

INDUSTRIAL LEASE

between

RMS LIMITED PARTNERSHIP,
a Nevada limited partnership
(Landlord)

and

Castle Manufacturing, Inc.
a Nevada corporation
(Tenant)

Confidential
Rock-Tenn
Nov 06, 2013 12:24

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EXHIBITS

Exhibit 1.02	Floor Plan of the Premises
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INDUSTRIAL LEASE

[FORM NET LEASE/MULTI-TENANT]

THIS LEASE ("Lease"), dated November 2, 1995, is made and entered into by and between RMS LIMITED PARTNERSHIP, a Nevada limited partnership ("Landlord") and CASTLE MANUFACTURING, INC., a Nevada corporation ("Tenant"), upon the following terms and conditions:

ARTICLE I - DEFINITIONS

Unless the context otherwise specifies or requires, the following terms shall have the following meanings:

1.01 Building. The term "Building" shall mean that certain office/warehouse building located in the Diablo Industrial Center at 4545 W. Diablo Dr., Las Vegas, Nevada ("Building E"), together with all related site land, improvements, parking facilities, common areas, driveways, sidewalks and landscaping. The total rentable square feet in the Building are 49,600 square feet.

1.02 Premises. The term "Premises" shall mean Space No. A in the Building, as more particularly outlined on the drawing attached hereto as Exhibit 1.02 and incorporated herein by reference.

1.03 Rentable Area of the Premises. The term "Rentable Area of the Premises" shall mean 49,600 square feet, which Landlord and Tenant have stipulated as the Rentable Area of the Premises.

1.04 Lease Term. The terms "Lease Term" or "Term" shall mean the period between the Commencement Date and the Expiration Date (as such terms are hereinafter defined), unless sooner terminated or renewed as otherwise provided in this Lease.

1.05 Commencement Date. Subject to adjustment as provided in Article III, the term "Commencement Date" shall mean the date of November 10, 1995.

1.06 Expiration Date. Subject to adjustment as provided in Article III, the term "Expiration Date" shall mean the date of December 31, 2001. *see Article III for renewal info.*

1.07 Base Rent. Subject to adjustment as provided in Article IV, the term "Base Rent" shall mean the amount of \$22,568 per month, paid by Tenant to Landlord for the Tenant's Permitted Use of the Premises (as hereinafter defined). The foregoing Base Rent is based on a rental rate of \$0.455 per rentable square foot per month. *(See Letter From BUNTON, BARTLETT & GILGOUR, dtd. Sept 4, 1996)*

1.08 Tenant's Percentage Share. The term "Tenant's Percentage Share" shall mean 9.71% with respect to Operating Expenses (as hereinafter defined), 9.71% with respect to Property Taxes (as hereinafter defined), 9.71% with respect to Insurance Expenses (as hereinafter defined) and 9.71% with respect to Tenant's law compliance obligations under Section 6.02(C) of this Lease and for all other purposes under this Lease.

1.09 Security Deposit. The term "Security Deposit" shall mean those monies, in the amount of \$22,568, paid by Tenant to Landlord for Tenant's full and faithful performance of every term, covenant and condition of this Lease.

1.10 Tenant's Permitted Use. The term "Tenant's Permitted Use" shall mean only office and the manufacturing, storage and distribution of novelty and adult oriented products and no other use. Tenant's Permitted Use shall specifically not include the retail sale of products or services of any kind or nature on or from the Premises. Any showroom located on the Premises for wholesale buyers shall be limited to the space designated as the showroom on attached Exhibit 1.02 and no products of Tenant shall be displayed in any windows or otherwise visible to the general public from outside the Premises.

1.11 Landlord's Address For Notices. The term "Landlord's Address for Notices" shall mean RMS Limited Partnership, 201 W. Liberty Street, P.O. Box 231, Reno, Nevada, 89504. *Suite 650 89501 (As of 9/96) 50*

1.12 Tenant's Address For Notices. The term "Tenant's Address for Notices" shall mean 4545 Diablo Drive, Suite A, Las Vegas, Nevada 89118.

1.13 Broker(s). The term "Broker" or "Brokers" shall mean the person(s) and/or entity(ies) of (i) Cornerstone Company representing Landlord and (ii) CB Commercial Real Estate Group representing Tenant.

1.14 Guarantors. The term "Guarantor" or "Guarantors" shall mean the person(s) and/or entity(ies) of Taylor R. Coleman, as more particularly described in the Guaranty referenced in Section 27.21.

ARTICLE II - PREMISES

2.01 Lease of Premises. Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, upon all of the terms, covenants and conditions contained in this Lease. On the Commencement Date, Landlord shall deliver the Premises to Tenant.

2.02 Acceptance of Premises. The Tenant has examined the Premises, the title to the Premises, the sidewalks and structures adjoining the Premises, any subsurface conditions, and the present

uses and nonuses of the Premises. The Tenant accepts the Premises in its present condition, without representation or warranty, express or implied, in fact or by law, by the Landlord, and without recourse to the Landlord as to title, the nature, condition, or usability of the Premises, or with respect to the suitability or fitness of the Premises for the conduct or Tenant's Permitted Use or for any other purpose. The Landlord shall not be responsible for any latent defect or change of condition in the Building or Premises or title to the Building or Premises, and the Base Rent shall not be withheld or diminished on account of any defect in Landlord's title to the Premises, any change in the condition of the Premises, any damage occurring to the Premises, or the existence of any violations of the laws or regulations of any governmental authority with regard to the Premises.

ARTICLE III - TERM

3.01 The Term of this Lease shall begin on the Commencement Date, and end on the Expiration Date, unless terminated sooner as provided below.

3.02 If the Landlord is unable to deliver possession of the Premises upon the Commencement Date, neither the Landlord nor its agents shall be liable for any damages caused to the Tenant by reason of the delay nor shall this Lease become void or voidable. However, the Tenant shall not be liable for the payment of Base Rent until the Landlord delivers possession of the Premises to it and the Term of this lease shall be extended by the length of time possession by the Tenant has been delayed.

3.03 Provided that Tenant is not in default under the Lease, the Tenant may renew the Lease Term for one additional 5-year term commencing on January 1, 2002 and expiring on December 31, 2007 ("Renewal Term"), provided that Tenant gives Landlord written notice at least nine months prior to the expiration of the Lease Term, which means that notice shall be given on or before March 31, 2001. The Base Rent during the Renewal Term shall be based on the then prevailing rental rate for the Premises, but in no event shall the Base Rent during the Renewal Term be less than the Base Rent in effect during the last year of the Lease Term. For purposes of this Lease, the "prevailing rental rate" shall mean the total rental rate being quoted by Landlord to third-party tenants at the time of the Renewal Term for similar space, including all fixed and/or indexed rental adjustments and all rental adjustments for taxes and expenses for the leased premises within the Building.

ARTICLE IV - RENTAL; ADJUSTMENTS

4.01 Definitions.

(A) "Property Taxes" shall mean all taxes, charges and assessments (whether they be general or special) which

Landlord pays or becomes obligated to pay for a calendar year because of, or in connection with, the ownership, leasing, or operating of the Building. Property Taxes shall not include income or franchise taxes, capital stock, inheritance, estate, gift, or any other taxes imposed upon or measured by Landlord's gross income or profits, unless the same shall be imposed in lieu of real estate taxes or other ad valorem taxes. Property Taxes shall include all fees and costs, including attorneys' fees, appraisals and consultants' fees, incurred by Landlord in seeking to obtain a reduction of, or a limit on the increase in, any Property Taxes, regardless of whether any reduction or limitation is obtained. Taxes for any calendar year shall be Property Taxes which are due for payment or are paid during such year. If at any time during the Lease Term the method of taxation then prevailing shall be altered so that any new tax, assessment, levy, imposition or charge shall be imposed upon Landlord in place or partly in place of any Property Taxes, or contemplated increase in any Property Taxes, and shall be measured by or be based in whole or in part upon the Building or the rents or other income from the Building, then all such new taxes, assessments, levies, impositions or charges, to the extent that they are so measured or based, shall be included in Property Taxes to the extent that such items would be payable if the Building was the only property of Landlord subject to same and the income received by Landlord from the Building was the only income of Landlord. Property Taxes shall also include any personal property taxes imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances of Landlord used in connection with the Building.

(B) "Operating Expenses" shall mean all costs, fees, disbursements and expenses paid or incurred by or on behalf of Landlord in the operation, ownership, maintenance, management, replacement and repair of the Building (excluding Property Taxes and Insurance Expenses, as hereinafter defined). Operating Expenses shall not include costs of alteration of the premises of tenants of the Building, depreciation charges, interest and principal payments on mortgages, ground rental payments, real estate brokerage and leasing commissions, expenses incurred in enforcing obligations of tenants of the Building, salaries and other compensation of executive officers of the managing agent of the Building senior to the Building manager, costs of any special service provided to any one tenant of the Building but not to tenants of the Building generally, and costs of marketing or advertising the Building.

(C) "Insurance Expenses" shall mean all costs, fees, disbursements and expenses paid or incurred by or on behalf of Landlord for premiums for hazard, "all risk", casualty, rent interruption and liability insurance and all other insurance,

obtained by Landlord in connection with or relating to the Building.

If the Building does not have one hundred percent (100%) occupancy during an entire calendar year, then the variable cost components of Property Taxes, Operating Expenses and Insurance Expenses shall be adjusted so that the total amount of Property Taxes, Operating Expenses and Insurance Expenses equals the total amount which would have been paid or incurred by Landlord had the Building been one hundred percent (100%) occupied for the entire calendar year.

4.02 Base Rent. During the Lease Term, Tenant shall pay to Landlord as rental for the Premises the Base Rent described in Section 1.07 above, subject to the following adjustments (herein collectively called the "Rent Adjustments"):

(A) The Base Rent payable by Tenant to Landlord, as described in Section 1.07, shall, after year-1 of the Term and based on a 4% cumulative increase each year, be increased to (i) \$23,470.72 per month in months 13 through 24 of the Term, (ii) \$24,409.55 per month in months 25 through 36 of the Term, (iii) \$25,385.93 per month in months 37 through 48 of the Term and (iv) \$26,401.37 per month in months 49 through the end of Term.

+4% per year

(B) During each calendar year of the Lease Term, the Base Rent payable by Tenant to Landlord, as adjusted pursuant to Section 4.02(A) above, shall be increased by Tenant's Percentage Share of the Property Taxes for such year (the "Tax Adjustment").

(C) During each calendar year of the Lease Term, the Base Rent payable by Tenant to Landlord, as adjusted pursuant to Section 4.02(A) above, also shall be increased by Tenant's Percentage Share of the Operating Expenses paid or incurred by Landlord during such year (the "Operating Expense Adjustment").

