the rents or profits derived therefrom. The appointment of such receiver shall not constitute an election on the part of Landlord to terminate

this Lease unless notice of such intention is given to Tenant.

(f) Landlord shall have the remedy described in California Civil Code Section 1951.4 (i.e. Landlord may continue this Lease in effect after Tenant's abandonment and recover rent as it becomes due, because Tenant has the right to sublet or assign, subject only to reasonable limitations). Even though Tenant has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover rent in periodic actions as it becomes due under this Lease. In such event, Landlord may re-enter the Premises and remove all persons and property if the Premises have not been vacated, using any available summary proceedings, without such re-entry or removal being deemed a termination or acceptance of surrender of this Lease. Landlord may then elect to relet the Premises for the account of Tenant for a period that may extend beyond the term hereof, and upon such other terms as Landlord may reasonably deem appropriate. Tenant shall reimburse Landlord upon demand for all costs incurred by Landlord in connection with such reletting, including without limitation necessary restoration, renovation, or improvement costs, attorneys' fees, and brokerage commissions. The proceeds of such reletting shall be applied first to any sums then due and payable to Landlord from Tenant, including the reimbursement described above. The balance, if any, shall be applied to the payment of future rent as it becomes due hereunder.

43. TENANT'S SETOFF RIGHTS. If (a) Landlord fails to perform any repair or maintenance obligation of Landlord under this Lease, and fails to cure such default within 30 days after receipt of notice of such default from Tenant (or, if Landlord's repair or maintenance obligation cannot be reasonably performed within 30 days, Landlord fails to commence to perform it within such 30-day period and to

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thereafter diligently prosecute it to a prompt conclusion), or (b) Landlord fails to pay Tenant the Tenant Improvement Allowance when required to do so under this Lease, and fails to cure such default within one year after receipt of notice of such default from Tenant, Tenant may cure such default and charge the costs to Landlord (plus interest on such charges from the date the charges are incurred by Tenant, at the Default Interest Rate), and may set off such costs and interest, and/or any portion of the Tenant Improvement Allowance that has not been made to Tenant by Landlord (plus interest on such portion from the date it was due to Tenant, at the Default Interest Rate), against installments of Base Rent due under this Lease; provided, however, that Tenant shall not set-off against more than 25% of the Base Rent due in any month (but such limitation shall not apply to the final 6 months of this Lease). Tenant shall be permitted to continue to set off against succeeding installments of Base Rent due under this Lease until the total amount of such costs or payment and interest thereon have been recovered by Tenant.

44. CUMULATIVE REMEDIES. The specified remedies to which Landlord may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may be entitled, either at law or in equity, in case of any breach or threatened breach by Tenant of any covenant, agreement, or condition of this Lease.

45. NO WAIVERS. The failure of Landlord to insist in any one or more instances upon the strict performance or observance of any of the covenants, agreements, or conditions of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment of future performance or observance of such covenant, agreement, or condition or exercise of such option.

46. HOLDING OVER. Tenant covenants that it will vacate the Premises immediately upon the expiration or sooner termination of this Lease. If, with Landlord's consent, Tenant retains possession of the Premises or any part thereof after the expiration or termination hereof, Tenant shall pay Landlord 200% of the Base Rent due under this Lease immediately before such expiration or termination, for the time Tenant thus remains in possession. The provisions of this paragraph do not exclude Landlord's rights of re-entry or any other right hereunder, including without limitation the right to refuse 200% Base Rent and instead to remove Tenant through summary proceedings for holding over beyond the expiration of the term of this Lease.

47. NOTICES. All notices, demands, and requests that may or are required to be given by either party to the other shall be in writing and shall be deemed given when sent by United States Certified Mail, postage prepaid, (a) if for Tenant, addressed to Tenant (Attn: Chief Financial Officer), prior to Commencement Date at 9310 Topanga Canyon Boulevard, Chatsworth, California 91311 and after the Commencement Date at the address of the Premises, in either

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case with a copy to ADC Telecommunications, Inc., 12501 Whitewater Drive, Minnetonka, Minnesota 55343 (Attn: Chief Financial Officer and Attn: General Counsel), or at such other address or addresses as Tenant may from time to time designate by written notice to Landlord, or (b) if for Landlord, addressed to Landlord, c/o GSIC Realty Corporation, 255 Shoreline Drive, Suite 600, Redwood City, California 94065 or at such other places as Landlord may from time to time designate by written notice to Tenant.

48. LIMITATION OF LANDLORD'S LIABILITY. In the event of a sale or transfer by Landlord of its interest in the Premises or this Lease, such sale or transfer shall operate to release the transferor from all liability for the performance of the obligations of Landlord hereunder, expressed or implied, from and after the date of such transfer, and Tenant agrees thereafter to look solely to the successor in interest of Landlord in and to this Lease for the

performance of Landlord's obligations hereunder accruing after the date of such transfer (including the return of the Security Deposit) and thereupon Landlord shall be discharged from any further liability with respect thereto.

49. ESTOPPEL CERTIFICATES. At any time and from time to time upon not less than ten (10) days' prior request by Landlord, Tenant agrees to execute, acknowledge, and deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and identifying the modifications), (b) the dates to which Base Rent, Impositions, Insurance Costs and other amounts due under this Lease have been paid, and (c) whether there is then existing any claim by Tenant of default hereunder by Landlord and, if so, specifying the nature thereof. It is intended that any such statement may be relied upon by any person proposing to acquire Landlord's interest in this Lease or any prospective mortgagee of, or assignee of any mortgage upon, such interest. At any time and from time to time upon not less than ten (10) days' prior request by Tenant, Landlord agrees to execute, acknowledge, and deliver to Tenant a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and identifying the modifications), (b) the dates to which Base Rent, Impositions, Insurance Costs and other amounts due under this Lease have been paid, and (c) whether there is then existing any claim by Landlord of default hereunder by Tenant and, if so, specifying the nature thereof. It is intended that any such statement by Landlord may be relied upon by any person proposing to receive a mortgage or assignment of Tenant's interest in this Lease or to enter into any sublease of all or part of the Premises.

50. BROKERAGE. Each party represents and warrants to the other that it has not dealt with any broker, agent, or other person in connection with this transaction and that no other broker, agent, or other person brought about this

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transaction through it, other than CB Commercial Real Estate, Mel Goldstein, Bob Shafer, The Johnston Group and Cal Johnston (whose commissions shall be paid by Landlord), and each party agrees to indemnify and hold the other party harmless from and to reimburse the other party for any and all claims by any other broker, agent, or person claiming a commission or other form of compensation by virtue of having dealt with it with respect to this leasing transaction. The provisions of this paragraph shall survive the termination of this Lease.

51. SECURITY DEPOSIT. Tenant shall, upon execution of this Lease, deposit with Landlord the sum of \$77,000.00 as security for the full and faithful performance of every provision of this Lease to be performed by Tenant during the full term of this Lease (the "Security Deposit"). If Tenant defaults with respect to any provision of this Lease during the term of this Lease and such default continues beyond the applicable grace period, Landlord may use,



apply, or retain all or any part of the Security Deposit for the payment of Base Rent or any other sum in default, for the payment of any other amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss, cost, or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep the Security Deposit separate from its general funds and Tenant shall not be entitled to interest on such deposit. Landlord shall refund the Security Deposit to Tenant within 10 days after the expiration of the term of this Lease. If (a) Tenant has reasonable grounds, valid as of a date not more than 30 days prior to the date that the final full monthly Base Rent payment is due under this Lease, to believe that the then Landlord is unlikely to be in a financial position to return the Security Deposit during the required refund period (the then pendency of bankruptcy proceedings with regard to such Landlord or any general partner thereof being absolute and un rebuttable evidence of reasonable grounds for such belief), and/or (b) the then Landlord is a successor to the initial Landlord under this Lease and has failed to enter into a written agreement running to the benefit of and enforceable by Tenant whereby the then Landlord unconditionally assumes all of the Landlord's obligations under this Lease with respect to the Security Deposit or an original copy of such agreement has not been delivered to Tenant (provided, however, that the then Landlord may in the alternative provide Tenant with an opinion of counsel reasonably satisfactory to Tenant that, under California law then in effect, Tenant shall have the same rights with respect to the then Landlord without such a written agreement that it would have had if such a written agreement were executed and delivered to Tenant) and/or (c) if Landlord is a lender who shall have acquired title to the Premises without personal obligation to refund the Security Deposit to Tenant within the required refund period, Tenant shall give notice of such fact(s) to Landlord on or before the date 15 days prior to the date that the final full monthly Base Rent payment is due under this Lease. If Landlord

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receives such notice and does not, prior to the date 5 days before the date that the final full monthly Base Rent payment is due under this Lease, (i) if subparagraph (a) above applies, provide Tenant with reasonable security for the performance of Landlord's obligation to refund the Security Deposit and/or (ii) if subparagraph (b) above applies, provide Tenant with the written agreement or opinion described in such subparagraph (b) and/or (iii) if subparagraph (c) above applies, provide to Tenant the lender-Landlord's written personal commitment to Tenant to refund the Security Deposit during the required refund period, Tenant may setoff such Security Deposit against the payment of Base Rent and any other sums due Landlord under this Lease that are due on such payment date or any subsequent date.

52. SIGNAGE. Tenant shall not place or permit on the exterior or

roof of the Premises or on the balance of the real property constituting the Premises or on the balance of the Property any sign, advertisement, illumination, projection, or similar thing (a "Sign"), unless (a) Landlord has given its prior written consent thereto (which consent shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such consent has been received by Landlord from Tenant), and (b) such Sign complies with applicable law. Subject to the foregoing, Tenant may place a monument sign in front of the Premises, Tenant may place a directional delivery sign at the delivery driveway shown on the attached EXHIBIT A, and may place a sign or signs on the exterior of the Premises.

### 53. TENANT IMPROVEMENTS.

(a) Tenant shall construct the improvements to the Premises described on the attached EXHIBIT C (collectively, the "Tenant Improvements"). Tenant shall promptly commence the work for Tenant Improvements and shall diligently pursue such work to completion, as described in subparagraph (e) below.

(b) Tenant shall submit to Landlord complete, finished drawings and specifications (the "Plans") for the Tenant Improvements. The Plans shall be subject to Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Within ten (10) business days after its receipt of the Plans, Landlord shall notify Tenant of its approval or disapproval of the Plans, and if Landlord disapproves the Plans, the revisions that Landlord requires in order to obtain such approval. Tenant and Tenant's architect or engineer shall meet with Landlord and its agents within a reasonable period of time after any request for such meeting by Landlord to answer questions or provide additional information with respect to the Plans. As promptly as reasonably possible thereafter, Tenant shall submit to Landlord modified Plans incorporating the revisions required by Landlord. The modified Plans shall be subject to

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Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). The final Plans and specifications approved by Landlord are hereinafter referred to as the "Final Plans." If appropriate, Tenant shall cause two sets of reproducible Final Plans, marked for pricing and construction to be delivered to Landlord within 5 days after Landlord's approval of the Final Plans. Tenant shall engage an architectural firm, duly licensed in the State of California, for preparation of the Plans and supervision of the construction of the Tenant Improvements. Such firm shall be



subject to Landlord's approval (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Tenant shall not commence any work in the Premises until Landlord has finally approved the Plans (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant).

(c) Tenant shall pay all the Tenant Improvement Costs (as defined below) and, provided there are no events of default by Tenant, Landlord will provide the Tenant Improvement Allowance specified in subparagraph (e) below. Tenant Improvement Costs shall include, but not be limited to, the cost of the work described on the attached EXHIBIT C to the extent included in the Final Plans, and the following with respect to the Final Plans: hard costs of construction (including builder's risk insurance and the Performance and Payment Bonds hereinafter specified), permitting fees and the fees of Tenant's architect and engineer, and of Tenant's construction manager, if any. Tenant Improvement Costs shall not include any of Tenant's equipment or other personal property or trade fixtures.