(D) During each calendar year of the Lease Term, the Base Rent payable by Tenant to Landlord, as adjusted pursuant to Section 4.02(A) above, also shall be increased by Tenant's Percentage Share of the Insurance Expenses for such year (the "Insurance Adjustment").

(E) The Tax Adjustment, the Operating Expense Adjustment and the Insurance Adjustment are hereinafter referred to collectively as the "Tax, Operating Expense and Insurance Adjustments."

4.03 Adjustment Procedure; Estimates. The Tax, Operating Expense and Insurance Adjustments specified in Sections 4.02(B), 4.02(C) and 4.02(D) shall be determined and paid as follows:

(A) During each calendar year of the Lease Term, Landlord shall give Tenant written notice of Landlord's estimate of amounts payable under Sections 4.02(A), 4.02(B) and 4.02(C) for that calendar year. On or before the first day of each calendar month during the calendar year, Tenant shall pay to Landlord one-twelfth (1/12th) of the estimated annual amount. Landlord may, by written notice to Tenant, revise its estimate for the year in question, and subsequent payments by Tenant for that year shall be based upon the revised estimate. Landlord may not revise the estimate more than once every three (3) months.

(B). Within ninety (90) days after the close of each calendar year in which any Rent Adjustment is made or as soon thereafter as is practicable, Landlord shall deliver to Tenant a statement of that year's Property Taxes, Operating Expenses and Insurance Expenses, and the actual Tax, Operating Expense and Insurance Expense Adjustments to be made pursuant to Sections 4.02(B), 4.02(C) and 4.02(D) for such calendar year, as determined and certified by Landlord (the "Landlord's Statement") and such Landlord's Statement shall be binding upon Landlord and Tenant, except as provided in Section 4.04 below. If the amount of the actual Tax Adjustment, Insurance Adjustment or Operating Expense Adjustment is more than the estimated payments for the Tax Adjustment, Insurance Adjustment or Operating Expense Adjustment for such calendar year made by Tenant, Tenant shall pay the deficiency to Landlord upon receipt of Landlord's Statement. If the amount of the actual Tax Adjustment, Insurance Adjustment or Operating Expense Adjustment is less than the estimated payments for such calendar year made by Tenant, any excess shall be credited against Rent (as hereinafter defined) next payable by Tenant under this Lease or, if the Lease Term has expired, any excess thereof shall be paid to Tenant. No delay in providing the statements described in this Section 4.03(B) shall act as a waiver of Landlord's right to payment under Sections 4.02(B), 4.02(C) or 4.02(D) above. Notwithstanding the foregoing, Tenant's right to receive any credit or payment pursuant to the preceding sentences of this Section 4.03(B) is conditioned on this Lease being in full force and effect and Tenant not being in default under this Lease on the date such credit or payment is due.

(C) If this Lease shall terminate on a day other than the end of a calendar year, the amount of the Tax, Operating Expense and Insurance Adjustments to be paid pursuant to Sections 4.02(B), 4.02(C) and 4.02(D) that are applicable to the calendar year in which such termination occurs, shall be

prorated on the basis of the number of days from January 1 of the calendar year to the termination date. The termination of this Lease shall not affect the obligations of Landlord and Tenant, pursuant to Sections 4.03(B) and 4.03(C), to be performed after such termination.

4.04 Review of Landlord's Statement. Provided this Lease is in full force and effect and that Tenant is not then in default under this Lease and provided further that Tenant strictly complies with the provisions of this Section 4.04, Tenant shall have the right, once each calendar year, to reasonably review supporting data for any portion of a Landlord's Statement that Tenant claims is incorrect, in accordance with the following procedure:

(A) Tenant shall, within thirty (30) business days after any such Landlord's Statement is delivered, deliver a written notice to Landlord specifying the portions of the Landlord's Statement that are claimed to be incorrect, and Tenant shall simultaneously pay to Landlord all amounts due from Tenant to Landlord as specified in the Landlord's Statement. Except as expressly set forth in subsection (C) below, in no event shall Tenant be entitled to withhold, deduct, or offset any monetary obligation of Tenant to Landlord under the Lease pending the completion of and regardless of the results of any review of records under this Section 4.04. The right of Tenant under this Section 4.04 may only be exercised once for any Landlord's Statement, and if Tenant fails to meet any of the above conditions as a prerequisite to the exercise of such right, the right of Tenant under this Section 4.04 for a particular Landlord's Statement shall be deemed waived.

(B) Tenant acknowledges that Landlord maintains its records for the Building at Landlord's manager's corporate offices and Tenant agrees that any review of records under this Section 4.04 shall be at the sole expense of Tenant and shall be conducted by an independent firm of certified public accountants, reasonably acceptable to Landlord. Tenant acknowledges and agrees that any records reviewed under this Section 4.04 constitute confidential information of Landlord, which shall not be disclosed to anyone other than the accountants performing the review and the principals of Tenant who receive the results of the review. The disclosure of such information to any other person, whether or not caused by the conduct of Tenant, shall constitute a material breach of this Lease. Anything in this subsection to the contrary notwithstanding, Landlord shall provide to Tenant during Tenant's review of the Landlord's statement, upon request by Tenant, at the expense of Landlord, an initial summary of supporting data for any portion of a Landlord's Statement that Tenant claims is incorrect. Thereafter, any further review of records shall be at the sole expense of Tenant and as otherwise provided under this Section 4.04.

(C) Any errors disclosed by the review shall be promptly corrected by Landlord, provided, however, that if Landlord disagrees with any such claimed errors, Landlord shall have the right to cause another review to be made by an independent firm of certified public accountants, reasonably acceptable to Landlord. In the event of a disagreement between the two accounting firms, the review that discloses the least amount of deviation from the Landlord's Statement shall be deemed to be correct. In the event that the results of the review of records (taking into account, if applicable, the results of any additional review caused by Landlord) reveal that Tenant has overpaid obligations for a preceding period, the amount of such overpayment shall be credited against Tenant's subsequent installment obligations to pay the estimated Tax, Operating Expense and Insurance Adjustments. In the event that such results show that Tenant has underpaid its obligations for a preceding period, Tenant shall be liable for Landlord's actual accounting fees, and the amount of such underpayment shall be paid by Tenant to Landlord with the next succeeding installment obligation of estimated Tax, Operating Expense and Insurance Adjustments. Additionally, in the event the foregoing review discloses that Landlord's Statement has overstated Landlord's actual expenses for a particular year by more than 10%, Landlord shall bear the reasonable cost of such review.

4.05 Payment. Concurrently with the execution hereof, Tenant shall pay Landlord Base Rent for the first calendar month of the Lease Term. Thereafter the Base Rent described in Section 1.07, as adjusted in accordance with Section 4.02, shall be payable in advance on the first day of each calendar month. If the Commencement Date is other than the first day of a calendar month, the prepaid Base Rent for such partial month shall be prorated in the proportion that the number of days this Lease is in effect during such partial month bears to the total number of days in the calendar month. All Rent, and all other amounts payable to Landlord by Tenant pursuant to the provisions of this Lease, shall be paid to Landlord, without notice, demand, abatement, deduction or offset, in lawful money of the United States at Landlord's office in the Building or to such other person or at such other place as Landlord may designate from time to time by written notice given to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the correct Rent due hereunder shall be deemed to be other than a payment on account; nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed to effect or evidence an accord and satisfaction; and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance or pursue any other remedy in this Lease or at law or in equity.

4.06 Late Charge; Interest. Tenant acknowledges that the late payment of Base Rent or any other amounts payable by Tenant to

Landlord hereunder (all of which shall constitute additional rent to the same extent as Base Rent) will cause Landlord to incur administrative costs and other damages, the exact amount of which would be impracticable or extremely difficult to ascertain. Landlord and Tenant agree that if Landlord does not receive any such payment on or before five (5) business days after the date the payment is due, Tenant shall pay to Landlord, as additional rental, (i) a late charge equal to five percent (5%) of the overdue amount to cover such additional administrative costs; and (ii) interest on the delinquent amounts at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum from the date due to the date paid.

4.07 Additional Rental. For purposes of this Lease, all amounts payable by Tenant to Landlord pursuant to this Lease, whether or not denominated as such, shall constitute additional rental hereunder. Such additional rental, together with the Base Rent and Rent Adjustments, shall sometimes be referred to in this Lease as "Rent".

4.08 Additional Taxes. In addition to the Rent and other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for all taxes payable by or imposed upon Landlord upon or with respect to: any fixtures or personal property located in the Premises; any leasehold improvements made in or to the Premises by or for Tenant; the Rent payable hereunder, including, without limitation, any gross receipts tax, sales tax, license fee or excise tax levied by any governmental authority; the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of any portion of the Premises (including, without limitation, any applicable possession interest taxes); or this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.09 Base Rent Credit. Provided Tenant is not in default under any of the terms, covenants and conditions of the Lease, Tenant shall be entitled to a Base Rent credit in the amount of \$22,568 per month from the Commencement Date through the month ending December 31, 1995.

ARTICLE V - SECURITY DEPOSIT

5.01 Deposit. Upon the execution of this Lease, Tenant shall deposit with Landlord the Security Deposit, described in Section 1.09 above, as security for Tenant's performance of all its obligations hereunder. Landlord shall return such sum to Tenant within thirty (30) days after the expiration of this Lease if Tenant has performed all obligations under this Lease. Prior to the time that Tenant is entitled to the return of the Security Deposit, Landlord may intermingle the Security Deposit with its own funds and use the Security Deposit for whatever purposes it

desires. Tenant shall not receive any interest on the Security Deposit.

5.02 Default. If Tenant defaults in the performance of any of its obligations under this Lease, including, but not limited to, the payment of the Rent, the Landlord may use, apply, or retain all or any part of the Security Deposit for the payment of any unpaid Rent, or for any other amount which the Landlord may be required to spend by reason of the Tenant's default, including any damages or deficiency in the reletting of the Premises, regardless of whether the accrual of such damages or deficiency occurs before or after an eviction or a summary reentry or other reentry by the Landlord. In the event of any bankruptcy or other proceeding initiated by or against Tenant, it is agreed that the Security Deposit shall be deemed to be applied by Landlord to Rent, sales tax and all other charges due from Tenant to Landlord for the last month of the Term and each preceding month until such Security Deposit is fully applied.

5.03 Assignment. Tenant shall not assign or encumber the Security Deposit without Landlord's written consent, and any assignment or encumbrance without such consent shall not bind the Landlord. Regardless of any assignment of this Lease by the Tenant, the Landlord may return the Security Deposit to the original Tenant, in the absence of evidence satisfactory to the Landlord of an assignment of the right to receive the Security Deposit or any part of the balance of the Security Deposit.

ARTICLE VI - USE OF PREMISES

6.01 Tenant's Permitted Use. Tenant shall use the Premises only for Tenant's Permitted Use as set forth in Section 1.10 above and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct Tenant's Permitted Use. Landlord disclaims any warranty that the Premises are suitable for Tenant's use and Tenant acknowledges that it has had a full opportunity to make its own determination in this regard.

6.02 Compliance With Laws and Other Requirements.

(A) Tenant shall comply with all applicable federal, state, county, and municipal laws and regulations governing Tenant's use of the Premises (collectively "Applicable Laws").

(B) Tenant shall not use the Premises, or permit the Premises to be used, in any manner which: (i) violates any Applicable Law; (ii) causes or is reasonably likely to cause damage to the Building or the Premises; (iii) violates a requirement or condition of any fire and extended insurance

policy covering the Building and/or the Premises, or increases the cost of such policy; (iv) constitutes or is reasonably likely to constitute a nuisance, annoyance or inconvenience to other tenants or occupants of the Building or its equipment, facilities or systems; (v) interferes with, or is reasonably likely to interfere with, the transmission or reception of microwave, television, radio, telephone or other communication signals by antennae or other facilities located in the Building; or (vi) violates the Rules and Regulations described in Article XX.

(C) In addition to any other amounts payable by Tenant to Landlord hereunder, Tenant shall pay to Landlord, as and when billed to Tenant and as additional rental, Tenant's Percentage Share of the cost of any improvements, capital expenditures, repairs or replacements to the Building, or any equipment or machinery used in connection with the Building, if any such item is required under any Applicable Law which was not applicable to the Building at the time the Building was constructed; provided, however, that any such costs which are properly charged to a capital account shall not be payable in a single year but shall instead be amortized over their useful lives, as determined by the Landlord in accordance with generally acceptable accounting principles, and only the annual amortization amount (prorated based on the number of days of the Lease term in the calendar year) shall be payable by the Tenant with respect to any calendar year.

6.03 Hazardous Materials

(A) No Hazardous Materials (as defined herein) shall be Handled (as defined herein) upon, about, above or beneath the Premises or any portion of the Building by or on behalf of a Responsible Party (as defined herein), unless the Hazardous Materials are listed in Exhibit 27.20 hereto and then only in the quantities listed in the exhibit. Any such Hazardous Materials so Handled, or the presence of which is a result of the act or omission of a Responsible Party, shall be known as Tenant's Hazardous Materials. Notwithstanding the foregoing, normal quantities of those Hazardous Materials customarily used in the conduct of general administrative and executive office activities (e.g., copier fluids and cleaning supplies) may be Handled at the Premises without Landlord's prior written consent. Tenant's Hazardous Materials shall be Handled at all times in compliance with all applicable Environmental Laws (as defined herein).

(B) Notwithstanding the obligation of Tenant to indemnify Landlord pursuant to this Lease, Tenant shall, at its sole cost and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision, or necessary for Landlord to make full

economic use of the Premises or any portion of the Building, which requirements or necessity arises from the Handling of Tenant's Hazardous Materials upon, about, above or beneath the Premises or any portion of the Building. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Premises or any portion of the Building, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work. Tenant shall take all actions necessary to restore the Premises or any portion of the Building to the condition existing prior to the introduction of Tenant's Hazardous Materials, notwithstanding any less stringent standards or remediation allowable under applicable Environmental Laws. Tenant shall nevertheless obtain Landlord's written approval prior to undertaking any actions required by this Section, which approval shall not be unreasonably withheld so long as such actions would not potentially have a material adverse long-term or short-term effect on the Premises or any portion of the Building.

(C) "Environmental Laws" means and includes all now and hereafter existing statutes, laws, ordinances, codes, regulations, rules, rulings, orders, decrees, directives, policies and requirements by any federal, state or local governmental authority regulating, relating to, or imposing liability or standards of conduct concerning public health and safety or the environment.

(D) "Hazardous Materials" means: (a) any material or substance: (i) which is defined or becomes defined as a "hazardous substance", "hazardous waste," "infectious waste," "chemical mixture or substance," or "air pollutant" under Environmental Laws; (ii) containing petroleum, crude oil or any fraction thereof; (iii) containing polychlorinated biphenyls (PCB's); (iv) containing asbestos; (v) which is radioactive; (b) any other material or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become defined by Environmental Laws, or (c) materials which cause a nuisance upon or waste to the Premises or any portion of the Building.

(E) "Handle," "handle," "Handled," "handled," "Handling" or "handling" shall mean any installation, handling, generation, storage, treatment, use, disposal, discharge, release, manufacture, refinement, presence, migration, emission, abatement, removal, transportation, or any other activity of any type in connection with or involving Hazardous Materials.

(F) "Responsible Party" shall mean Tenant, its subtenants and its assignees, and their respective

contractors, clients, officers, directors, employees, agents, and invitees, or any of them, as the case may be.

(G) Tenant agrees to maintain only the Hazardous Materials listed in Schedule 1 to Exhibit 6.03(A) in the Premises and in or at the Building and only in the quantities listed in Schedule 1 to Exhibit 6.03(A). Tenant also agrees that changes to the type and quantities of such Tenant's Hazardous Materials may be done only with the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Tenant further agrees that Landlord shall have the right to inspect the Premises to verify the types and quantities of the materials stored therein.

(H) Tenant agrees to execute affidavits, representations and the like from time to time at Landlord's request conveying Tenant's best knowledge and belief regarding the presence of Hazardous Materials in the Premises or in or at the Building.

ARTICLE VII - UTILITIES AND SERVICES

7.01 Services. Landlord shall provide the normal utility service connection into the Premises and Tenant; at its sole expense, shall arrange with the appropriate utility company to install all necessary connections and without fail to maintain in continuous operation during the entire term of the Lease, all such utility service, whether or not Tenant is in actual possession of the Premises. Tenant shall pay for all water, gas, heat, light, power, sweeping and other janitorial services, rubbish and trash disposal, sewer and any other utilities and services supplied in, about or related to the Premises, together with any taxes thereon, connection charges and deposits, and also shall pay for all electrical light bulbs, lamps and tubes in connection therewith. If any such utilities and services are not separately metered to Tenant, Tenant shall pay a reasonable portion to be determined by Landlord of all charges jointly metered with other premises. Landlord reserves the right during the Term of this Lease to grant easements or public utility purposes on, over, or below the Premises without any abatement in rent, provided that said easements do not unreasonably interfere with the normal operation of the business conducted by Tenant in the Premises. Landlord shall not be required to pay for any service, supplies or upkeep in connection with the Premises. Tenant shall arrange for and pay for all telephone service and equipment, including any additions or alterations to the existing telephone service boards and conduit, which shall be completed without interference to the service and/or equipment of other tenants in the Building and which shall be appropriately labeled upon the termination of this Lease.

Any amounts which Tenant is required to pay to Landlord pursuant to this Section 7.01 shall be payable upon demand by Landlord and shall constitute additional rent or Rent under this Lease.

7.02 Interruption of Services. Landlord shall not be liable for any failure to furnish, stoppage of, or interruption in furnishing any of the services or utilities described in Section 7.01, when such failure is caused by accident, breakage, repairs, strikes, lockouts, labor disputes, labor disturbances, governmental regulation, civil disturbances, acts of war, moratorium or other governmental action, or any other cause beyond Landlord's reasonable control, and, in such event, Tenant shall not be entitled to any damages nor shall any failure or interruption abate or suspend Tenant's obligation to pay Rent as required under this Lease or constitute or be construed as a constructive or other eviction of Tenant. Further, in the event any governmental authority or public utility promulgates or revises any law, ordinance, rule or regulation, or issues mandatory controls or voluntary controls relating to the use or conservation of energy, water, gas, light or electricity, the reduction of automobile or other emissions, or the provision of any other utility or service, Landlord may take any reasonably appropriate action to comply with such law, ordinance, rule, regulation, mandatory control or voluntary guideline without affecting Tenant's obligations hereunder. Tenant recognizes that any security services provided by Landlord at the Building are for the protection of Landlord's property and under no circumstances shall Landlord be responsible for, and Tenant waives any rights with respect to, providing security or other protection for Tenant or its employees, invitees or property in or about the Premises or the Building.

ARTICLE VIII - MAINTENANCE AND REPAIRS

8.01 Landlord's Obligations.

(A) During the Lease Term, Landlord shall, at its expense, maintain only the roof, foundation and the structural soundness of the exterior walls (excluding all windows, plate glass, doors and pest control and extermination) of the portion of the Building containing the Premises in good repair and condition except for reasonable wear and tear. Landlord also shall maintain, at its expense, subject to reimbursement as part of Operating Expenses, (i) the downspouts and fire safety sprinkler system of the Building, (ii) all Building related site land, parking facilities, common areas, driveways, sidewalks and landscaping, and (iii) if Landlord elects, in its sole discretion, the Building heating, ventilation and air conditioning systems. If Tenant determines that any such repair or maintenance by Landlord is required, Tenant shall promptly give written notice to Landlord of the need for such repair or maintenance and unless Landlord in good faith disagrees with such determination by Tenant, Landlord shall proceed with reasonable promptness to perform such maintenance.

(B) Tenant shall, at its sole cost, pay for any damage to the roof, foundation and/or external walls caused by any act, omission, negligence or fault of Tenant or any employee, agent or contractor of Tenant.

(C) Landlord shall not be liable to Tenant, except as otherwise expressly provided in this Lease, for any damage or inconvenience caused by Landlord's fulfillment of the obligations under this Section 8.01. Tenant shall not be entitled to any abatement or reduction of Rent by reason of any repairs, alterations or additions made by Landlord under this Lease.

8.02 Tenant's Obligations.

(A) During the Lease Term, Tenant shall, at its risk and at its own sole cost and expense, maintain all other parts of the Building and other improvements in or on the Premises in good repair and condition (including all necessary replacements), including, but not limited to, heating, ventilation and air conditioning systems (if Landlord has elected not to maintain under Section 8.01), all glass elements, doors, repainting of the exterior doors or other exposed parts of the Building which reasonably require periodic repainting to prevent deterioration and other common area maintenance. However, Landlord reserves the right to perform all or any portion of common area maintenance (including, without limitation, exterior painting) and in such instance Tenant agrees to pay Landlord for the common area maintenance based on Tenant's Percentage Share with respect to Operating Expenses. In connection with Tenant's maintenance and repair of the heating, ventilation and air conditioning systems, Tenant shall provide Landlord during the Term of this Lease and any subsequent renewal of this Lease with a duplicate original of a maintenance contract, in form and substance acceptable to Landlord, with an HVAC maintenance firm acceptable to Landlord.