(d) Tenant shall employ a general contractor for the Tenant Improvements duly licensed in the State of California and approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Upon request by Landlord, Tenant shall deliver to Landlord a copy of the construction contract entered into by Tenant and the general contractor. Before any work commences, the general contractor shall obtain and deliver to Landlord Performance and Payment Bonds in form and amount approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant). Such Bonds shall name Landlord as the

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obligee and shall be written by surety companies which have been approved by Landlord (which approval shall be given or withheld in writing, shall not be unreasonably withheld and shall be deemed to be not given if not given or withheld in writing within 10 days after a written request for such approval has been received by Landlord from Tenant) and are either on the United States Department of the Treasury's list of sureties acceptable to the United States Government or have at least a BB+ rating by Bests. The Tenant Improvements shall be constructed in a good and workmanlike manner and shall comply with all laws, codes and ordinances applicable to the Premises. Not less than five (5)

days prior to the date Tenant desires to commence the Tenant Improvements, Tenant shall give written notice to Landlord setting forth or accompanied by all of the following:

- (i) A description and schedule for the work to be performed;
- (ii) The names and addresses of all contractors, subcontractors and material suppliers who have then been engaged to construct or supply the Tenant Improvements;
- (iii) Copies of all licenses and permits which may be required in connection with the Tenant Improvements and which can then be obtained; and
- (iv) Certificates of builder's risk insurance reasonably satisfactory to Landlord.

As additional rent under this Lease, Tenant shall make, at its expense, any repairs to the Premises and any corrections to the Tenant Improvements, the need for which arise from the actions or omissions of anyone constructing the Tenant Improvements. During the progress of the work to be done by Tenant, such work shall be subject to inspection by representatives of Landlord who shall be permitted access and the opportunity to inspect, at all reasonable times upon reasonable advance notice, in compliance with any safety and work rules then imposed at the Premises by Tenant or its contractors, but this provision shall not in any way whatsoever create any obligation on Landlord to conduct any such inspection.

(e) Upon completion of the Tenant Improvements in accordance with the Final Plans and the requirements of the ADA, Landlord shall pay to Tenant an amount (the "Tenant Improvement Allowance") equal to the sum of (1) the lesser of the Tenant Improvement Costs or \$600,000, plus (2) the ADA Payment, upon receipt of all of the following: (i) unconditional lien waivers from all contractors, subcontractors and suppliers of materials and equipment, (ii) an affidavit executed by the general contractor certifying the cost of the Tenant Improvements and stating that it has delivered to Landlord lien waivers from all

subcontractors and suppliers and that the contractor has paid all debts or settled all claims for labor and materials in connection with the Tenant Improvements, (iii) an affidavit executed by Tenant that it accepts and is satisfied with the Tenant Improvements and that all contractors and suppliers in connection with the Tenant Improvements have been paid, (iv) a certification of completion executed by the Tenant's architect confirming that the Tenant Improvements have been completed in accordance with the Final Plans and that, if

required, a Certificate of Occupancy (temporary or permanent) has been issued with respect to the Premises by the local authority having jurisdiction thereof, and (v) if required by Landlord, a complete set of "as-built" plans and specifications for the Tenant Improvements. The Tenant Improvements shall be deemed completed upon satisfaction of all of the foregoing. Tenant's obligation to pay the rent under this Lease shall not be postponed due to delay of any nature, however arising, in completion of the Tenant Improvements, except for delays caused by Landlord's failure to perform its repair and maintenance obligations under paragraphs 16 and 40 of this Lease, in which case the Commencement Date shall, at Tenant's option to be exercised by written notice to Landlord, be extended by the number of days of delay so caused by Landlord.

(f) Tenant agrees to expend at least \$400,000 in excess of the Tenant Improvement Allowance for the Tenant Improvements, including costs of Tenant's internal space planners and internal environmental review.

54. OPTIONS TO EXTEND TERM. Tenant shall have two options (collectively the "Options" and individually an "Option") to extend the term of this Lease for two additional consecutive six (6) year periods, the first of which shall commence on the expiration of the initial term of this Lease (the "First Renewal Option") and the second of which shall commence six (6) years thereafter (the "Second Renewal Option"), provided that:

(a) The First Renewal Option shall be exercised by written notice of exercise delivered to Landlord no later than nine (9) months before the expiration of the initial term of this Lease, and the Second Renewal Option shall be exercised by written notice of exercise delivered to Landlord no later than nine (9) months before the expiration of the term of the First Renewal Option. If Tenant fails to so exercise the First Renewal Option, both of the Options shall terminate. If Tenant so exercises the First Renewal Option but fails to so exercise the Second Renewal Option, the Second Renewal Option shall terminate;

(b) At the time each Option is exercised and at the commencement of the term of each Option, this Lease must be in full force and effect and Tenant must not then be in default under this Lease. The foregoing conditions are for the benefit of and may be waived by Landlord; and

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(c) All of the terms, covenants and conditions of this Lease shall remain in effect during the term of each Option except that (i) the Base Rent commencing with the first day of the first month for each month of the first thirty-six (36) months of the First Renewal Option shall be increased based upon the percentage increase in the Consumer Price Index as such Index for the 37th month of the initial term of this Lease bears to such Index for the last month of the initial term; provided, however, that in no event shall the Base Rent commencing with the first month of such term be more than 115% or less

than 109% of the Base Rent payable for the last month of the initial term of this Lease; and (ii) commencing with the first day of the 37th month of the term of the First Renewal Option, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index as such Index for the 36th month of such term bears to such Index for the last month of the initial term; provided, however, that in no event shall the Base Rent commencing with the 37th month of such term be more than 115% or less than 109% of the Base Rent payable for the 36th month of the term of the First Renewal Option, and (iii) the Base Rent for each month of the term of the Second Renewal Option shall be the Market Rent for the Premises for the term of the Second Renewal Option (determined by Appraisal if the parties cannot agree upon the Market Rent within 30 days after Tenant's exercise of the Second Renewal Option); except that commencing with the first day of the 37th month of the term of the Second Renewal Option, the Base Rent shall be increased based upon the percentage increase in the Consumer Price Index as such Index for the 36th month of such term bears to such Index for the last month of the term of the First Renewal Option; provided, however, that in no event shall the Base Rent commencing with the 37th month of such term be more than 115% or less than 109% of the Base Rent payable for the 36th month of the term of the Second Renewal Option.

55. EXPANSION SPACE. Rockwell presently occupies that portion of the Property commonly known as 21605 Plummer Street (the "Rockwell Building") which contains approximately 130,572 rentable square feet of space. Rockwell has the right to park 410 cars in the Rockwell Area. The term of the lease agreement for the Rockwell Building expires on June 30, 1997, but Rockwell has the option to cancel on one-year's prior written notice. If Rockwell cancels its tenancy and Landlord determines not to grant Rockwell rights to occupy the Rockwell Building (or any portion thereof in excess of 105,000 square feet of rentable area) on some basis, then, subject to the terms of this paragraph, Tenant shall have one option (the "Expansion Option") to add to the Premises demised under this Lease, the "Expansion Space" which shall be (i) the Rockwell Building, or (ii) a portion thereof which shall consist of not less than 25,000 rentable square feet and shall be configured (as mutually agreed upon by Landlord and Tenant in writing) in such a manner as to meet Tenant's reasonable requirements and applicable codes and any reasonable objections of Landlord set forth in written notice to Tenant within ten (10) days after Landlord's receipt of Tenant's Notice (as hereinafter defined), as follows:

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(a) Tenant agrees to accept the Expansion Space in its "as is" condition on the Availability Date (hereinafter defined) except as in this paragraph otherwise provided;

(b) Landlord shall give Tenant written notice ("Landlord's Notice") of the date upon which the Expansion Space shall be available (the "Availability Date") and of the location and size of the Expansion Space. Tenant shall have one option to have the Expansion Space added to the Premises demised

under this Lease on the Availability Date upon all the terms, covenants and conditions contained in this Lease except that (i) the Base Rent for the Expansion Space for the balance of the term of this Lease shall be Market Rent with an \$8.00 per net rentable square foot improvement allowance and without reduction for the cost of creating all demising walls and related improvements necessary for the Expansion Space to function separately from the remainder of the Rockwell Building, which demising walls and related improvements Tenant shall cause to be constructed and the costs of which shall be paid one-half by Tenant and one-half by Landlord (which improvement allowance and other Landlord reimbursements shall be paid to Tenant in accordance with disbursing procedures similar to those provided for in paragraph 53 of this Lease), (ii) Tenant shall be permitted to take occupancy of the Expansion Space on the Availability Date in order to construct improvements therein, subject to each and every provision of this Lease except that Tenant shall not be obligated to pay Base Rent with respect to the Expansion Space until the "Rent Start Date" (defined below), and (iii) the Rent Start Date shall be the 180th day after the Availability Date or the date Tenant substantially completes its improvements in and occupies the Expansion Space for business purposes, whichever is the earlier;

(c) The Expansion Option shall be exercised, if at all, by written notice ("Tenant's Notice") of exercise given to Landlord not later than twenty (20) days after Tenant's receipt of the Landlord's Notice. If Tenant fails to so exercise the Expansion Option it shall terminate;

(d) If Landlord and Tenant cannot agree upon the determination of Market Rent on or before the date that Tenant is required to give Landlord Tenant's Notice, and Tenant nonetheless elects to give Tenant's Notice, the determination of Market Rent as to such Expansion Space will be submitted to Appraisal in accordance with attached EXHIBIT D. If on the date Base Rent as to such Expansion Space is scheduled to commence pursuant to this Lease the Appraisal has not been completed, Tenant will pay Base Rent based on Landlord's reasonable estimate of Market Rent. Upon determination of Market Rent by Appraisal, Landlord will pay to Tenant or Tenant will pay to Landlord, as appropriate, the amount equal to the overpayment or underpayment of Base Rent from such commencement until the determination of Market Rent by Appraisal, together with interest accrued thereon during such period at the Default Interest Rate. Upon

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establishment of the Base Rent for the Expansion Space, the parties agree to execute an appropriate amendment to this Lease to reflect, as of the Availability Date (i) the increase in the net rentable area of the Premises, (ii) the increase in the Base Rent, and (iii) the increased Tenant's Proportionate Share;

(e) As conditions precedent to Tenant's right to the Expansion Option, at the time the Expansion Option is exercised and on the Availability

Date, this Lease must be in full force and effect, Tenant must not then be in default thereunder and Tenant's interest under this Lease must not have been assigned by operation of law or otherwise (except pursuant to an assignment with respect to which Landlord has agreed in this Lease to give its consent or as to which Landlord's consent is not required under this Lease). The foregoing conditions are for the benefit of and may be waived by Landlord; and

(f) Landlord shall not be liable to Tenant for any loss or damage for any failure to deliver possession of the Expansion Space to Tenant by reason of the holding over or retention of possession by a tenant or occupant of the Expansion Space and no such failure shall impair the validity of this Lease or extend its term. Landlord will, however, exert reasonable efforts (including legal proceedings to the full extent permitted under applicable laws) to cause the other tenant to deliver possession of the Expansion Space.

(g) Tenant shall have the right to receive additional parking with respect to the Expansion Space, at no cost to Tenant, as provided in paragraph 4 of this Lease.

56. RIGHTS OF FIRST OFFER. Tenant will have rights of first offer to lease additional space in the Rockwell Building in accordance with the following provisions:

(a) ANNUAL NOTICES. No earlier than August 1 and no later than October 1 of each calendar year during the term, Landlord will notify Tenant in writing ("Annual Notice") of any rentable space within the Rockwell Building that Landlord does not intend to warehouse, use or occupy and that is then unleased or that will become unleased during the following calendar year in the absence of the exercise of a Superior Right (as defined below). The Annual Notice will include the following:

- (1) identification of the configurations of such space that Landlord intends to use in marketing such space "Configurations");
- (2) the date on which each such Configuration that is then leased will become unleased if no Superior Right (as defined below) is exercised;

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- (3) identification of the rights of other tenants in the Rockwell Building to lease any such Configuration pursuant to right of first offer, right of first refusal, renewal, extension or expansion provisions in their leases ("Superior Rights"), together with identification of the date on which each such Superior Right terminates; and

- (4) Landlord's reasonable determination of Market Rent as to each Configuration.

Landlord will not be required to give an Annual Notice (or any Interim Notices or Reconfiguration Notices, as provided below, as to the calendar year to be covered by the Annual Notice) unless, on or before July 1 of the year in which such Annual Notice is to be given, Tenant has notified Landlord in writing of Tenant's request that Landlord do so.

(b) INTERIM NOTICES. If any rentable space within the Rockwell Building that was not required to be included in the previous Annual Notice, subject to the exercise of a Superior Right, becomes unleased during the calendar year following the date that the previous Annual Notice was given to Tenant, Landlord will notify Tenant in writing ("Interim Notice") of such fact within 20 days after Landlord first has knowledge of such fact. The Interim Notice will include the following:

- (1) the Configurations for such space;
- (2) the date on which each such Configuration that is then leased will become unleased if no Superior Right is exercised;
- (3) identification of each Superior Right applicable to each such Configuration and the date on which each such Superior Right terminates; and
- (4) Landlord's reasonable determination of Market Rent as to each Configuration.

(c) RECONFIGURATION NOTICES. If Tenant has failed to exercise its rights of first offer with respect to a particular Configuration identified in an Annual Notice, as provided in this paragraph, and if Landlord subsequently reconfigures such Configuration so that the area of such Configuration increases or decreases by 20% or more, Landlord will, prior to such reconfiguration, notify Tenant of such reconfiguration ("Reconfiguration Notice"). The Reconfiguration Notice will include the following:

- (1) the new Configurations resulting from such reconfiguration;
- (2) the date on which each such new Configuration that is then leased will become unleased if no Superior Right is exercised;
- (3) identification of each Superior Right applicable to each such new Configuration and the date on which each such



Superior Right terminates; and

- (4) Landlord's reasonable determination of Market Rent as to each such new Configuration.
- (d) TENANT'S ELECTION TO LEASE. Tenant may elect to lease all (and not part) of any Configuration set forth in an Annual Notice, an Interim Notice or a Reconfiguration Notice as follows:
  - (1) Tenant's election to lease such Configuration must be made, if at all, by written notice to Landlord ("Election Notice") not later than (A) the November 1 following an Annual Notice and (B) 15 days after an Interim Notice or Reconfiguration Notice is given to Tenant. Tenant will be deemed to have elected not to lease such Configuration if the Election Notice is not given to Landlord within the applicable response period.
  - (2) Tenant must have first elected to lease all Configurations that are then unleased before Tenant may elect to lease any Configurations that are then leased.
  - (3) Tenant may not elect to lease any space under this paragraph during the last two years of the initial term of this Lease or any Extended Term, unless Tenant has then exercised its next available option to extend the term of this Lease.
- (e) SUPERIOR RIGHTS. Any election by Tenant to lease a Configuration will be subject to the rights of other tenants having applicable Superior Rights as identified in the Annual Notice, Interim Notice or Reconfiguration Notice.
- (f) COMMENCEMENT OF LEASE REGARDING CONFIGURATION. A Configuration will become a part of the Premises, upon the same terms and conditions as are provided in this Lease (except as expressly modified in this paragraph), upon the later of (1) the date that all holders of Superior Rights applicable to such Configuration have relinquished their rights or the date all of such Superior Rights have terminated in accordance with their terms, whichever is

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earlier, or (2) the date such Configuration is delivered to Tenant, free from rights of others.



(g) RENT. Base Rent for any space added to the Premises under this paragraph will be equal to the Market Rent, determined as of the date of the commencement of the term of this Lease with respect to such space. If Landlord and Tenant cannot agree upon the determination of Market Rent on or before the date that Tenant is required to give Landlord an Election Notice, and Tenant nonetheless elects to lease such space, the determination of Market Rent as to such space will be submitted to Appraisal in accordance with attached EXHIBIT D. If on the date Base Rent as to such space is scheduled to commence pursuant to this Lease the Appraisal has not been completed, Tenant will pay Base Rent based on Landlord's reasonable estimate of Market Rent. Upon determination of Market Rent by Appraisal, Landlord will pay to Tenant or Tenant will pay to Landlord, as appropriate, the amount equal to the overpayment or underpayment of Base Rent from such commencement until the determination of Market Rent by Appraisal, together with interest accrued thereon during such period at the Default Interest Rate.

(h) CONDITION OF SPACE. Any space leased by Tenant under this paragraph will be delivered to Tenant in its "as is" condition as of the commencement of the term of this Lease as applied to such space.

(i) AMENDMENT TO LEASE AND MEMORANDUM OF LEASE. Within ten (10) days after request by Landlord or Tenant, the parties shall execute an amendment to this Lease and to any Memorandum of Lease adding to the Premises any space which Tenant has elected to lease pursuant to this paragraph, as of the commencement date specified in this paragraph with respect to such space, and upon the terms and conditions of this Lease.

(j) EFFECT OF DEFAULT. If any default exists by Tenant under this Lease that has not been cured or is being cured by Tenant within the applicable grace period at the time the Election Notice is given or at the commencement of the term of this Lease as to the space in question, Tenant will have no right to exercise its option as to the applicable space and/or to lease such space.

The time limitations with respect to Tenant's election to lease space under this paragraph set forth in subparagraph (d) above and the condition set forth in subparagraph (j) above are solely for the benefit of Landlord, and Landlord may at its option waive any such limitation or condition.

57. ADDITIONAL ENVIRONMENTAL ASSESSMENTS; ASBESTOS REMOVAL. Landlord will promptly obtain and provide to Tenant, in sufficient time to allow Tenant to prepare for construction of the Tenant Improvements, the additional environmental investigation and assessment work requested by Dana Wagner of

Bruce A. Liesch Associates, Inc. pursuant to a letter to Brad Childs (sic) dated December 1, 1992 and a letter to Che Hsien Chang dated November 20, 1992, and Landlord shall complete such governmental environmental reporting as shall be

required by applicable laws. Tenant will pay Landlord 50% of the reasonable cost of such work, within 10 days of written demand. Landlord agrees that Landlord will, at Landlord's sole expense, remove, encapsulate or otherwise address any asbestos situated in any space leased by Tenant pursuant to this Lease when such space is first made available by Landlord to Tenant in accordance with applicable laws and in such a time frame (to the extent reasonably possible) as not to interfere with the timely completion of improvements to be constructed in such space by Tenant.

58. ROOF ANTENNAS. Subject to the terms of paragraph 31 of this Lease, Tenant may install on the roof of the Premises antenna and satellite dishes for use in connection with its business, so long as such installation does not interfere with the use and operation of (a) any television, radio, communications or other equipment in any adjoining structure, or (b) any electronic control system or elevators in any adjoining structure, or (c) any other transmitting, receiving or master TV antenna on any adjoining structure.

59. CONTINGENCIES. Tenant's obligations under this Lease shall be contingent upon the following occurring or being satisfied on or before the dates set forth below:

(a) Tenant shall receive the Letter of Credit on or before the date 15 business days after the date of this Lease.

(b) Tenant shall receive, on or before the date 25 business days after the date of this Lease, Subordination, Non-disturbance and Attornment Agreements, in the form attached to this Lease as Exhibit F, executed by each holder of any deed of trust that has priority over this Lease (which agreements Landlord agrees to use its best efforts to provide to Tenant on or before the date 25 business days after the date of this Lease and which agreements Landlord and Tenant agree to execute).

Tenant may waive such contingencies by written notice given to Landlord on or before the applicable contingency date. Tenant's failure to so waive any such contingency on or before the applicable contingency date shall be deemed to be an exercise of Tenant's right to terminate this Agreement based upon the failure of such contingency.

60. MEMORANDUM OF LEASE; RECORDABLE TERMINATION. Either party will, upon the written request of the other party, execute a short form lease ("Memorandum of Lease") regarding this Lease, in a form suitable for recording in the Los Angeles County Records. Such Memorandum of Lease will be dated as of

the date of this Lease and will disclose the parties; the term of this Lease, descriptions of the Premises, Tenant's extension and expansion rights and rights of first refusal and such other terms and conditions as the parties agree upon.

The party requesting the execution of such Memorandum of Lease will bear all costs of the Memorandum of Lease, including any recording fees. Upon the determination of the Commencement Date and the written request of either party, the parties will execute an amendment to the Memorandum of Lease setting forth the Commencement Date, with the party requesting the execution of such amendment bearing all costs of the amendment, including any recording fees. Upon the execution of a pertinent amendment to this Lease and the written request of either party, the parties will execute a corresponding amendment to the Memorandum of Lease, with the party requesting the execution of such amendment bearing all costs of the amendment, including any recording fees. Either party will, following any termination of this Lease and upon the written request of the other party, execute a document setting forth the date of such termination, in a form suitable for recording in the Los Angeles County Records. Failure of a party to execute such a document will not affect the termination, and in such event the party requesting the document may execute and file an affidavit setting forth the date of termination. The party requesting the execution of such document will bear all costs thereof, including any recording fees.

61. MISCELLANEOUS. This Lease cannot be changed orally, but only by agreement in writing signed by the party against whom, or against whose successors and assigns, enforcement of the change is sought. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger as to any existing subtenancies and shall, at the option of Landlord, terminate any and all such existing subtenancies or, at Landlord's option, operate as an assignment to it of any and all such subtenancies. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. If there is more than one tenant, the obligations hereunder imposed upon the Tenant shall be joint and several. Time is of the essence of this Lease and each and all of its provisions. This Lease shall be construed and enforced in accordance with the laws of the State of California. The term "Default Interest Rate" shall mean an annual rate equal to the reference or prime rate of Bank of America ("Reference Rate"), or the successor to such rate, plus 2 percentage points per annum, or the maximum interest rate permitted by law, whichever is less. Any amount due from Tenant, if not paid when first due, shall bear interest at the Default Interest Rate from the date due until paid. If any covenant, agreement, or condition of this Lease or the application thereof to any person, firm, corporation, or circumstance is or becomes to any extent invalid or unenforceable, the remainder of this Lease, or the application of such covenant, agreement, or condition to persons, firms, corporations, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and in lieu of each clause or provision of this Lease that is illegal, invalid, or unenforceable, there shall be added as a part of this Lease a clause or provision as

similar in terms to such clause or provision as is possible and as may be legal, valid, and enforceable. If any excavation or other building operation shall be

made, or is about to be made, upon any adjoining property or streets, upon the request of Landlord, Tenant shall permit the owner or lessee of such adjoining property and their respective representatives to enter the Premises and shore the foundations and walls thereof, and to do any other act or thing reasonably necessary, in Landlord's opinion, for the safety or preservation of the Premises. Landlord's acceptance of a partial rent payment shall not constitute a waiver of any rights of Tenant or Landlord, including, without limitation, any right Landlord may have to recover possession of the Premises, in unlawful detainer, or otherwise. The parties agree that, except as in this Lease otherwise provided, and subject to the provisions of paragraph 35 of this Lease, the covenants and agreements herein contained shall bind and inure to the benefit of the successors and assigns of the parties.

Exhibits A through F are attached hereto and become part of this Lease.

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

LANDLORD:

GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation

By /s/ S. Bradford Child

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Its

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And By

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Its

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TENANT:

ADC TELECOMMUNICATIONS, INC., a Minnesota corporation

By /s/ LeRoy Morgan

-----  
Its Vice President  
-----

FIBERMUX CORPORATION, a California corporation

By /s/ Steve Kim

-----  
Steve Y. Kim, President

And By /s/ Frederic T. Boyer

-----  
Frederic T. Boyer, Chief Financial Officer

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EXHIBIT A

INSIDE OF SHADED AREA = "ROCKWELL AREA"  
410 SPACES

BALANCE IS "FIBERMUX/AREA"

EXHIBIT B

LEGAL DESCRIPTION

Parcels B and C and the Southerly 111.5 of D of Parcel Map L.A. No. 5336, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map filed in Book 168 Pages 61 and 62 of Parcel Maps, in the Office of the County Recorder of Los Angeles, State of California.