(B) Tenant shall take good care of all property and its fixtures, including all landscaping, and suffer no waste. Tenant shall engage a certified pest control firm to perform regular (not less frequent than monthly but more frequent if Landlord determines the need therefor) extermination for pests including, but not limited to, roaches, rodents and termites.

(C) Should Tenant neglect to keep and maintain the Premises as required in this Section 8.02, the Landlord shall have the right, but not the obligation, to have the work done and any reasonable costs plus a ten percent (10%) overhead charge shall be charged to Tenant as additional rental and

shall become payable by Tenant with the payment of the rental next due under this Lease.

(D) Tenant shall, at its own cost and expense, repair or replace any damage or injury to all or any part of the Premises and Building, caused by any act or omission by Tenant or Tenant's agents, employees, invitees, licensees or visitors. If Tenant fails to make such repairs or replacements promptly, Landlord may, at its option, make such repairs or replacements and Tenant shall reimburse the cost, plus a ten percent (10%) overhead charge to Landlord on demand.

(E) Tenant shall not commit or allow any waste or damage to be committed on any portion of the Premises, and at the termination of this Lease, by lapse of time or otherwise, Tenant shall deliver the Premises to Landlord, broom clean with all debris removed, in as good condition as at the date of first possession of Tenant, ordinary wear and tear excepted. Tenant understands that "ordinary wear and tear" does not mean Tenant shall be relieved of performing its obligations under this Lease relating to maintenance, repairs and replacements as provided for in the Lease. The cost and expense of any repairs necessary to restore the condition of the Premises shall be borne by Tenant, and if Landlord undertakes to restore the Premises, it shall have a right of reimbursement against Tenant.

8.03 Landlord's Rights. Landlord and its contractors shall have the right, at all reasonable times, to enter upon the Premises to make any repairs to the Premises or the Building reasonably required or deemed reasonably necessary by Landlord and to erect such equipment, including scaffolding, as is reasonably necessary to effect such repairs. During the pendency of such repairs, Landlord shall use reasonable efforts to minimize any material interruption of Tenant's business. However, if such repairs by Landlord are required to remedy an emergency situation or to cure a breach or default by Tenant under this Lease, Landlord shall not be obligated to minimize such interference.

ARTICLE IX - ALTERATIONS, ADDITIONS AND IMPROVEMENTS

9.01 Landlord's Consent; Conditions. Tenant shall not make or permit to be made any alterations, additions, or improvements in or to the Premises ("Alterations") without the prior written consent of Landlord. Tenant shall submit to Landlord, in writing, all such requests for approval of alterations. Tenant shall further provide the Landlord written notice of all proposed or contemplated alterations, however tentative. Landlord may condition consent on such requirements as Landlord in its sole discretion deems necessary or desirable including without limitation: (i) Tenant's submission to Landlord, for Landlord's

prior written approval, of all plans and specifications relating to the Alterations; (ii) Landlord's prior written approval of the time or times when the Alterations are to be performed; (iii) Landlord's prior written approval of the contractors and subcontractors performing work in connection with the Alterations; (iv) Tenant's receipt of all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises prior to the construction of the Alterations; (v) Tenant's written notice of whether the Alterations include the Handling of any Hazardous Materials, pursuant to Section 6.03; (vi) Tenant's delivery to Landlord of such bonds and insurance as Landlord shall reasonably require; and (vii) Tenant's payment to Landlord of all costs and expenses incurred by Landlord because of Tenant's Alterations, including but not limited to costs incurred in reviewing the plans and specifications for, and the progress of, the Alterations.

9.02 Performance of Alterations Work. All work relating to the Alterations shall be performed in compliance with the plans and specifications approved by Landlord, all applicable laws, ordinances, rules, regulations and directives of all governmental authorities having jurisdiction and the requirements of all carriers of insurance on the Premises and the Building, the Board of Underwriters, Fire Rating Bureau, or similar organization. All work shall be performed in a diligent, first class manner and so as not to unreasonably interfere with any other tenants or occupants of the Building. All costs incurred by Landlord relating to the Alterations shall be payable to Landlord by Tenant as additional rent upon demand.

9.03 Liens. Tenant shall pay when due all costs for work performed and materials supplied to the Premises. Tenant shall keep Landlord, the Premises and the Building free from all liens, stop notices and violation notices relating to the Alterations or any other work performed for, materials furnished to or obligations incurred by Tenant and Tenant shall protect, indemnify, hold harmless and defend Landlord, the Premises and the Building of and from any and all loss, cost, damage, liability and expense, including attorneys' fees, arising out of or related to any such liens or notices. Further, Tenant shall give Landlord not less than seven (7) business days prior written notice before commencing any Alterations in or about the Premises to permit Landlord to post appropriate notices of non-responsibility. Tenant shall also secure, prior to commencing any Alterations, at Tenant's sole expense, a completion and lien indemnity bond satisfactory to Landlord for such work. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed. Tenant shall satisfy or otherwise discharge all liens, stop notices or other claims or encumbrances within ten (10) days after Landlord notifies Tenant in writing that any such lien, stop notice, claim or encumbrance has been filed. If Tenant

fails to pay and remove such lien, claim or encumbrance within such ten (10) days, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, with interest from the date of payment at the rate set forth in Section 4.06 hereof for amounts owed Landlord by Tenant shall be deemed to be additional rent due and payable by Tenant at once without notice or demand.

9.04 Lease Termination. Except as provided in this Section 9.04, upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the same condition as when received, subject to reasonable wear and tear.

(A) All Alterations shall become a part of the Premises and shall become the property of Landlord upon the expiration or earlier termination of this Lease, unless Landlord shall, by written notice given to Tenant, require Tenant to remove some or all of Tenant's Alterations. If Landlord requires Tenant to remove some or all of Tenant's Alterations, Tenant shall promptly remove the designated Alterations and shall promptly repair any resulting damage, all at Tenant's sole expense.

(B) All business and trade fixtures, machinery and equipment, furniture, movable partitions and items of personal property owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant; upon the expiration or earlier termination of this Lease, Tenant shall, at its sole expense, remove all such items and repair any damage to the Premises or the Building caused by such removal. If Tenant fails to remove any such items or repair such damage promptly after the expiration or earlier termination of the Lease, Landlord may, but need not, do so with no liability to Tenant, and Tenant shall pay Landlord the cost thereof upon demand.

9.05 Roof Access. ANYTHING IN THIS LEASE TO THE CONTRARY NOTWITHSTANDING, TENANT SHALL NOT AND SHALL NOT PERMIT ANY OF ITS EMPLOYEES, AGENTS, CONTRACTORS OR INVITEES TO ENTER ON OR IN ANY WAY MOVE ABOUT ON THE ROOF OF THE BUILDING, FOR ANY PURPOSES WHATSOEVER, WITHOUT THE PRIOR CONSENT OF, COORDINATION WITH, AND SUPERVISION OF THE LANDLORD OR ITS SELECTED AGENTS OR CONTRACTORS.

ARTICLE X - INDEMNIFICATION AND INSURANCE

10.01 Indemnification. Tenant shall protect, indemnify, hold harmless and defend Landlord and any mortgagee or ground lessor, and each of their respective partners, directors, officers, agents and employees, successors and assigns, from and against:

(A) any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys'

fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is in any way attributable to the use or occupancy of the Premises or any portion of the Building by Tenant or the acts or omissions of Tenant or its agents, employees, contractors, clients, invitees or subtenants except that caused by the intentional or negligent acts or omissions of Landlord or its agents or employees. Such loss or damage shall include, but not be limited to, any injury or damage to, or death of, Landlord's employees or agents or damage to the Premises or any portion of the Building.

(B) any and all environmental damages which arise from: (i) the Handling of any Tenant's Hazardous Materials, as defined in Section 6.03 or (ii) the breach of any of the provisions of this Lease. For the purpose of this Lease, "environmental damages" shall mean (a) all claims, judgments, damages, penalties, fines, costs, liabilities, and losses (including without limitation, diminution in the value of the Premises or any portion of the Building, damages for the loss of or restriction on the use of rentable or usable space or of any amenity of the Premises or any portion of the Building, and from any adverse impact of Landlord's marketing of space); (b) all reasonable sums paid for settlement of claims, attorneys' fees, consultants' fees and experts' fees; and (c) all costs incurred by Landlord in connection with investigation or remediation relating to the Handling of Tenant's Hazardous Materials, whether or not required by Environmental Laws, necessary for Landlord to make full economic use of the Premises or any portion of the Building, or otherwise required under this Lease. To the extent that Landlord is strictly liable under any Environmental Laws, Tenant's obligation to Landlord and the other indemnities under the foregoing indemnification shall likewise be without regard to fault on Tenant's part with respect to the violation of any Environmental Law which results in liability to the indemnitee. Tenant's obligations and liabilities pursuant to this Section 10.01 shall survive the expiration or earlier termination of this Lease.

(C) any and all testing or investigation as may be requested by any governmental agency or lender for the purpose of investigating the presence of Tenant's Hazardous Materials that may not be in compliance with Environmental Laws.

Notwithstanding anything to the contrary contained herein, nothing in this Section 10.01 shall be interpreted, construed or used to (i) affect, limit, reduce or abrogate any insurance coverage provided by any insurers to either Tenant or Landlord or

(ii) infer or imply that Tenant is a partner, joint venturer, agent, employee, or otherwise acting by or at the direction of Landlord.

10.02 Property Insurance.

(A) At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, "all-risk" property insurance, in an amount not less than one hundred percent (100%) of the replacement cost covering (i) all leasehold improvements in and to the Premises which are made at the expense of Tenant; and (ii) Tenant's trade fixtures, equipment and other personal property from time to time situated in the Premises, including, without limitation, all floor and wall coverings. The proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.

(B) Landlord, at its sole cost and expense, but subject to reimbursement as an Operating Expense, shall procure and maintain in full force and effect at all times during the Lease Term, fire and extended coverage "all risk" insurance on the Building, including the Premises' leasehold improvements, but not Tenant's furnishings, fixtures and other personal property placed on the Premises. Landlord shall, from time to time, supply Tenant with a certificate showing each insurance to be in full force and effect. Landlord shall maintain coverage of not less than the replacement cost of the Building and such improvements (excluding foundation, grading and excavation costs).