Except 50 percent of all oil, gas, mineral, asphaltum and other hydrocarbon substances underlying said property or that may be produced thereon or therefrom, but without the right of entry above the depth of 500 feet below the surface of said land, as reserved by Frank S. Lombardi, et al. in Deed recorded March 1, 1956 in Book 50473 Page 258, Official Records.

OFFICE -- ASSEMBLY/WAREHOUSE

FIBERMUX BLOCK PLAN  
FIRST FLOOR  
21415 PLUMMER ST CHATSWORTH, CA  
12/7/92

FIBERMUX BLOCK PLAN  
SECOND FLOOR  
21415 PLUMMER ST CHATSWORTH, CA  
12/7/92

EXHIBIT C

December 9, 1992  
VER. B

SCOPE STATEMENT

FIBERMUX PROJECT

21415 PLUMMER STREET

OFFICE

ARCHITECTURAL

- A. Reuse existing walls to extent possible.
- B. All walls to receive paint (some graphics may be used). VP and President's offices to receive grade 1 vinyl. Restrooms to receive grade 2 vinyl.
- C. Reuse existing ceiling tile and grid replacing damaged tile as required.
- D. Reuse existing doors and frames. Replace existing hardware with Schlage L series. Any new doors and frames to match existing. A master key system for the building is desirable.
- E. Office areas will be carpeted reusing existing to the extent possible. All new carpet will be broadloom. Reused carpet will be thoroughly cleaned before occupancy.
- F. Provide alternate cost to install dissipative tile, Armstrong Excelon SDT, in the lab areas.
- G. Major corridor walls to receive grade 2 vinyl.
- H. Reuse existing window treatments. Replace missing and repair



nonfunctional window treatment items.

- I. All construction will be in accordance with all laws, codes, and regulations including ADA.

#### ALTERNATES

- A. Provide cost to upgrade ceiling tile to USG Glacier 2'x 2' with shadow reveal as an alternate.
- B. Provide cost to upgrade all doors to solid core oak doors.
- C. Provide alternative cost for multispec (Zolatone) paint on major corridor walls.
- E. Director, VP offices and conference room walls will extend to the deck and receive sound batt insulation. All other walls shall extend to the dropped ceiling unless otherwise required by code.

#### ELECTRICAL

- A. Reuse existing light fixtures. Provide Lithonia Optimax 2'x 4' fixtures in the CADD drafting area.
- B. Convenience power and communications wiring to be supplied to panel workstations through power poles. Three duplex outlets and one communications outlet box to be provided in each private office. Communication outlets will be piped in the wall to the plenum space.
- C. Tenant has a LAN that will require wiring.
- D. All communication and computer wiring to be performed by the communication contractor.
- E. Re configure the emergency lighting to support the new room layout.
- F. General Contractor will remove all workstation communication cabling. The house and entrance cabling will remain.

#### ALTERNATES

- A. Provide cost to upgrade light fixtures to Lithonia Optimax in the open office areas as an alternate. Recessed can fixtures will be utilized along one long wall of each room with the Optimax fixtures to eliminate the "cave" effect.
- B. Develop alternate cost to add Leviton occupancy sensing switches to all private offices and conference rooms.

## MECHANICAL

- A. HVAC system to be re configured as necessary to provide comfort to new room layout. Existing HVAC heat pumps will be reused with new distribution provided. Any new diffusers to match existing. HVAC system to be tested and balanced before occupancy.
- B. Provide additional HVAC capacity as required to meet comfort requirements.

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- C. Review the possibility of moving the air handlers (one or more on the lower floor) to improve the layout and flow of the assembly process. Develop a cost alternative associated with the scheme along with detailed drawings.

## FURNISHINGS

- A. Tenant will provide office furniture and all labor and equipment to move furniture and furnishings to the building.
- B. Contractor will provide electricians to make connections to the furniture panels during the move.
- C. Tenant will provide A/V equipment (except screens) and white boards.

## ALTERNATES

- A. Provide a recessed aluminum framed bulletin board with sliding, lockable glass doors (4'x 6') next to the lunch room entrance.

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## LUNCH ROOM

### ARCHITECTURAL

- A. Walls will receive grade 2 vinyl. More than one type of vinyl incorporating graphics will likely be used.
- B. Floors will be carpeted except in vending and serving areas which will be VCT tile.

C. Casework in the lunch room will be new. Provide pigeonhole unit for bag lunches.

#### ALTERNATES

A. Provide alternate price for ceramic tile in place of VCT in vending and serving areas.

#### ELECTRICAL

A. Provide necessary power and water to vending machines. Estimate 6 vending machines at 20A each plus two additional 20A outlets for microwaves. The coffee machine will require a 3/8" water line.

B. Provide utility connections required for future soup and salad bar including drain (note: the drain could be handled with an integral sump and pump in the salad bar).

B. Lighting will be a combination of recessed cans and accent lighting.

#### MECHANICAL

A. Provide adequate ventilation including air changes in lunch room. Note there is a concern regarding food odors in the eating areas.

#### ALTERNATES

A. Provide the cost to add activated charcoal filtration to the lunch room air handlers.

#### FURNISHINGS

A. Tenant will provide new furniture for the lunch room.

#### TRAINING CENTER/CONFERENCE ROOMS/DEMO ROOM/BOARD ROOM

#### ARCHITECTURAL

A. Wall covering to be grade 2 vinyl.

B. Doors to have sound gaskets and threshold seals.

C. Each room will have an AV screen.

- D. Provide blocking to support white boards.
- E. Provide tack strips (2 walls) in the Training Room.
- F. One conference room will be configured to support video conferencing and will require acoustic panels on all the walls.

#### ALTERNATES

- A. Provide cost to extend all drywall partitions to the deck and receive sound batt insulation.
- B. Provide alternate cost for 2'x 2' USG Glacier tile with shadow reveal edge and foil backing.

#### ELECTRICAL

- A. Lighting must support A/V presentations as well as good general lighting. Must be able to dim lighting or provide various lighting levels through light types.
- B. Provide wall mounted raceways along the two longest walls to furnish power and communication connection in the Training Room.
- C. Provide five boxes piped to the plenum in one conference room to support video teleconferencing.
- D. Each conference room will have one communication box piped to the plenum to provide network connection.

#### MECHANICAL

- A. Separate HVAC control for these spaces to be provided.
- B. HVAC to be sized to provide comfort at maximum room occupancy and equipment load (e.g. computer training).

#### COMPUTER ROOM

#### ARCHITECTURAL

- A. Walls will extend to the deck
- B. Install 2' x 4' vinyl coated ceiling tile.

- C. Floor will receive dissipative VCT tile.
- D. This room is a secured area and will minimally require a secure lock (e.g. Medico) or a card reader station if such a system is installed by the Tenant.
- E. The existing computer room will be relocated.

ALTERNATES

- A. Provide cost for access flooring including ramp and railing in one-half of the room.
- B. Provide cost of viewing window in hallway wall (4' x 6') if allowable by code.

ELECTRICAL

- A. Reuse existing lighting, if possible.
- B. Power requirements will be identified on separate attached list.
- C. Provide EPO switch at the door for the computer equipment as required by code.

MECHANICAL

- A. Room shall have separate HVAC control including humidity control. Reuse existing equipment, if possible.

ALTERNATES

- A. Provide a separate zone pre-action sprinkler system coordinated with the EPO system.

ASSEMBLY AREA

ARCHITECTURAL

- A. All walls to receive paint and possibly graphics.
- B. Floor to be VCT tile. Floor to receive static dissipative wax before occupancy.

- C. Reuse existing ceiling tile and lighting.
- D. Warehouse floors will be sealed with gray urethane.
- E. All warehouse walls to receive paint.
- F. Provide capability to load/unload trucks at the grade level doors. This may require a lift which might be recessed into the floor.
- G. Provide a strip curtain enclosure for the water wash machine. Note: a frame to support the curtain will have to be fabricated.
- H. Provide a curb around the water wash machine (suggest a painted flange curb, gasketed and bolted to the floor).
- I. Fencing could be used to secure the stock areas.
- J. Provide the capability to handle and properly dispose of trash. Design must comply with existing laws and regulations.

#### ALTERNATES

- A. Provide alternate cost to remove dropped ceiling and provide lighting using fluorescent industrial fixtures. This alternate would include using spiral duct for HVAC which would be painted. Exposed ceiling would be reviewed for finish.
- B. Provide the cost for corner protectors and wall protection on walls in the high traffic areas of the warehouse and assembly areas.

#### ELECTRICAL

- A. Provide convenience power to benches via drop cords. See the layout for locations.
- B. Electrical power and utility connections for assembly equipment are provided in the attached equipment list.

#### MECHANICAL

- A. Provide a compressed air distribution system. Air compression system will include a compressor, dryer and coalescing filter furnished by the Tenant.
- B. Recommendations for compressed air system are attached.

- C. Provide vacuum system piping from the vacuum pump (by Tenant) to required equipment (see equipment schedule).

## OTHER

### FIRE PROTECTION

- A. Revise the sprinkler system to accommodate the new room layout and meet code and insurance requirements.
- B. Revise the fire alarm system as required to provide the required pull stations and alarm coverage for all areas of the building.

### SECURITY

- A. A card access security system will be reviewed for incorporation. Such a system will include card readers at primary entrances, electric strikes in those entrance doors and release switches in panic hardware.
- B. All door locks will be organized to a building master system.

### LIFE SAFETY

- A. Provide required fire extinguishers.

### ALTERNATES

- A. Provide recessed fire extinguisher and first aid cabinets.

### PAGING

- A. Provide a paging system for the assembly and warehouse areas.

### PLUMBING

- A. All existing restroom and drinking fountain fixtures to remain.
- B. See lunch room and assembly area equipment lists for other plumbing requirements.
- C. Provide an eyewash and emergency shower near the water wash machine.

## EXHIBIT D

## APPRAISAL PROCEDURES

The parties to this Lease will initially attempt to agree upon the Market Rent. If they have been unable to so agree within the period that they are required to agree as to such matter under the Lease, then either party may request by written notice to the other party ("Appraisal Request") that the matter be determined by an appraisal board consisting of three appraisers who are members of the Appraisers Institute (or a successor or similar organization, if such organization no longer exists) and have at least five (5) years' experience appraising commercial real estate in the Chatsworth, California area. One appraiser will be appointed by each party, and each such appraiser will have no material financial or other business interest in common with the party selecting such appraiser. If a party fails to appoint an appraiser and notify the other party of such appointment within 30 days after the Appraisal Request is made, then the appraiser that was appointed by such other party within such 30 day period will be the sole appraiser. If two appraisers are properly appointed and such first two appraisers are unable to agree on a third appraiser within thirty (30) days after the appointment of the second appraiser, then such third appraiser will be appointed by the presiding judge of the Los Angeles County Superior Court, or by any person to whom such presiding judge formally delegates the matter, or, if such methods of appointment fail, by the American Arbitration Association.

The parties will submit a copy of this Lease to the sole appraiser or the three appraisers, as the case may be. If the appraisal is conducted by a sole appraiser, such sole appraiser will render to Landlord and Tenant his or her determination of the Market Rent applicable during the period in question to the parties by the 60th day after the Appraisal Request was made. If the appraisal is conducted by three appraisers, each appraiser will submit his or her determination(s) of the Market Rent applicable during the period in question in a sealed envelope by the 30th day following appointment of the last appraiser, and any determinations not submitted by such time shall be disregarded. In such cases, the parties will meet on such 30th day (or if it is not a business day, on the first business day thereafter) at 11:00 a.m. at the office of Landlord, or such other place as the parties may agree, and simultaneously deliver the determinations. If the determinations of at least two of the appraisers are identical in amount, such amount will be deemed the decision of the appraisers. If the determination of the three appraisers are different in amount, the decision as to the Market Rent will be independently determined as follows:

(a) If neither the highest nor lowest determination differs from the middle determination by more than 15% of such middle determination, then the decision will be deemed to be the average of



the three determinations; and

(b) If clause (a) does not apply, then the decision will be deemed to be the average of the middle determination and the determination closest in amount to such middle determination.

The decision of the appraisers, determined as above set forth, will be final and non-appealable. The fees and expenses of the appraiser or appraisers will be shared equally by Landlord and Tenant.

During the period of time that any appraisal is pending under this Lease, Tenant shall pay Base Rent at the rate that was last in effect under the Lease and the appropriate retroactive adjustment shall be made between the parties within 10 days after the appraisers have made their determination.

EXHIBIT E

[Issuer's Letterhead]

IRREVOCABLE STANDBY LETTER OF CREDIT

To Beneficiaries:

ADC Telecommunications, Inc.

Letter of Credit No.

Issue Date: \_\_\_\_\_, 199\_

Fibermux Corporation

Gentlemen:

For the account of GREENVILLE DALLAS DELAWARE, INC. ("Customer"), with an address at 255 Shoreline Drive, Ste. 600, Redwood City, California 94065, THE DEVELOPMENT BANK OF SINGAPORE, LTD. ("Issuer") hereby establishes in your favor as "Beneficiary" this IRREVOCABLE STANDBY LETTER OF CREDIT (the "Standby Letter"), available for payment in the manner and on the terms following:

1. This Standby Letter authorizes Beneficiary to draw one or more drafts upon Issuer, at sight, in the full amount then due and payable to Beneficiary after Customer's default under the terms of paragraph 23 of that certain Lease dated as of \_\_\_\_\_, 1992, between Greenville Dallas Delaware, Inc., as Landlord, and ADC Telecommunications, Inc. and Fibermux Corporation, jointly as Tenant (the "Lease").

2. Beneficiary's Draft(s) must:

- (a) not exceed, in the aggregate, \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_) (the "Drawing Amount");
- (b) not be dated later than the Expiry Date specified in paragraph 6 of this Standby Letter;
- (c) quote upon its face, "Drawn under Irrevocable Standby Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 199\_, and issued by THE DEVELOPMENT BANK OF SINGAPORE, LTD. (NEW YORK AGENCY), [insert address] ; and  
-----
- (d) be duly completed and signed in the form of EXHIBIT SL.1 attached to this Standby Letter and incorporated by reference as though repeated here verbatim.

3. This Standby Letter has the sole purpose of making payment available against the monetary sum due and owing from Customer to Beneficiary after Customer's default under paragraph 23 of the Lease, all as certified by Beneficiary in the Request for Payment (described under paragraph (4) of this Standby Letter).

4. To receive payment under this Standby Letter, Beneficiary must present the following documents (the "Required Documents"):

- (a) Beneficiary's original Draft as detailed in paragraph 2 of this Standby Letter;
- (b) the original of a Request for Payment Under Irrevocable Standby Letter of Credit (the "Request For Payment") written on Beneficiary's letterhead, duly completed and signed by persons who certify their authority to bind Beneficiary, all in the form of EXHIBIT SL.2 attached to this Standby Letter and incorporated by reference as though repeated here verbatim; and
- (c) the original of this Standby Letter.

5. Reference in this Standby Letter to the Lease Agreement or to any other aspect of the underlying bargain between Beneficiary and Customer is for

identification purpose only. No intent exists to incorporate into this Standby Letter any term of the Lease or any aspect of such underlying bargain.

6. This Standby Letter shall stay in force until 11.59 p.m., New York, New York time on the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_ (as may be extended from time to time, the "Expiry Date") and shall be deemed automatically extended without amendment for additional periods of not less than one (1) year from the then effective Expiry Date until \_\_\_\_\_, 199\_\_ , unless not later than sixty (60) days prior to the then effective Expiry Date Issuer shall present to Beneficiary a notice that this Standby Letter will not be renewed or that this Standby Letter will be renewed for an additional period of less than one (1) year.

7. Beneficiary must present all the Required Documents on or before the Expiry Date to Issuer at Issuer's letter of credit department, [Insert address]. The word "present" (or "presentation" for purposes of this Standby Letter) means actual receipt through registered mail, through a professional overnight courier service, or through personal hand delivery.

8. The right to draw under this Standby Letter may not be assigned and shall not be transferable.

9. The amount available under this Standby Letter should be irrevocably decreased from time to time by the amount of each Draft honored by Issuer. In the spaces provided below in this paragraph, Issuer shall note the amount of each such Draft so honored, the date it paid such Draft and the reduced amount available under this Standby Letter as consequence of each such payment.

Draft Amount	Date Paid	Reduced amount of this Standby Letter
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----

10. This Standby Letter shall be governed by the Uniform Customs and Practice for Documentary Credits (1983 Revision) Publication No. 400 of the International Chamber of Commerce (the "Uniform "Customs") and, as to matters not governed by the Uniform Customs, the laws of the State of New York.

11. Issuer engages with Beneficiary that each Draft and other Required Documents related thereto shall be duly honored upon presentation to

the Issuer of such Required Documents if drawn and presented in strict compliance with the terms of this Standby Letter.

THE DEVELOPMENT BANK OF SINGAPORE,  
LTD. (NEW YORK AGENCY)

By \_\_\_\_\_

Its \_\_\_\_\_

PLEASE EXAMINE THIS STANDBY LETTER AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, PLEASE CONTACT CUSTOMER IMMEDIATELY TO SEE IF THE STANDBY LETTER CAN BE AMENDED. OTHERWISE, YOU RISK LOSING PAYMENT UNDER THIS STANDBY LETTER FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

EXHIBIT SL.1

DRAFT

Drawn under Irrevocable Standby Letter or Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 199\_\_, and issued by THE DEVELOPMENT BANK OF SINGAPORE. LTD. (NEW YORK AGENCY)

\$ \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

On sight, pay \_\_\_\_\_ DOLLARS (US\$ \_\_\_\_\_) by a single check payable to the following two (2) payees: ADC Telecommunications, Inc. and Fibermux Corporation.

TO: The Development Bank of Singapore (New York Agency)  
[Address of Bank]  
Attn: Letter of Credit Department

ADC TELECOMMUNICATIONS, INC.

By \_\_\_\_\_

Title \_\_\_\_\_

FIBERMUX CORPORATION

By \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT SL.2

[Beneficiary's Letterhead]

REQUEST FOR PAYMENT  
UNDER  
IRREVOCABLE STANDBY LETTER OF CREDIT

[Date]

Letter of Credit No. \_\_\_\_\_

Issue Date: \_\_\_\_\_, 19\_\_

To Issuer:

The Development Bank of Singapore, Ltd. (New York Agency)

[Address of Bank]

Attn: Letter of Credit Department

Gentlemen:

The undersigned are, collectively, the "Beneficiary" of the captioned IRREVOCABLE STANDBY LETTER OF CREDIT (the "Standby Letter"). As the "Issuer," you established the Standby Letter in Beneficiary's favor for the account of the "Customer," GREENVILLE DALLAS DELAWARE, INC. Beneficiary hereby draws on the Standby Letter in the amount of \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_).

In support of this drawing, Beneficiary hereby certifies and warrants:

1. The Standby Letter was issued to back up certain of Customer's obligations under a lease (the "Lease"), as more particularly described in the Standby Letter.
2. The Customer has defaulted on one or both of the following obligations

(Beneficiary must so indicate below) imposed upon Customer by the Lease:

- (a) Customer has failed to keep the Standby Letter in effect for the period of time required by paragraph 23 of the Lease [yes \_\_\_\_];  
or
- (b) Customer has defaulted in the performance of Landlord's Environmental Indemnity in a manner and as defined in paragraph 23 of the Lease [yes \_\_\_\_].

Such default(s) have not only occurred but are continuing without cure. Beneficiary has not transferred or otherwise assigned, in whole or in part, its rights under the Lease.

3. This Request For Payment is attached to a Draft for the sum of \_\_\_\_\_ Dollars (US\$ \_\_\_\_\_). That Draft, this Request For Payment and the original copy of the Standby Letter constitute the "Required Documents" referred to in paragraph (4) in the Standby Letter.

4. If paragraph 2 (b) of this Request for Payment is applicable, under the terms of the Lease the sum of such Draft is presently due and payable from Customer to Beneficiary, but Customer has wrongfully failed to pay such sum. Beneficiary served upon Customer and other parties all demands, notices, and the like as required (if any) under the Lease.

5. The terms of the Lease presently entitle Beneficiary to draw upon the Standby Letter for the full sum of the Draft to which this Request For Payment is attached.

6. Each individual who has signed this Request for Payment and accompanying Draft:

- (i) is an officer of the Beneficiary for which such individual signed, and
- (ii) has authority to bind such Beneficiary in all matters concerning the Standby Letter.

IN WITNESS WHEREOF, the undersigned Beneficiary executed, attested or otherwise officially sealed (as applicable), delivered, and presented this Request (for Payment, attached to the undersigned Beneficiary's Draft, this day of \_\_\_\_\_, 19\_\_.

ADC TELECOMMUNICATIONS, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

FIBERMUX CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT F

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

THIS AGREEMENT, dated as of \_\_\_\_\_, 199\_\_, among GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION (REALTY) PTE. LTD., a Singapore corporation ("Beneficiary"), GREENVILLE DALLAS DELAWARE, INC., a Delaware corporation ("Landlord"), ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and FIBERMUX CORPORATION, a California corporation (collectively, "Tenant").

WITNESSETH:

WHEREAS, Beneficiary is the beneficiary under that certain deed of trust dated as of October 3, 1986, recorded January 26, 1988 as Instrument No. 88-109752, Official Records, Office of the County Recorder of Los Angeles, State of California (said deed of trust, as it may be amended, increased, renewed, modified, consolidated, replaced, combined, substituted, severed, split, spread or extended, being hereinafter referred to as the "Deed of Trust"), between Beneficiary and the trustor described therein (predecessor in interest to the Landlord described above), which encumbers the land and the buildings located at 21415 and 21605 Plummer Street, Los Angeles, California, and more particularly described therein (the "Property").

WHEREAS, Tenant and Landlord have entered into a certain agreement of lease dated December 18, 1992 (such Lease, as it may be hereafter amended from time to time with the Beneficiary's consent, being referred to as the "Lease") covering certain premises (the "Demised Premises") in the Property.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant covenants and agrees that the Lease now is and shall at all

times continue to be subject and subordinate in each and every respect to the Deed of Trust. Tenant, upon request, shall execute and deliver any certificate or other instrument which the Beneficiary may reasonably request to confirm said subordination.

2. Tenant certifies that the Lease is presently in full force and effect and unmodified and no base rent payable thereunder has been paid more than 1 (one) month in advance of its due date, and that no material default by Tenant exists under the Lease which has continued beyond the expiration of any applicable grace period.

3. As long as Tenant is in compliance with the terms of this Agreement and no default exists under the Lease which has continued beyond the expiration of any applicable grace period, Beneficiary shall not name Tenant as a party defendant to any action for foreclosure or other enforcement of the Deed of Trust (unless required by law), nor shall the Lease be terminated by Beneficiary in connection with, or by reason of, foreclosure or other proceedings for the enforcement of the Deed of Trust, or by reason of a transfer of the landlord's interest under the Lease pursuant to the taking of a deed or assignment in lieu of foreclosure (or similar device), nor shall Beneficiary interfere with Tenant's use or possession of the Demised Premises unless the holder of the landlord's interest under the Lease (the "Landlord") would have had the right to do so if the Deed of Trust had not been made, provided that the Person (as defined in the Deed of Trust) acquiring, or succeeding to, the interests of the Landlord as a result of any such action or proceeding, and such Person's successors and assigns (any of the foregoing being hereinafter referred to as the "Successor"), shall not be:

- (a) subject to any credits, offsets, defenses or claims which Tenant may have against any prior Landlord, except as permitted by the Lease or by statute; or
- (b) bound by base rent which Tenant might have paid for more than the current month to any prior Landlord, unless such prepayment shall have been made with Beneficiary's prior written consent; or
- (c) liable for any act or omission of any prior Landlord; or
- (d) bound by any covenant to undertake or complete any improvement to the Demised Premises or the building forming a part of the Property except as expressly required of the Landlord pursuant to the Lease; or
- (e) required to account for any security deposit other than any security deposit actually delivered to the Successor; or
- (f) liable for any payment to Tenant of any sums, or the granting to Tenant of any credit, in the nature of a contribution towards the cost



of preparing, furnishing or moving into the Demised Premises or any portion thereof except as expressly required of the Landlord pursuant to the Lease.