10.03 Liability Insurance.

(A) At all times during the Lease Term, Tenant shall procure and maintain, at its sole expense, general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant. Such insurance shall have a minimum combined single limit of liability of at least \$2,000,000 per occurrence and a general aggregate limit of at least \$3,000,000. All such policies shall be written to apply to all bodily injury, property damage, personal injury losses and shall be endorsed to include Landlord and its agents, beneficiaries, partners, employees, and any deed of trust holder or mortgagee of Landlord or any ground lessor as additional insureds. (A list of the current persons and entities to be named as additional insureds is attached hereto as Exhibit 10.03(A).) Such liability insurance shall be written as primary policies, not excess or contributing with

or secondary to any other insurance as may be available to the Landlord or additional insureds.

(B) Prior to the sale, storage, use or giving away of alcoholic beverages on or from the Premises by Tenant or another person, Tenant, at its own expense, shall obtain a policy or policies of insurance issued by a responsible insurance company and in a form acceptable to Landlord, which protects Landlord and the Premises against any and all damages, claims, liens, judgments, expenses and costs, including actual attorney's fees, arising under any present or future law, statute, or ordinance of the State of Nevada or other governmental authority having jurisdiction of the Premises, by reason of any storage, sale, use or giving away of alcoholic beverages on or from the Premises. Such policy or policies of insurance shall have a minimum combined single limit of \$1,000,000 per occurrence and shall apply to bodily injury, fatal or nonfatal; injury to means of support; and injury to property of any person. Such policy or policies of insurance shall name the Landlord and its agents, beneficiaries, partners, employees and any mortgagee of Landlord or any ground lessor of Landlord as additional insureds. (A list of the current persons and entities to be named as additional insureds is attached hereto as Exhibit 10.03.)

10.04 Workers' Compensation Insurance. At all times during the Lease Term, Tenant shall procure and maintain Workers' Compensation Insurance in accordance with the laws of the State of Nevada, and Employers' Liability insurance with a limit not less than \$1,000,000 Bodily Injury Each Accident; \$1,000,000 Bodily Injury By Disease - Each Person; and \$1,000,000 Bodily Injury by Disease - Policy Limit.

10.05 Automobile Liability Insurance. At all times during the Lease Term, Tenant shall provide and maintain, at its sole expense, commercial automobile liability insurance including owned, non-owned and hired vehicles, applying to the use of any vehicles arising out of the operations of Tenant. Such insurance shall apply to bodily injury and property damage in a combined single limit of not less than \$1,000,000 per accident.

10.06 Policy Requirements. All insurance required to be maintained by Tenant shall be issued by insurance companies authorized to do insurance business in the State of Nevada and rated not less than A-VII in Best's Insurance Guide and a Standard and Poor's claims paying ability rating of not less than AA. A certificate of insurance (or, at Landlord's option, copies of the applicable policies) evidencing the insurance required under this Article X shall be delivered to Landlord immediately following execution by Landlord of the Lease. No such policy shall be subject to cancellation or modification without thirty (30) days

prior written notice to Landlord and to any deed of trust holder, mortgagee or ground lessor designated by Landlord to Tenant. Tenant shall furnish Landlord with a replacement certificate with respect to any insurance not less than thirty (30) days prior to the expiration of the current policy. Tenant shall have the right to provide the insurance required by this Article X pursuant to blanket policies, but only if such blanket policies expressly provide coverage to the Premises and the Landlord as required by this Lease.

10.07 Waiver of Subrogation. Landlord, Tenant and all parties claiming under them hereby waive any right of recovery against each other for injury or loss covered by insurance, to the extent that such injury or loss is covered under said insurance policies. Any policy of insurance to be provided by Tenant pursuant to this Article X shall contain a clause denying the insurer any right of subrogation against Landlord.

10.08 Failure to Insure. If Tenant fails to maintain any insurance which Tenant is required to maintain pursuant to this Article X, Tenant shall be liable to Landlord for any loss or cost resulting from such failure to maintain. Tenant may not self-insure against any risks required to be covered by insurance without Landlord's prior written consent.

ARTICLE XI - DAMAGE OR DESTRUCTION

11.01 Total Destruction. Except as provided in Section 11.03 below, this Lease shall automatically terminate if the Premises are totally destroyed.

11.02 Partial Destruction of Premises. If the Premises are damaged by any casualty and, in Landlord's opinion, the Premises (exclusive of any Alterations made to the Premises by Tenant) can be restored to its pre-existing condition within ninety (90) days after the date of the damage or destruction, Landlord shall, upon written notice from Tenant to Landlord of such damage, except as provided in Section 11.03, promptly and with due diligence repair any damage to the Premises (exclusive of any Alterations to the Premises made by Tenant, which shall be promptly repaired by Tenant at its sole expense) and, until such repairs are completed, the Rent shall be abated from the date of damage or destruction in the same proportion that the rentable area of the portion of the Premises which is unusable by Tenant in the conduct of its business bears to the total rentable area of the Premises. If such repairs cannot, in Landlord's opinion, be made within said ninety (90) day period, then Landlord may, at its option, exercisable by written notice given to Tenant within thirty (30) days after the date of the damage or destruction, elect to make the repairs within a reasonable time after the damage or destruction, in which event this Lease shall remain in full force and effect but the Rent shall be abated as provided in the preceding sentence; if Landlord does

not so elect to make the repairs, then either Landlord or Tenant shall have the right, by written notice given to the other within sixty (60) days after the date of the damage or destruction, to terminate this Lease as of the date of the damage or destruction.

11.03 Exceptions to Landlord's Obligations. Notwithstanding anything to the contrary contained in this Article XI, Landlord shall have no obligation to repair the Premises if either: (a) the Building in which the Premises are located is so damaged as to require repairs to the Building exceeding twenty percent (20%) of the full insurable value of the Building; or (b) Landlord elects to demolish the Building in which the Premises are located; or (c) the damage or destruction occurs less than two (2) years prior to the Termination Date, exclusive of option periods. Further, Tenant's Rent shall not be abated if either (i) the damage or destruction is repaired within five (5) business days after Landlord receives written notice from Tenant of the casualty, or (ii) Tenant, or any officers, partners, employees, agents or invitees of Tenant, or any assignee or subtenant of Tenant, is, in whole or in part, responsible for the damage or destruction.

11.04 Waiver. The provisions contained in this Lease shall supersede any contrary laws now or hereafter in effect relating to damage or destruction.

ARTICLE XII - CONDEMNATION

12.01 Taking. If the entire Premises or so much of the Premises as to render the balance unusable by Tenant shall be taken by condemnation, sale in lieu of condemnation or in any other manner for any public or quasi-public purpose (collectively "Condemnation"), this Lease shall terminate on the date that title or possession to the Premises is taken by the condemning authority, whichever is earlier.

12.02 Award. In the event of any Condemnation, the entire award for such taking shall belong to Landlord. Tenant shall have no claim against Landlord or the award for the value of any unexpired term of this Lease or otherwise. Tenant may make a separate claim with the condemning authority, at Tenant's own expense, for the value of its property and for moving and relocation expenses if such claim does not reduce or adversely affect the amount of Landlord's award.

12.03 Temporary Taking. No temporary taking of the Premises shall terminate this Lease or entitle Tenant to any abatement of the Rent payable to Landlord under this Lease; provided, further, that any award for such temporary taking shall belong to Tenant to the extent that the award applies to any time period during the Lease Term and to Landlord to the extent that the award applies to any time period outside the Lease Term. Anything to the contrary notwithstanding, Tenant shall have the right to terminate this

Lease should any temporary taking of the Premises occur for more than five (5) consecutive business days.

ARTICLE XIII - RELOCATION

13.01 Relocation. Landlord shall have the right, at its option upon not less than ninety (90) days prior written notice to Tenant, to relocate Tenant and to substitute for the Premises described above other space in the Building of approximately the same dimensions and size as the Premises described in Section 1.02 above and equally suitable for Tenant's Permitted Use. If Tenant is already in occupancy of the Premises, then Landlord shall also be fully responsible for all reasonable costs of moving Tenant, including (i) removing and reinstalling all improvements and equipment, (ii) any loss of business resulting from the relocation, (iii) telephone relocation expenses and (iv) new stationery. If such costs are incurred directly by Tenant, Tenant shall submit accurate documentation to Landlord for such expenses prior to reimbursement.

ARTICLE XIV - ASSIGNMENT AND SUBLETTING

14.01 Restriction. Without the prior written consent of Landlord, Tenant shall not, either voluntarily or by operation of law, assign, encumber, or otherwise transfer this Lease or any interest herein, or sublet the Premises or any part thereof, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees. An assignment, subletting or other action in violation of the foregoing shall be void and, at Landlord's option, shall constitute a material breach of this Lease. For purposes of this Section 14.01, an assignment shall include any transfer of any interest in this Lease or the Premises by Tenant pursuant to a merger, division, consolidation or liquidation, or pursuant to a change in ownership of Tenant involving a transfer of voting control in Tenant (whether by transfer of partnership interests, corporate stock or otherwise). Notwithstanding anything contained in this Article XIV to the contrary, Tenant expressly covenants and agrees not to enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

14.02 Notice to Landlord. If Tenant desires to assign this Lease or any interest herein, or to sublet all or any part of the Premises, then at least twenty (20) business days prior to the

effective date of the proposed assignment or subletting, Tenant shall submit to Landlord in connection with Tenant's request for Landlord's consent:

(A) A statement containing (i) the name and address of the proposed assignee or subtenant; (ii) such financial information with respect to the proposed assignee or subtenant as Landlord shall reasonably require; (iii) the type of use proposed for the Premises; and (iv) all of the principal terms of the proposed assignment or subletting; and

(B) Four (4) originals of the assignment or sublease on a form approved by Landlord and four (4) originals of the Landlord's Consent to Sublease or Assignment and Assumption of Lease and Consent.

14.03 Landlord's Recapture Rights. At any time within twenty (20) business days after Landlord's receipt of all (but not less than all) of the information and documents described in Section 14.02 above, Landlord may, at its option by written notice to Tenant, elect to: (i) sublease the Premises or the portion thereof proposed to be sublet by Tenant upon the same terms as those offered to the proposed subtenant; (ii) take an assignment of the Lease upon the same terms as those offered to the proposed assignee; or (iii) terminate the Lease in its entirety or as to the portion of the Premises proposed to be assigned or sublet, with a proportionate adjustment in the Rent payable hereunder if the Lease is terminated as to less than all of the Premises. If Landlord does not exercise any of the options described in the preceding sentence, then, during the above-described twenty (20) business day period, Landlord shall either consent or deny its consent to the proposed assignment or subletting.