4. If the interest of the Landlord under the Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of the Deed of Trust or pursuant to a taking of a deed in lieu of foreclosure (or similar device), Tenant shall be bound to the Successor under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, with the same force and effect as if the Successor were the Landlord, and Tenant hereby does (a) agree to attorn to

the Successor, including Beneficiary if it be the Successor, as its Landlord, (b) affirm its obligations under the Lease, and (c) agree to make payments of all sums due under the Lease to the Successor, said attornment, affirmation and agreement to be effective and self-operative without the execution of any further instruments, upon the Successor succeeding to the interest of the Landlord under the Lease. Tenant waives the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give it any right or election to terminate or otherwise adversely affect the Lease or the obligations of Tenant thereunder by reason of any foreclosure or similar proceeding.

5. Tenant shall not change the terms, covenants, conditions and agreements of the Lease in a manner which materially reduces the rent or other charges payable or space demised thereunder or has a material adverse effect upon the value of the landlord's interest thereunder without the express consent in writing of the Beneficiary.

6. Tenant shall notify Beneficiary of any default of the Landlord under the Lease which would entitle Tenant to cancel the Lease or abate the rent or any additional rent payable thereunder, and agrees that Beneficiary shall have the same rights to cure any such default as are afforded to the Landlord under the Lease.

7. Anything herein or in the Lease to the contrary notwithstanding, in the event that Beneficiary shall acquire title to the Property, Beneficiary shall have no obligation, nor incur any liability, beyond Beneficiary's then interest, if any, in the Property and Tenant shall look exclusively to such interest of Beneficiary, if any, in the Property for the payment and discharge of any obligations imposed upon Beneficiary hereunder or under the Lease and Beneficiary is hereby released or relieved of any other liability hereunder and under the Lease. Tenant agrees that with respect to any money judgment which may be obtained or secured by Tenant against Beneficiary, Tenant shall look solely to the estate or interest owned by Beneficiary in the Property and Tenant will not collect or attempt to collect any such judgment but of any other assets

of Beneficiary.

8. Tenant acknowledges that it has notice that Landlord's interest under the Lease and the rent and all other sums due thereunder have been assigned to Beneficiary as part of the security for the note secured by the Deed of Trust. In the event that Beneficiary notifies Tenant of a default under the Deed of Trust and demands that Tenant pay its rent and all other sums due under the Lease to Beneficiary, Tenant and Landlord agree that Tenant shall pay its rent and all other sums due under the Lease to Beneficiary.

9. This Agreement may not be modified except by an agreement in writing signed by the parties or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns.

10. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Deed of Trust except as specifically set forth herein.

11. The Tenant agrees that this Agreement satisfied any condition or requirement in the Lease relating to the granting of a non-disturbance agreement by Beneficiary. Tenant further agrees that in the event there is any inconsistency between the terms and provisions hereof and the terms and provisions of the Lease dealing with non-disturbance by Beneficiary, the terms and provisions hereof shall be controlling.

12. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement, must be in writing and mailed to the party to whom the notice, demand or request is being made by certified or registered mail. For such purposes, the addresses of the parties shall be as follows:

IF TO BENEFICIARY:

Government of Singapore Investment Corporation (Realty) Pte. Ltd.

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IF TO LANDLORD:

Greenville Dallas Delaware, Inc.  
c/o GSIC Realty Corporation  
255 Shoreline Drive  
Suite 600  
Redwood City, California 94065

IF TO TENANT:

Fibermux Corporation  
9310 Topanga Canyon Blvd.  
Chatsworth, California 91311  
(prior to the Commencement Date under the Lease)

or

Fibermux Corporation  
21415 Plummer Street  
Chatsworth, California 91311  
(after the Commencement Date under the Lease)

With a copy to:

ADC Telecommunications, Inc.  
12501 Whitewater Drive  
Minnetonka, Minnesota 55343  
(Attn: Chief Financial Officer and Attn: General Counsel)

Any party may change the place that notices and demands are to be sent by written notice delivered in accordance with this Agreement.

13. This Agreement shall be governed by the laws of the State of California.

14. If any term of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term to any person or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Beneficiary:

GOVERNMENT OF SINGAPORE  
INVESTMENT CORPORATION  
(REALTY) PTE. LTD.

By \_\_\_\_\_

Its \_\_\_\_\_

Tenant:

ADC TELECOMMUNICATIONS, INC.,  
a Minnesota corporation

By \_\_\_\_\_

Its \_\_\_\_\_

FIBERMUX CORPORATION,  
a California corporation

By \_\_\_\_\_

Steve Y. Kim, President

And By \_\_\_\_\_

Frederic T. Boyer, Chief  
Financial Officer

Landlord:

GREENVILLE DALLAS DELAWARE, INC.

By \_\_\_\_\_

Its \_\_\_\_\_

And By \_\_\_\_\_

Its \_\_\_\_\_

State of California )  
 ) SS.  
County of Los Angeles )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
personally appeared Steve Y. Kim and Frederic T. Boyer, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the person whose  
name is subscribed to the within instrument and acknowledged to me that they  
executed the same in their authorized capacities, and that by their signature on  
the instrument the entity on behalf of which the persons acted executed the  
instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of Minnesota )  
 ) SS.  
County of Hennepin )

On \_\_\_\_\_, before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_, personally known to me  
(or proved to me on the basis of satisfactory evidence) to be the person whose  
name is subscribed to the within instrument and acknowledged to me that he  
executed the same in this authorized capacity, and that by his signature  
on the instrument the entity on behalf of which the person acted executed the  
instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

State of California )  
 ) SS.  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally  
appeared \_\_\_\_\_, personally known to me (or

proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity on behalf of which the persons acted executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_ (Seal)

[Attach Singapore acknowledgment for Beneficiary]

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AGREEMENT  
FOR  
WILLIAM J. CADOGAN

First Effective November 1, 1990

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AGREEMENT  
FOR  
WILLIAM J. CADOGAN

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SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN AGREEMENT  
FOR  
WILLIAM J. CADOGAN

This Agreement made and entered into as of November 1, 1990 by and between WILLIAM J. CADOGAN and ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, (hereinafter the "Employer").

SECTION 1

INTRODUCTION

1.1 BASIS OF AGREEMENT. In consideration of the services performed by WILLIAM J. CADOGAN for the Employer in the past and to be performed in the future, the Employer hereby agrees to pay, in addition to other consideration to be provided by the Employer, deferred compensation to him under the terms and conditions hereinafter set forth. This Agreement creates an unfunded, nonqualified plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as contemplated by the Employee Retirement Income Security Act of 1974 ("ERISA") and shall be construed and administered accordingly.

1.2. DEFINITIONS. When used herein with initial capital letters, the following words have the following meanings:

1.2.1. ACCRUED BENEFIT - the dollar amount determined for WILLIAM J. CADOGAN as of the date of his Termination of Employment (and payable monthly to him in the Single Life Annuity form, beginning on the first day of the calendar month following his Termination of Employment or age sixty (60) years, if later) equal to the product of (a) multiplied by (b):

(a) FULL SUPPLEMENT. A dollar amount equal to:

- (i) Fifty percent (50%) of his Average Monthly Compensation determined as of the date of his Termination of Employment, minus
- (ii) The sum of: (A) his Qualified Plans Benefit determined as of one day before the date of his Termination of Employment, and (B) fifty percent (50%) of the monthly amount of his Social Security Benefit determined as of one day before the date of his Termination of Employment.

(b) SERVICE RATIO. A fraction, not greater than one (1):

(i) The numerator of which is the total years and fractions of years of his service with the Employer from the Effective Date through and including the date of his Termination of Employment, and

(ii) The denominator of which is eight (8).

1.2.2. ACTUARIAL EQUIVALENT - a benefit of equivalent value computed on the basis of actuarial tables, factors and assumptions set forth in this Agreement (including the Appendix A to this Agreement).

1.2.3. AVERAGE MONTHLY COMPENSATION - one-sixtieth (1/60th) of the total dollar amount of Compensation attributable to the sixty (60) consecutive calendar months ending immediately before WILLIAM J. CADOGAN'S Termination of Employment subject, however, to the following:

- (a) LESS THAN 5 YEARS. If he shall have received Compensation attributable to less than all of the sixty (60) consecutive calendar months ending immediately before the Termination of Employment, his Average Monthly Compensation shall be equal to the total of all the Compensation attributable to all calendar months to which any of his Compensation is attributable divided by the greatest number of consecutive calendar months to which any of his Compensation is attributable.
- (b) FIVE-YEAR LIMIT. In determining his Average Monthly Compensation, there shall be disregarded all Compensation attributable any calendar months other than the sixty (60) consecutive calendar months ending immediately before the Termination of Employment.
- (c) NO COMPENSATION. The absence of Compensation in any calendar month shall not affect the requirement that only sixty (60) consecutive calendar months ending immediately before the Termination of Employment be considered in determining Average Monthly Compensation.

1.2.4. BOARD OF DIRECTORS - the Board of Directors of the Employer or a duly authorized committee of less than all the Directors.

1.2.5. CHANGE IN CONTROL - an event defined as a Change in Control in section 7.6.2 of the ADC TELECOMMUNICATIONS, INC. PENSION PLAN (1985 Restatement), as that document and that definition may exist from time to time.

1.2.6. COMPENSATION - amounts paid to WILLIAM J. CADOGAN by the Employer and all affiliates for services rendered, reported as income subject to federal income taxes on Treasury Form W-2 for the applicable year; subject, however, to the following:

- (a) EXCLUDED ITEMS. In determining his Compensation, there shall be (i) all discretionary bonuses not paid pursuant to a formal plan, and (ii) all foreign service allowances, foreign tax equalization payments, expense reimbursements, moving expense payments or other similar extra compensation, and (iii) all noncash remuneration and (iv) all deferred compensation (except as provided in (b) below), excess life insurance premiums, the value of stock options (whether or not exercised), and (iv) the value of restricted stock or similar awards and any cash payments made in connection with any such restricted stock award.
- (b) ADDED ITEMS. Remuneration which would have been paid by the Employer or an affiliate but which was not paid because he entered into an agreement to reduce earnings as a condition of participation in a plan established under section 125 or section 401(k) of the Internal Revenue Code, shall be considered to have been paid at the time when it would have been paid but for such agreement to reduce earnings. Remuneration which would have been paid by the Employer or an Affiliate but which was not paid because he entered into an agreement to defer compensation under a nonqualified plan of deferred compensation shall be considered to have been paid at the time it would have been paid but for such agreement to defer earnings.
- (c) CONTRIBUTION TO PERIODS. His Compensation shall be considered attributable to the calendar month in which it is actually paid (and not when earned or accrued) except that annual incentive payments shall be considered attributable

-2-

to the last day of the last calendar month in the fiscal period with respect to which they are paid.

- (d) EXCLUDED PERIODS. Amounts attributable to calendar months commencing after the earliest of the date he became Disabled or had a Termination of Employment shall not be taken into account in determining his Compensation.
- (e) FINAL PAYMENTS. Final payments on account of Termination of Employment (I.E., severance payments) and settlement for accrued but unused vacation and sick leave shall not be taken into account in determining his Compensation.

1.2.7. DISABILITY, DISABLED - a medically determinable physical or mental impairment which constitutes disability under the Employer's separate long term disability plan.