14.04 Landlord's Consent; Standards. Landlord's consent shall not be unreasonably withheld; but, in addition to any other grounds for denial, Landlord's consent shall be deemed reasonably withheld if, in Landlord's good faith judgment: (i) the proposed assignee or subtenant does not have the financial strength to perform its obligations under this Lease or any proposed sublease; (ii) the business and operations of the proposed assignee or subtenant are not of comparable quality to the business and operations being conducted by other tenants in the Building; (iii) the proposed assignee or subtenant intends to use any part of the Premises for a purpose not permitted under this Lease or otherwise not acceptable to Landlord; (iv) either the proposed assignee or subtenant, or any person who directly or indirectly controls, is controlled by, or is under common control of the proposed assignee or subtenant, occupies space in the Building, or is negotiating with Landlord to lease space in the Building; or (v) the use of the Premises or the Building by the proposed assignee or subtenant would, in Landlord's reasonable judgment, significantly increase the pedestrian traffic in and out of the Building or vehicular

traffic to the Building or would require any alterations to the Building to comply with applicable laws.

14.05 [Intentionally Omitted]

14.06 Landlord's Costs. If Tenant shall assign this Lease or shall sublet all or any part of the Premises or shall request the consent of Landlord to any assignment, subletting or other act, Tenant shall pay to Landlord a fee of Five Hundred Dollars (\$500.00) as additional rent. This fee reflects Landlord's costs related to the proposed action by Tenant, including Landlord's reasonable attorneys' fees.

14.07 Continuing Liability of Tenant. Notwithstanding any assignment or sublease, Tenant shall remain as fully and primarily liable for the payment of Rent and for the performance of all other obligations of Tenant contained in this Lease to the same extent as if the assignment or sublease had not occurred. Additionally, any act or omission of any assignee or subtenant, other than Landlord, that violates the terms of this Lease shall be deemed a violation of this Lease by Tenant.

14.08 Non-Waiver. The consent by Landlord to any assignment or subletting shall not relieve Tenant, or any person claiming through or by Tenant, of the obligation to obtain the consent of Landlord, pursuant to this Article XIV, to any further assignment or subletting. In the event of an assignment or subletting, Landlord may collect rent from the assignee or the subtenant without waiving any rights under this Lease and collection of Rent from a person other than Tenant shall not be deemed a waiver of any of Landlord's rights under this Article XIV, an acceptance of assignee or subtenant as Tenant, or a release of Tenant from the performance of Tenant's obligations under this Lease.

ARTICLE XV - DEFAULT AND REMEDIES

15.01 Events of Default By Tenant. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(A) The failure by Tenant to pay Base Rent or make any other payment required to be made by Tenant hereunder as and when due and the continuation of such failure for five (5) days from receipt of written notice of such failure to pay Base Rent.

(B) The abandonment of the Premises by Tenant or the vacation of the Premises by Tenant for fourteen (14) consecutive days (with or without the payment of Rent), if, in the reasonable opinion of Landlord, such abandonment by Tenant adversely impacts Landlord's ability to market to tenants

other portions of the Building or other buildings in the Diablo Industrial Center.

(C) The making by Tenant of any assignment of this Lease or any sublease of all or part of the Premises, except as expressly permitted under Article XIV of this Lease.

(D) The failure by Tenant to observe or perform any other provision of this Lease to be observed or performed by Tenant, other than those described in Sections 15.01(A), 15.01(B) or 15.01(C) above, if such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant. However, if the nature of the default is such that it cannot be cured within the thirty (30) day period, no default shall be deemed to exist if Tenant (i) commences the curing of the default promptly within the thirty (30) day period, (ii) fully cures the default within sixty (60) days after the occurrence of the default. The thirty (30) day notice described herein shall be in lieu of, and not in addition to, any notice required under law now or hereafter in effect requiring that notice of default be given prior to the commencement of an unlawful detainer or other legal proceeding.

(E) The making by Tenant of any general assignment for the benefit of creditors, the filing by or against Tenant of a petition under any federal or state bankruptcy or insolvency laws (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days after filing); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets at the Premises or Tenant's interest in this Lease or the Premises, when possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease or the Premises, if such seizure is not discharged within thirty (30) days.

15.02 Landlord's Right To Terminate Upon Tenant Default. In the event of any default by Tenant as provided in Section 15.01 above, Landlord shall have the right without notice or demand to Tenant (Tenant hereby irrevocably waiving all notices and demands, statutory or otherwise, including without limitation, any notice otherwise required in connection with any forcible entry and detainer action), to terminate this Lease or Tenant's right to possession of the Premises without terminating this Lease, in which event Landlord shall be entitled to receive from Tenant:

(A) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus

(B) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus

(C) The worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(D) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

(E) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

As used in subparagraphs (A) and (B) above, "worth at the time of award" shall be computed by discounting such amounts at the then highest lawful rate of interest, but in no event to exceed one percent (1%) per annum plus the rate established by the Federal Reserve Bank of Chicago, on advances made to member banks under Sections 13 and 13a of the Federal Reserve Act ("discount rate") prevailing on the date of execution of this Lease by Landlord. As used in paragraph (C) above, "worth at the time of award" shall be 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 (1%).

15.03 Landlord's Right To Continue Lease Upon Tenant Default.
In the event of a default of this Lease and abandonment of the Premises by Tenant, if Landlord does not elect to terminate this Lease as provided in Section 15.02 above, Landlord may from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease. Without limiting the foregoing, Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due. Landlord may, but shall have no obligation to re-let all or any part of the Premises. In the event Landlord at its sole discretion elects to re-let the Premises, to the fullest extent permitted by law, the proceeds of any reletting shall be applied:

(A) first, to pay to Landlord all costs and expenses of such reletting (including without limitation, costs and expenses of retaking or repossessing the Premises, removing persons and property therefrom, securing new tenants, including expenses for redecoration, alterations and other costs in connection with preparing the Premises for the new

tenant, and if Landlord shall maintain and operate the Premises, the costs thereof) and receivers' fees incurred in connection with the appointment of and performance by a receiver to protect the Premises and Landlord's interest under this Lease and any necessary or reasonable alterations;

(B) second, to the payment of any indebtedness of Tenant to Landlord other than Rent due and unpaid hereunder;

(C) third, to the payment of Rent due and unpaid hereunder; and

(D) fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

15.04 Right of Landlord to Perform. All covenants and agreements to be performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated to, make any payment or perform any such other act on Tenant's part to be made or performed, without waiving or releasing Tenant of its obligations under this Lease. Any sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the lesser of the maximum rate permitted by law if any or twelve percent (12%) per annum from the date of such payment, shall be payable to Landlord as additional rent on demand and Landlord shall have the same rights and remedies in the event of nonpayment as in the case of default by Tenant in the payment of Rent.

15.05 Default Under Other Leases. If the term of any lease, other than this Lease, heretofore or hereafter made by Tenant for any space in the Building shall be terminated or terminable after the making of this Lease because of any default by Tenant under such other lease, such fact shall empower Landlord, at Landlord's sole option, to terminate this Lease by notice to Tenant or to exercise any of the rights or remedies set forth in Section 15.02.

15.06 Non-Waiver. Nothing in this Article shall be deemed to affect Landlord's rights to indemnification for liability or liabilities arising prior to termination of this Lease for personal injury or property damages under the indemnification clause or clauses contained in this Lease. No acceptance by Landlord of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and

satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or pursue any other remedy in the Lease provided. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not operate as a termination of this Lease or a surrender of the Premises.

15.07 Cumulative Remedies. All rights and remedies of Landlord are cumulative. The exercise of one or more rights or remedies shall not be taken to exclude or waive the right to exercise any other. All such rights and remedies may be exercised and enforced concurrently and whenever and as often as Landlord deems desirable. In addition to the other remedies provided in the Lease, including, but not limited to, the rights set forth in Section 15.02, Landlord shall be entitled to a restraint by injunction of the attempted, threatened or actual violation of any of the covenants, conditions or provisions of the Lease or to a decree specifically compelling performance of any such covenants, conditions or provisions.

15.08 Default by Landlord. Landlord's failure to perform or observe any of its obligations under this Lease shall constitute a default by Landlord under this Lease only if such failure shall continue for a period of thirty (30) days (or the additional time, if any, that is reasonably necessary promptly and diligently to cure the failure) after Landlord receives written notice from Tenant specifying the default. The notice shall give in reasonable detail the nature and extent of the failure and shall identify the Lease provision(s) containing the obligation(s). If Landlord shall default in the performance of any of its obligations under this Lease (after notice and opportunity to cure as provided herein), Tenant may pursue any remedies available to it under the law and this Lease. Anything to the contrary notwithstanding, Tenant shall have the right to cure any default by Landlord which default creates an emergency situation with immediate adverse impact on the operations of the Tenant and Landlord shall reimburse the Tenant for the reasonable cost of such cure by Tenant.

ARTICLE XVI - ATTORNEYS FEES: COSTS OF SUIT

16.01 Attorneys' Fees. If either Landlord or Tenant shall commence any action or other proceeding against the other arising out of, or relating to, this Lease or the Premises, the prevailing party shall be entitled to recover from the losing party, in addition to any other relief, its actual attorneys fees irrespective of whether or not the action or other proceeding is prosecuted to judgment and irrespective of any court schedule of reasonable attorneys' fees. In addition, Tenant shall reimburse Landlord, upon demand, for all reasonable attorneys' fees incurred in collecting Rent or otherwise seeking enforcement against Tenant, its sublessees and assigns, of Tenant's obligations under this Lease.

16.02 Indemnification. Should Landlord be made a party to any litigation instituted by Tenant against a party other than Landlord, or by a third party against Tenant, Tenant shall indemnify, hold harmless and defend Landlord from any and all loss, cost, liability, damage or expense incurred by Landlord, including attorneys' fees, in connection with the litigation.

ARTICLE XVII - SUBORDINATION AND ATTORNMEN

17.01 Subordination. This Lease, and the rights of Tenant under this Lease, are subject and subordinate to the interests of (i) all present and future ground leases and master leases of all or any part of the Building; (ii) present and future mortgages and deeds of trust encumbering all or any part of the Building or the underlying real estate; (iii) all past and future advances made under any such mortgages or deeds of trust; and (iv) all renewals, modifications, replacements and extensions of any such ground leases, master leases, mortgages and deeds of trust; provided, however, that any lessor under any such ground lease or master lease or any mortgagee or beneficiary under any such mortgage or deed of trust shall have the right to elect, by written notice given to Tenant, to have this Lease made superior in whole or in part to any such ground lease, master lease, mortgage or deed of trust. Upon demand, Tenant shall execute, acknowledge and deliver any instruments reasonably requested by Landlord or any such lessor, mortgagee or beneficiary (hereafter, for the purposes of this Section 17.01, a "Successor Landlord") to effect the purposes of this Section 17.01. Such instruments may contain, among other things, provisions to the effect that the Successor Landlord shall (i) not be liable for any act or omission of Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease; (ii) not be subject to any offsets or defenses which Tenant might have been able to assert against Landlord or its predecessors, if any, prior to the date of such Successor Landlord's succession to Landlord's interest under this Lease; (iii) not be liable for the return of any security deposit under the Lease unless the same shall have actually been deposited with such Successor Landlord; and (iv) be entitled to receive notice of any Landlord default under this Lease plus a reasonable opportunity to cure such default prior to Tenant having any right or ability to terminate this Lease as a result of such Landlord default.