1.2.8. EFFECTIVE DATE - November 1, 1990.

1.2.9. EMPLOYER - ADC TELECOMMUNICATIONS, INC., a Minnesota corporation, and any successor thereof that adopts this Agreement.

1.2.10. QUALIFIED PLANS BENEFIT - a dollar amount determined for WILLIAM J. CADOGAN as of the last day of the calendar month in which his Termination of Employment occurs or, if later, the last day of the calendar month in which he would attain age sixty (60) years (and expressed in terms of a monthly annuity payable to him in the Single Life Annuity form beginning on the first day of the calendar month following his Termination of Employment or, if later, the first day of the calendar month following the date he would attain age sixty years) which is the sum of the:

- (a) accrued benefit developed for him as of the date of his Termination of Employment under all qualified defined benefit pension plans maintained by the Employer when expressed in the form of a Single Life Annuity first payable on the first day of the first calendar month following his Termination of Employment or, if later, the first day of the calendar month following the date he would attain age sixty (60) years; and
- (b) the Actuarial Equivalent monthly amount of annuity payable to him when expressed in the form of a Single Life Annuity beginning on the first day of the first calendar month following his Termination of Employment or, if later, the first day of the calendar month following the date he would attain age sixty (60) years to the extent such benefits are attributable to contributions of the Employer (and exclusive of any benefits attributable to contributions directly or indirectly made by him) under all qualified defined contribution pension, profit sharing or stock bonus plans maintained by the Employer; and
- (c) the Actuarial Equivalent monthly amount of annuity payable to him when expressed in the form of a Single Life Annuity beginning on the first day of the first calendar month following his Termination of Employment or, if later, the first day of the calendar month following the date he would attain age sixty (60) years to the extent such benefits are Employer-provided benefits payable from a nonqualified plan maintained by the Employer for the purpose of providing benefits which cannot be provided from qualified pension, profit sharing or stock bonus plans maintained by the Employer because of limitations on such plans under section 401(a)(17), section 401(k), section 401(m), section 402(g), section 415 and other similar provisions of the Internal Revenue Code.

1.2.11. SINGLE LIFE ANNUITY - a form of annuity that is payable monthly

to and for the lifetime of WILLIAM J. CADOGAN, the first such payment to be due on the date specified in Section 2 hereof and the last such payment due on the first day of the calendar month in which his death occurs.

1.2.12. SOCIAL SECURITY BENEFIT - the monthly amount available for the benefit of WILLIAM J. CADOGAN at:

- (a) at age sixty-two (62) years if his Termination of Employment is before age sixty-two (62) years (calculated on the assumption that he will have no additional earnings from his Termination of Employment until age sixty-two (62) years); or
- (b) the date of his Termination of Employment if his Termination of Employment is after age sixty-two (62) years but before age sixty-five (65) years; or
- (c) age sixty-five (65) years, if his Termination of Employment is at or after age sixty-five (65) years;

(excluding amounts available for spouse and dependents) as an old age benefit under the provisions of Title II of the federal Social Security Act in effect on the date of the Termination of Employment (or age sixty-five, if earlier), whether or not payment of such amount is delayed, suspended or forfeited because of failure to apply, acceptance of other work, or any other similar reason within his control. For this purpose, unless he shall have furnished verified proof of wages before his Termination of Employment, he shall be deemed to have had taxable wages at or above the taxable wage base in all years prior to the year of his Termination of Employment.

1.2.13. SUPPLEMENTAL RETIREMENT BENEFIT - the benefit payable under this Plan upon the Termination of Employment of WILLIAM J. CADOGAN, subject to the conditions and limitations set forth in this Plan Statement.

1.2.14. TERMINATION OF EMPLOYMENT - a complete severance of WILLIAM J. CADOGAN'S employment relationship with the Employer and its subsidiaries or affiliates, if any, for any reason other than his death. A transfer from employment with the Employer to employment with an affiliate of the Employer shall not constitute a Termination of Employment.

1.3. RULES OF INTERPRETATION. An individual shall be considered to have attained a given age on his birthday for that age (and not on the day before). The birthday of any individual born on a February 29 shall be deemed to be February 28 in any year that is not a leap year. Notwithstanding any other provision of this Agreement or any election or designation made under this Agreement, any individual who feloniously and intentionally kills WILLIAM J. CADOGAN or any surviving spouse shall be deemed for all purposes of this Agreement and all elections and designations made under this Agreement to have died before him or his surviving spouse. A final judgment of conviction of felonious and intentional killing is conclusive for the purposes of this Section. In the absence of a conviction of felonious and intentional killing, the Board of Directors shall determine whether the killing was felonious and

intentional for the purposes of this Section. Whenever appropriate, words used herein in the singular may be read in the plural, or words used herein in the plural may be read in the singular; the masculine may include the feminine; and the words "hereof," "herein" or "hereunder" or other similar compounds of the word "here" shall mean and refer to the entire Agreement and not to any particular paragraph or section of this Agreement unless the context clearly indicates to the contrary. The titles given to the various sections of this Agreement are inserted for convenience of reference only and are not part of this Agreement, and they shall not be considered in determining the purpose, meaning or intent of any provision hereof. Any reference in this Agreement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation. This instrument has been executed and delivered in the State of Minnesota and has been drawn in

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conformity to the laws of that State and shall, except to the extent that federal law is controlling, be construed and enforced in accordance with the laws of the State of Minnesota.

## SECTION 2

### SUPPLEMENTAL RETIREMENT INCOME BENEFIT

#### 2.1. SUPPLEMENTAL RETIREMENT BENEFIT.

2.1.1. WHEN AVAILABLE. Upon the Termination of Employment of WILLIAM J. CADOGAN:

- (a) at or after his attainment of age fifty (50) years; or
- (b) at the written request of the Board of Directors; or
- (c) within six (6) months after a Change in Control; or
- (d) after, and on account of, his Disability.

and upon the filing of a written application with the Board of Directors, he shall receive a Supplemental Retirement Benefit.

2.1.2. AMOUNT. The amount of WILLIAM J. CADOGAN'S Supplemental Retirement Benefit shall be the Actuarial Equivalent single lump sum of his Accrued Benefit determined as of his Termination of Employment reduced, however, five-twelfths of one percent (5/12%) for each month by which the payment of the Supplemental Retirement Benefit precedes the last day of the calendar month in which he attains age sixty (60) years.

2.1.3. FORM OF PENSION. For the purpose of defining the amount of the Supplemental Retirement Benefit in Section 2.1.2, the benefit is derived from a Single Life Annuity, the first payment of which is due on the first day of the calendar month which follows his Termination of Employment or, if later, the first day of the calendar month which follows the date he would attain age sixty (60) years. Notwithstanding the foregoing, this annuity shall be, in all cases, converted to and paid in the form of an Actuarial Equivalent single lump sum benefit on the first day of the calendar month following his Termination of Employment. Such payment shall be in full and complete discharge of all benefits payable to, or with respect to him under this Agreement including, but not limited to, all survivor benefits and all optional forms of benefit to which he or his spouse might otherwise have been entitled. The consent of a spouse, joint annuitant or beneficiary shall not be required before making the single lump sum payment herein described.

2.2. NO OTHER BENEFITS. No benefits are available under this Plan upon the Termination of Employment of WILLIAM J. CADOGAN before he is entitled to the Supplemental Retirement Benefit specifically enumerated herein.

2.3. FACILITY OF PAYMENT. In case of the legal disability, including minority, of WILLIAM J. CADOGAN, joint annuitant or beneficiary entitled to receive any distribution under the Agreement, payment shall be made, if the Board of Directors shall be advised of the existence of such condition:

- (a) to his or her duly appointed guardian, conservator or other legal representative, or
- (b) to a person or institution entrusted with the care or maintenance of the incompetent or disabled person, provided such person or institution has satisfied the Board of Directors that the payment will be used for the best

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interest and assist in the care of such person, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such person.

Any payment made in accordance with the foregoing provisions of this section shall constitute a complete discharge of any liability or obligation of the Employer and the Board of Directors.

2.4. FORFEITURE OF BENEFITS. All unpaid benefits under this Plan payable to or with respect to WILLIAM J. CADOGAN, including without limiting the generality of the foregoing, undistributed commuted values, shall be immediately and permanently forfeited upon the determination by the Board of Directors that he, either before or after Termination of Employment:

- (i) engaged in a felonious or fraudulent conduct resulting in material harm to the Employer or an affiliate; or
- (ii) made an unauthorized disclosure to a competitor of any material confidential information, trade information, or trade secrets of the Employer or an affiliate; or
- (iii) provided the Employer or an affiliate with materially false reports concerning his business interests or employment; or
- (iv) made materially false representations which are relied upon by the Employer or an affiliate in furnishing information to shareholders, accountants, a stock exchange, the Securities and Exchange Commission or public or private regulatory body; or
- (v) maintained an undisclosed, unauthorized and material conflict of interest in the discharge of the duties owed by him to the Employer or an affiliate; or
- (vi) engaged in conduct causing a serious violation of state or federal law by the Employer or an affiliate; or
- (vii) engaged in the theft of assets or funds of the Employer or an affiliate; or
- (viii) has been convicted of any crime which directly or indirectly arose out of his employment relationship with the Employer or an affiliate or materially affected his ability to discharge the duties of his employment with the Employer or an affiliate; or
- (ix) engaged during his employment in any employment or self-employment with a competitor of the Employer or an affiliate; or
- (x) engaged during a period of two (2) years after his voluntary termination of employment with the Employer in any employment or self-employment with a competitor of the Employer or an affiliate within the geographical area which is then served by the Employer or the affiliate.

He shall be notified within thirty (30) days of any such decision by the Board of Directors. He may contest such action by filing a claim as prescribed in Section 6.4.



## SECTION 3

### DEATH BENEFITS

#### 3.1. DEATH BEFORE BENEFIT COMMENCEMENT.

3.1.1. WHEN AVAILABLE. If upon the death of WILLIAM J. CADOGAN he:

- (a) had not yet begun to receive any payment of the Supplemental Retirement Benefit under the Agreement, and
- (b) was married and had been married for the one (1) year preceding his death, and
- (c) was entitled to some Accrued Benefit immediately before his death;

a lump sum survivor benefit shall be payable to the surviving spouse to whom he was married for at least one (1) year ending on the date of death.

3.1.2. AMOUNT. The amount of the lump sum survivor benefit shall be:

- (a) If he had not Terminated Employment at the date of his death, the amount shall be the 85% of Actuarially Equivalent single lump sum which he would have received if he had Terminated Employment on the date of his death at the written request of the Board of Directors (and not by reason of his death).
- (b) If he had Terminated Employment at the date of his death and had not received the payment to which he was entitled under Section 2.1, the amount shall be the amount, if any, which he would have received, if any, under Section 2.1 if he had lived to receive such amount.

3.1.3. FORM OF BENEFIT. The lump sum survivor benefit shall be due on the first day of the calendar month after the death of WILLIAM J. CADOGAN. No other death benefit shall be payable with respect to him if he dies under these circumstances. No death benefit shall be payable with respect to him if he dies under any other circumstances.

## SECTION 4

### FUNDING OF PLAN

4.1. UNFUNDED AGREEMENT. All benefits payable under this Agreement shall be paid exclusively from the general assets of the Employer. No fund or trust shall be established apart from the general assets of the Employer for the purposes of this Agreement. No assets or property shall be segregated or set apart from the general assets of the Employer for the purpose of funding this Agreement. The rights of WILLIAM J. CADOGAN under this Agreement (or of any surviving spouse with respect to him) shall be solely those of an unsecured

general creditor of the Employer. If, for its own internal purposes, the Employer elects to purchase life insurance policies on his life or any other assets in connection with this Agreement, he will not be the beneficial owner or beneficiary of such policies or assets (all such rights being retained by the Employer) and shall not have any preferred claim or interest in any such policies, assets or the proceeds thereof. The Employer makes no representation that it will actually use any life insurance policies, other assets or proceeds of the same which it may acquire for the purpose of paying any benefits under this Agreement.

4.2. SPENDTHRIFT PROVISIONS. Neither WILLIAM J. CADOGAN nor his surviving spouse shall have any transferrable interest in any benefit nor shall he or his surviving spouse have any power to

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anticipate, alienate, dispose of, pledge or encumber the same nor shall the Employer or the Board of Directors recognize any assignment thereof, either in whole or in part, nor shall it be subject to attachment, garnishment, execution following judgment or other legal process.

## SECTION 5

### AMENDMENT AND TERMINATION

This Agreement may be amended and terminated only by the written agreement of the Employer and WILLIAM J. CADOGAN. The rights and obligations of the Employer and him shall be binding upon them and their heirs, successors and assigns.

## SECTION 6

### DETERMINATIONS - RULES AND REGULATIONS

6.1. DETERMINATIONS. The Board of Directors shall make such determinations as may be required from time to time in the administration of the Agreement. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof nor be charged with any notice to the contrary.

6.2. RULES AND REGULATIONS. Any rule not in conflict or at variance with the provisions hereof may be adopted by the Board of Directors.

6.3. METHOD OF EXECUTING INSTRUMENTS. Information to be supplied or written notices to be made or consents to be given by the Employer or the Board of Directors pursuant to any provision of this Agreement may be signed in the name of the Employer by any officer thereof who has been authorized to make such

certification or to give such notices or consents or by any Board of Directors member.

6.4. CLAIMS PROCEDURE. Until modified by the Board of Directors, the claims procedure set forth in this Section 6.4 shall be the claims procedure for the resolution of disputes and disposition of claims arising under the Agreement. An application for benefits under Section 3 or Section 5 shall be considered as a claim for the purposes of this Section 6.4.

6.4.1. ORIGINAL CLAIM. WILLIAM J. CADOGAN or his surviving spouse may, if he or she so desires, file with the Board of Directors a written claim for benefits under the Agreement. Within ninety (90) days after the filing of such a claim, the Board of Directors shall notify the claimant in writing whether his claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Board of Directors shall state in writing:

- (a) the specific reasons for the denial;
- (b) the specific references to the pertinent provisions of this Agreement on which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the claims review procedure set forth in this section.

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6.4.2. CLAIMS REVIEW PROCEDURE. Within sixty (60) days after receipt of notice that his claim has been denied in whole or in part, the claimant may file with the Board of Directors a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Board of Directors shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty days from the date the request for review was filed) to reach a decision on the request for review.

6.4.3. GENERAL RULES.

- (a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims

procedure. The Board of Directors may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Board of Directors upon request.

- (b) All decision on claims and on requests for a review of denied claims shall be made by the Board of Directors.
- (c) The Board of Directors may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.
- (d) A claimant may be represented by a lawyer or other representative (at their own expense), but the Board of Directors reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to receive copies of notices sent to the claimant.
- (e) The decision of the Board of Directors on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.
- (f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his representative shall have a reasonable opportunity to review a copy of this Agreement and all other pertinent documents in the possession of the Employer, and the Board of Directors.

## SECTION 7

### PLAN ADMINISTRATION

#### 7.1. EMPLOYER.

7.1.1. OFFICERS. Functions generally assigned to the Employer shall be discharged by the officers of ADC TELECOMMUNICATIONS, INC. (other than WILLIAM J. CADOGAN) or delegated and allocated as provided herein.

7.1.2. DELEGATION BY BOARD. Except as hereinafter provided, the Board of Directors of ADC TELECOMMUNICATIONS, INC. may delegate or redelegate and allocate and reallocate to one or more persons or to a committee of persons jointly or severally, and whether or not such persons are directors, officers or employees, such functions assigned to the Employer hereunder as it may from time to time deem advisable.

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7.1.3. NON-DELEGABLE FUNCTIONS. The Board of Directors of ADC

TELECOMMUNICATIONS, INC. shall have the exclusive authority, which authority may not be delegated, to act for the Employer to amend this Agreement and to terminate the Agreement.

7.2. ADMINISTRATOR. ADC TELECOMMUNICATIONS, INC. shall be the administrator for purposes of section 3(16)(A) of the Employee Retirement Income Security Act of 1974.

7.3. SERVICE OF PROCESS. In the absence of any designation to the contrary by ADC TELECOMMUNICATIONS, INC., the Secretary of ADC TELECOMMUNICATIONS, INC. is designated as the appropriate and exclusive agent for the receipt of service of process directed to the Agreement in any legal proceeding, including arbitration, involving the Agreement.

SECTION 8

MISCELLANEOUS RULES

The continuance of this Agreement shall not be a term of the employment of WILLIAM J. CADOGAN. The Employer shall not be obliged to continue the Agreement. The terms of this Agreement shall not give him the right to be retained in the employment of the Employer. Neither the officers nor the members of the Board of Directors of ADC TELECOMMUNICATIONS, INC. in any way guarantee the payment of any benefit or amount which may become due and payable hereunder to him, or surviving spouse. He and surviving spouse shall look solely to the assets of ADC TELECOMMUNICATIONS, INC. for such payments.

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed as of the day and year first above written:

ADC TELECOMMUNICATIONS, INC.

WILLIAM J. CADOGAN

By /s/ Charles M. Denny, Jr.

/s/ William J. Cadogan

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Its Chairman of the Board  
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APPENDIX A

DETERMINATION OF ACTUARIAL EQUIVALENT  
TO SINGLE LIFE ANNUITY

Section 1. LUMP SUM SETTLEMENTS. When converting benefits to a single lump sum for payment to WILLIAM J. CADOGAN, the benefit to be converted is the

Single Life Annuity form payable at the latest date such benefit may commence. When converting benefits to a single lump sum for payment to any other person, the benefit to be converted shall be the benefit payable to such other person at the latest date such benefit may commence. The factors to be used to convert the Single Life Annuity form to a lump sum benefit shall be:

INTEREST ASSUMPTION: One hundred twenty percent (120%) of the interest rate used by the Pension Benefit Guaranty Corporation to value immediate annuities in the event of plan terminations occurring on the first day of the calendar year in which occurs the date as of which the Actuarial Equivalent amount of benefit is being determined

MORTALITY ASSUMPTION: The 1983 Group Annuity Mortality Table (male lives) or a later table adopted by the State of Minnesota Insurance Department as a reserve basis for group annuities issued by life insurance companies doing business in Minnesota

Section 2. DEFINED CONTRIBUTION PLAN ACCRUAL. To determine the Actuarial Equivalent annuity value of WILLIAM J. CADOGAN'S account balances attributable to contributions of the Employer in defined contribution plans as of a specified date (expressed in the Single Life Annuity form beginning on the first day of the calendar month following his Normal Retirement Age) the following steps shall be followed:

(a) Determine the value of all such defined contribution plan accounts as of the valuation date under each defined contribution plan which is coincident with or immediately preceding such specified date;

(b) Increase such account balances from such valuation dates to the last day of the calendar month in which his Termination of Employment occurs or, if later, the last day of the calendar month in which he would attain age sixty (60) years at an assumed rate of earnings equal to eight percent (8%), compounded annually;

(c) Convert the resulting total to an Actuarial Equivalent amount of monthly annuity in the Single Life Annuity form commencing on the last day of the calendar month in which his Termination of Employment occurs or, if later, the last day of the calendar month in which he would attain age sixty (60) years by applying the interest and mortality factors set forth in Section 1 above.

Section 3. GENERAL FACTORS. Except to the extent otherwise specified in the Agreement, the following interest and mortality factors shall be used in determining the Actuarial Equivalent amount of any benefit:

INTEREST ASSUMPTION: One hundred twenty percent (120%) of the interest rate used by the Pension Benefit Guaranty Corporation to value immediate annuities in the event of plan terminations occurring on the first day of the calendar year in which occurs the date as of which the Actuarial Equivalent amount of benefit is being determined

MORTALITY ASSUMPTION: The 1983 Group Annuity Mortality Table (male lives) or a later table adopted by the State of Minnesota Insurance Department as a reserve basis for group annuities issued by life insurance companies doing business in Minnesota

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SUBSIDIARIES OF THE COMPANY

The following list of subsidiaries of the Company identifies the name of the subsidiary, the state or other jurisdiction of incorporation or organization and the name under which such subsidiaries do business:

ADC EUROPE NV  
BELGIUM  
ADC, ADC EUROPE

ADC TELECOM CANADA INC.  
CANADA

ADC TELECOMMUNICATIONS UK LTD  
UNITED KINGDOM  
ADC, ADC TELECOMMUNICATIONS

ADC INTERNATIONAL LIMITED  
JAMAICA

ADC TELECOMUNICACIONES VENEZUELA, S.A.  
VENEZUELA

ADC DE MEXICO, S.A. DE C.V.  
MEXICO

KENTROX INDUSTRIES, INC.  
A DELAWARE CORPORATION  
KENTROX, ADC KENTROX

AMERICAN LIGHTWAVE SYSTEMS, INC.  
A DELAWARE CORPORATION  
ALS

FIBERMUX CORPORATION  
A CALIFORNIA CORPORATION  
FIBERMUX, ADC FIBERMUX

ADC TELECOMMUNICATIONS AUSTRALIA PTY. LIMITED  
AUSTRALIA

ADC TELECOMMUNICATIONS SINGAPORE PTE LIMITED  
SINGAPORE

Pursuant to Item 601 (b) (22) (ii) of Regulation S-K, the Company omits any of



its other subsidiaries from this exhibit on the grounds that, considered in the aggregate as a single subsidiary, as of the end of fiscal 1993 such subsidiaries would not constitute a significant subsidiary as defined in Rule 1-02 (v) of Regulation S-X. Inclusion in this exhibit of those subsidiaries listed above should not necessarily be construed as an indication that such subsidiaries, either considered alone or considered in the aggregate as a single subsidiary, constitute a significant subsidiary as so defined.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To ADC Telecommunications, Inc.:

As independent public accountants, we hereby consent to the incorporation of our report dated December 15, 1993 included in this Form 10-K, into the Company's previously filed Registration Statement File Nos. 2-83584, 33-22654, 33-40356 and 33-40357.

ARTHUR ANDERSEN & CO.

Minneapolis, Minnesota  
January 11, 1994

POWER OF ATTORNEY

I, Charles M. Denny, Jr., do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ Charles M. Denny, Jr.

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Charles M. Denny, Jr.

POWER OF ATTORNEY

I, Thomas E. Holloran, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ Thomas E. Holloran

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Thomas E. Holloran

POWER OF ATTORNEY

I, B. Kristine Johnson, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ B. Kristine Johnson  
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B. Kristine Johnson

POWER OF ATTORNEY

I, Charles W. Oswald, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ Charles W. Oswald

POWER OF ATTORNEY

I, Jean-Pierre Rosso, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 21, 1993

/s/ Jean-Pierre Rosso  
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Jean-Pierre Rosso

POWER OF ATTORNEY

I, Donald M. Sullivan, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ Donald M. Sullivan

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Donald M. Sullivan

POWER OF ATTORNEY

I, Warde F. Wheaton, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ Warde F. Wheaton

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Warde F. Wheaton

POWER OF ATTORNEY

I, John D. Wunsch, do hereby constitute and appoint William J. Cadogan and Joan K. Berg, or any one of them, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

December 22, 1993

/s/ John D. Wunsch

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John D. Wunsch

POWER OF ATTORNEY

I, William J. Cadogan, do hereby constitute and appoint Joan K. Berg, my Attorney-in-Fact for the purpose of signing, in my name and in my behalf as President, Chief Executive Officer (principal executive officer), Chief Operating Officer and as a Director of ADC Telecommunications, Inc., the Annual Report of ADC Telecommunications, Inc. on Form 10-K for its fiscal year ended October 31, 1993, and any and all amendments to said Annual Report and any and all amendments thereto, as each thereof is so signed, for filing with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

January 6, 1994

/s/ William J. Cadogan

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William J. Cadogan