17.02 Attornment. Provided that, as a condition of such attornment, all rights and obligations of Landlord are fully assumed by the person or persons to whom Tenant attorns, if requested to do so, Tenant shall attorn to and recognize as Tenant's landlord under this Lease any superior lessor, superior mortgagee or other purchaser or person taking title to the Building by reason of the termination of any superior lease or the foreclosure of any superior mortgage or deed of trust, and Tenant shall, upon demand, execute any documents reasonably requested by

any such person to evidence the attornment described in this Section 17.02.

17.03 Mortgage and Ground Lessor Protection. Tenant agrees to give any holder of any mortgage and any ground lessor, by registered or certified mail, a copy of any notice of default served upon the Landlord by Tenant, provided that prior to such notice Tenant has been notified in writing (by way of service on Tenant of a copy of Assignment of Rents and Leases, or otherwise) of the address of such mortgage holder or ground lessor (hereafter the "Notified Party"). Tenant further agrees that if Landlord fails to cure the default, then the Notified Party shall have the right and an additional 15 days, on behalf of Landlord, to cure or correct such default under the provisions of Section 15.08. Until the time allowed for the Notified Party to cure such default has expired without cure, Tenant shall have no right to, and shall not, terminate this Lease on account of Landlord's default.

ARTICLE XVIII - QUIET ENJOYMENT

18.01 Provided that Tenant performs all of its obligations hereunder, Tenant shall have and peaceably enjoy the Premises during the Lease Term, subject to all of the terms and conditions contained in this Lease.

ARTICLE XIX - PARKING

19.01 Tenant, its employees and invitees, are hereby granted the non-exclusive privilege to use parking spaces in the parking area servicing the Building. Tenant shall abide by all rules and regulations regarding the use of the parking area as may now exist or as may hereinafter be promulgated by Landlord. Landlord reserves the right to modify, re-stripe and otherwise change the location of drives, parking spaces and parking area servicing the Building. Landlord may, but shall have no obligation to, designate certain parking spaces for trucks, handicapped persons or designated tenants as Landlord, in its sole discretion, may deem necessary for the professional and efficient operation of the parking area and the Building. Landlord shall have the right to reasonably restrict the number and location of truck/tractor trailers for the overall benefit of all tenants, it being agreed by Tenant that it is not the intent of this Lease to provide unrestricted parking for truck/tractor trailers. Tenant agrees not to overburden the parking facilities and agrees to cooperate with Landlord and other tenants in the use of parking facilities. Tenant will reimburse Landlord upon demand for any damage caused to the parking surfaces or facilities caused by Tenant's or any of its employees', agents' or invitees' trucks/tractor trailers or any other vehicles. Landlord reserves the right in its absolute discretion to determine whether parking facilities are becoming crowded and, in such event, to allocate parking spaces among Tenant and other tenants. At no time shall the parking of any vehicle be

permitted in the fire lanes or handicapped parking areas servicing the Building.

ARTICLE XX - RULES AND REGULATIONS

20.01 The Rules and Regulations attached to this Lease as Exhibit 20.01 are hereby incorporated by reference and made a part of this Lease. Tenant shall abide by, and faithfully observe and comply with the Rules and Regulations and any reasonable and nondiscriminatory amendments, modifications and/or additions thereto as may hereafter be adopted and published by written notice to Tenant by Landlord for the safety, care, security, good order and/or cleanliness of the Premises and/or the Building. Landlord shall not be liable to Tenant for any violation of such rules and regulations by any other tenant or occupant of the Building.

ARTICLE XXI - ESTOPPEL CERTIFICATES

21.01 Tenant agrees at any time and from time to time upon not less than thirty (30) days' prior written notice from Landlord to execute, acknowledge and deliver to Landlord a statement in writing addressed and certifying to Landlord, or to the holder or assignee of any existing or prospective mortgage encumbering the Building or any part thereof (hereafter a "Mortgagee"), or to the lessor, or existing or prospective assignee of the lessor's position, under any existing or prospective ground lease of the land underlying the Building (hereafter a "Ground Lessor"), or to any prospective purchaser of the land, improvements or both comprising the Building, that (i) 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 stating the modifications); (ii) that Tenant has accepted possession of the Premises, which are acceptable in all respects, and that any improvements required by the terms of this Lease to be made by Landlord have been completed to the satisfaction of Tenant; (iii) that Tenant is in full occupancy of the Premises; (iv) that no rent has been paid more than thirty (30) days in advance; (v) that the first month's Base Rent has been paid; that Tenant is entitled to no free Rent or other concessions except as stated in this Lease; (vi) that Tenant has not been notified of any previous assignment of Landlord's or any predecessor landlord's interest under this Lease; (vii) the dates to which Base Rent, additional rental and other charges have been paid; (viii) that Tenant, as of the date of such certificate, has no charge, lien or claim of setoff under this Lease or otherwise against Base Rent, additional rental or other charges due or to become due under this Lease; and (ix) that Landlord is not in default in performance of any covenant, agreement or condition contained in this Lease or any other matter relating to this Lease or the Premises or, if so, specifying each such default. In addition, in the event that such certificate is being given to any Mortgagee or Ground Lessor, such statement may contain any other provisions customarily required by such Mortgagee

or Ground Lessor including, without limitation, an agreement on the part of Tenant to furnish to such Mortgagee or Ground Lessor, as applicable, written notice of any Landlord default and a reasonable opportunity for such Mortgagee or Ground Lessor to cure such default prior to Tenant being able to terminate this Lease. Any statement delivered pursuant to this Section 21.01 may be relied upon by Landlord or any Mortgagee, Ground Lessor or prospective purchaser to whom it is addressed and such statement, if required by its addressee, may so specifically state. If Tenant does not execute, acknowledge and deliver to Landlord the statement as and when required by this Section 21.01, Landlord is hereby granted an irrevocable power-of-attorney, coupled with an interest, to execute such statement on Tenant's behalf, which statement shall be binding on Tenant to the same extent as if executed by Tenant.

ARTICLE XXII - ENTRY BY LANDLORD

22.01 Landlord may enter the Premises at all reasonable times to: (i) inspect the Premises; (ii) exhibit the Premises to prospective purchasers, lenders or tenants; (iii) determine whether Tenant is complying with all of its obligations under this Lease; (iv) supply janitorial and other services to be provided by Landlord to Tenant under this Lease; (v) post notices of nonresponsibility; and (vi) make repairs or improvements in or to the Building or the Premises; provided, however, that all such work shall be done as promptly as reasonably possible and so as to cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claim for damages for any injury or inconvenience to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. As provided for in clause (xiii) of Section 27.19 of this Lease, Landlord shall at all times have the right, but not the obligation, to obtain from Tenant and retain a key with which to unlock all of the doors in, on or about the Premises (excluding Tenant's vaults, safes and similar areas designated by Tenant in writing in advance), and Landlord shall have the right to use any and all means by which Landlord may deem proper to open such doors to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any such means, or otherwise, shall not under any circumstances be deemed or construed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from any part of the Premises. Any entry of the Premises by Landlord shall not act as a termination of this Lease. If Landlord shall be required to obtain entry by means other than a key provided by Tenant, the cost of such entry shall be payable by Tenant to Landlord as additional rent. Anything to the contrary notwithstanding, Landlord shall, except in cases of emergency, provide reasonable prior notice to Tenant of Landlord's need to enter the Premises under this Section 22.01 and, when entering the Premises under emergency circumstances, Landlord shall be responsible for any damages to the

Premises or Tenant's property caused by Landlord's negligence or intentional acts during such emergency entry of the Premises.

ARTICLE XXIII

LANDLORD'S LEASE UNDERTAKINGS - EXCULPATION FROM PERSONAL LIABILITY; TRANSFER OF LANDLORD'S INTEREST

23.01 Landlord's Lease Undertakings. Notwithstanding anything to the contrary contained in this Lease or in any exhibits, riders or addenda attached to this Lease (collectively the "Lease Documents"), it is expressly understood and agreed by and between the parties to this Lease that: (i) the recourse of Tenant or its successors or assigns against Landlord with respect to the alleged breach by or on the part of Landlord of any representation, warranty, covenant, undertaking or agreement contained in any of the Lease Documents (collectively, "Landlord's Lease Undertakings") shall extend only to Landlord's interest in the real estate of which the Premises demised under the Lease Documents are a part ("Landlord's Real Estate") and not to any other assets of Landlord or of its constituent partners; and (ii) except to the extent of Landlord's interest in Landlord's Real Estate, no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof, is assumed by, or shall at any time be asserted or enforceable against, Landlord, or against any of Landlord's respective directors, officers, employees, agents, constituent partners, beneficiaries, trustees or representatives.

It is expressly understood and agreed by and between the parties to this Lease, anything contained in the Lease Documents to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of Landlord while in form purporting to be the representations, warranties, covenants, undertakings and agreements of Landlord are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings and agreements by Landlord or for the purpose or with the intention of binding Landlord personally, but are made and intended for the purpose only of subjecting Landlord's interest in Landlord's Real Estate to the terms of this Lease and for no other purpose whatsoever, and in case of default under this Lease by Landlord (or default through, under or by any of its beneficiaries, or agents or representatives of said beneficiaries), the Tenant shall look solely to the Landlord's interest in Landlord's Real Estate.

23.02 Transfer of Landlord's Interest. Landlord and each successor to Landlord shall be fully released from the performance of Landlord's obligations subsequent to their transfer of Landlord's interest in the Building. Landlord shall not be liable

for any obligation under this Lease after a transfer of its interest in the Building.

ARTICLE XXIV - HOLDOVER TENANCY

24.01 If Tenant holds possession of the Premises after the expiration or termination of the Lease Term, by lapse of time or otherwise, Tenant shall become a tenant at sufferance upon all of the terms contained herein, except as to Lease Term and Rent. During such holdover period, Tenant shall pay to Landlord a monthly rental equivalent to one hundred twenty-five percent (125%) of the Rent payable by Tenant to Landlord with respect to the last month of the Lease Term. The monthly rent payable for such holdover period shall in no event be construed as a penalty or as liquidated damages for such retention of possession. Without limiting the foregoing, Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its beneficiary, and their respective agents, contractors and employees, from and against any and all claims, liabilities, actions, losses, damages (including without limitation, direct, indirect, incidental and consequential) and expenses (including, without limitation, court costs and reasonable attorneys' fees) asserted against or sustained by any such party and arising from or by reason of such retention of possession, which obligations shall survive the expiration or termination of the Lease Term.

ARTICLE XXV - NOTICES

25.01 All notices which Landlord or Tenant may be required, or may desire, to serve on the other may be served, as an alternative to personal service, by mailing the same by registered or certified mail, postage prepaid, or may be sent by overnight courier, addressed to the Landlord at the address for Landlord set forth in Section 1.11 above and to Tenant at the address for Tenant set forth in Section 1.12 above, or, from and after the Commencement Date, to the Tenant at the Premises whether or not Tenant has departed from, abandoned or vacated the Premises, or addressed to such other address or addresses as either Landlord or Tenant may from time to time designate to the other in writing. Any notice shall be deemed to have been given and served when delivered personally or otherwise at the time the same was posted, except that any notice given by overnight courier shall be deemed given on the first business day following the date the notice is delivered by the courier provided the courier verifies delivery of the notice.

ARTICLE XXVI - BROKERS

26.01 The parties recognize as the Broker(s) who procured this Lease, if any, the firm(s) specified in Section 1.13 and agree that Landlord shall be solely responsible for the payment of any brokerage commissions, if any, to said Broker(s), and that Tenant

shall have no responsibility therefor unless written provision to the contrary has been made a part of this Lease. If Tenant has dealt with any other person or real estate broker in respect to leasing, subleasing or renting space in the Building, Tenant shall be solely responsible for the payment of any fee due said person or firm and Tenant shall protect, indemnify, hold harmless and defend Landlord from any liability in respect thereto.

ARTICLE XXVII - MISCELLANEOUS

27.01 Entire Agreement. This Lease contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection with such leasing. Landlord has not made, and Tenant is not relying upon, any warranties, or representations, promises or statements made by Landlord or any agent of Landlord, except as expressly set forth herein. This Lease supersedes any and all prior agreements and understandings between Landlord and Tenant and alone expresses the agreement of the parties.

27.02 Amendments. This Lease shall not be amended, changed or modified in any way unless in writing executed by Landlord and Tenant. Landlord shall not have waived or released any of its rights hereunder unless in writing and executed by the Landlord.

27.03 Successors. Except as expressly provided herein, this Lease and the obligations of Landlord and Tenant contained herein shall bind and benefit the successors and assigns of the parties hereto.

27.04 Force Majeure. If Landlord's performance of any of its obligations under this Lease is delayed due to fire, catastrophe, strikes or labor trouble, civil commotion, governmental rule, regulations, ordinance, statute or interpretation or any other cause beyond Landlord's control, the period of delay shall be added to Landlord's time for performing the obligations under this Lease, and Landlord shall have no liability because of such delay.

27.05. Survival of Obligations. Any obligations of Tenant accruing prior to the expiration of the Lease shall survive the termination of the Lease, and Tenant shall promptly perform all such obligations whether or not this Lease has expired.

27.06 Light and Air. No diminution or shutting off of any light, air or view by any structure now or hereafter erected shall in any manner affect this Lease or the obligations of Tenant hereunder, or increase any of the obligations of Landlord hereunder.

27.07 Governing Law. This Lease shall be governed by, and construed in accordance with, the laws of the State of Nevada.

27.08 Severability. In the event any provision of this Lease is found to be unenforceable, the remainder of this Lease shall not be affected, and any provision found to be invalid shall be enforceable to the extent permitted by law. The parties agree that in the event two different interpretations may be given to any provision hereunder, one of which will render the provision unenforceable, and one of which will render the provision enforceable, the interpretation rendering the provision enforceable shall be adopted.

27.09 Captions. All captions, headings, titles, numerical references and computer highlighting are for convenience only and shall have no effect on the interpretation of this Lease.

27.10 Interpretation. Tenant acknowledges that it has read and reviewed this Lease and that it has had the opportunity to confer with counsel in the negotiation of this Lease. Accordingly, this Lease shall be construed neither for nor against Landlord or Tenant, but shall be given a fair and reasonable interpretation in accordance with the meaning of its terms and the intent of the parties.

27.11 Independent Covenants. Each covenant, agreement, obligation or other provision of this Lease to be performed by Tenant are separate and independent covenants of Tenant, and not dependent on any other provision of the Lease.

27.12 Number and Gender. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include the appropriate number and gender, as the context may require.

27.13 Time is of the Essence. Time is of the essence of this Lease and the performance of all obligations hereunder.

27.14 Joint and Several Liability. If Tenant comprises more than one person or entity, or if this Lease is guaranteed by any party, all such persons shall be jointly and severally liable for payment of rents and the performance of Tenant's obligations hereunder.

27.15 Exhibits and Schedules. Exhibits 1.02 (Floor Plan of the Premises), 10.03(A) (List of Additional Insureds), 20.01 (Rules and Regulations), 27.20 (Tenant Operations Inquiry) and 27.21 (Guaranty), are incorporated into this Lease by reference and made a part hereof.

27.16 Offer to Lease. The submission of this Lease to Tenant or its broker or other agent, does not constitute an offer to Tenant to lease the Premises. This Lease shall have no force and effect until (i) it is executed and delivered by Tenant to Landlord and (ii) it is fully reviewed and executed by Landlord; provided,

however, that, upon execution of this Lease by Tenant and delivery to Landlord, such execution and delivery by Tenant shall, in consideration of the time and expense incurred by Landlord in reviewing the Lease and Tenant's credit, constitute an offer by Tenant to Lease the Premises upon the terms and conditions set forth herein (which offer to Lease shall be irrevocable for three (3) business days following the date of delivery).

27.17 Waiver; No Counterclaim; Choice of Laws. To the extent permitted by applicable law, Tenant hereby waives the right to a jury trial in any action or proceeding regarding this Lease and the tenancy created by this Lease. In addition, Tenant hereby submits to local jurisdiction in the State of Nevada and agrees that any action by Tenant against Landlord shall be instituted in the State of Nevada and that Landlord shall have personal jurisdiction over Tenant for any action brought by Landlord against Tenant in the State of Nevada. To the extent permitted by applicable law, Tenant hereby waives any and all rights of redemption granted by any present or future laws.

27.18 Electrical Service to the Premises. Anything set forth in Section 7.01 or elsewhere in this Lease to the contrary notwithstanding, electricity to the Premises shall not be furnished by Landlord, but shall be furnished by the approved electric utility company serving the Building. Landlord shall permit Tenant to receive such service directly from such utility company at Tenant's cost (except as otherwise provided herein) and shall permit Landlord's wire and conduits, to the extent available, suitable and safely capable, to be used for such purposes.

27.19 Rights Reserved by Landlord. Landlord reserves the following rights exercisable without notice (except as otherwise expressly provided to the contrary in this Lease) and without being deemed an eviction or disturbance of Tenant's use or possession of the Premises or giving rise to any claim for setoff or abatement of Rent: (i) to change the name or street address of the Building; (ii) to install, affix and maintain, subject to reimbursement by Tenant, all signs on the exterior and/or interior of the Building; (iii) to designate and/or approve prior to installation, all types of signs, window shades, blinds, drapes, awnings or other similar items, and all internal lighting that may be visible from the exterior of the Premises; (iv) to display the Premises and/or the Building to mortgagees, prospective mortgagees, prospective purchasers and ground lessors at reasonable hours upon reasonable advance notice to Tenant; (v) to change the arrangement of entrances, doors, corridors, elevators and/or stairs in the Building, provided no such change shall materially adversely affect access to the Premises; (vi) to grant any party the exclusive right to conduct any business or render any service in the Building, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purposes permitted under this Lease; (vii) to prohibit the placement of vending or dispensing

machines of any kind in or about the Premises other than for use by Tenant's employees; (viii) to prohibit the placement of video or other electronic games in the Premises; (ix) to have access for Landlord and other tenants of the Building to any mail chutes and boxes located in or on the Premises according to the rules of the United States Post Office; (x) to close the Building after normal business hours, except that Tenant and its employees and invitees shall be entitled to admission at all times under such rules and regulations as Landlord prescribes for security purposes; (xi) to install, operate and maintain security systems which monitor, by close circuit television or otherwise, all persons entering or leaving the Building; (xii) to install and maintain pipes, ducts, conduits, wires and structural elements located in the Premises which serve other parts or other tenants of the Building; and (xiii) to retain at all times master keys or pass keys to the Premises.

27.20 Tenant Operations Inquiry. As a material inducement to Landlord to enter into this Lease (i) Tenant has completed attached Exhibit 27.20, and (ii) Tenant represents and warrants to Landlord that Exhibit 27.20 is true and correct in all material respects and is not misleading.

27.21 Guaranty. Simultaneously with execution and delivery of this Lease, the Guarantors shall execute and deliver to Landlord the Guaranty in the form and content of Exhibit 27.21 hereto.

ARTICLE XXVIII - FLOOR LOAD LIMITS

28.01 Floor Load Limits. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment in the Building. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance to occupants of the complex of adjacent property.

ARTICLE XXIX - LANDLORD'S LIEN

[Intentionally Omitted]

ARTICLE XXX - UNIFORM COMMERCIAL CODE

[Intentionally Omitted]

LANDLORD

RMS LIMITED PARTNERSHIP
By Crystal Diamond, Inc.
Managing General Partner

By:

Its:

CT Butler
President

TENANT

CASTLE MANUFACTURING, INC.

By:

Its:

Taylor K. Coleman
President

Confidential
Rock-Tenn
Nov 06, 2013 12:24

EXHIBIT 10.03 (A)

Additional Insureds

1. RMS Limited Partnership, a Nevada limited partnership
2. Crystal Diamond, Inc., a Nevada corporation

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Rock-Tenn
Nov 06, 2013 12:24

EXHIBIT 20.01

Rules and Regulations

1. Tenant, its officers, agents, servants and employees shall not block or obstruct any of the entries, passages, doors, hallways or stairways of the Building or garage, or place, empty or throw any rubbish, litter, trash or material of any nature into such areas, or permit such areas to be used at any time except for ingress or egress of Tenant, its officers, agents, servants, employees, patrons, licensees, customers, visitors or invitees.

2. The movement of furniture, equipment, machines, merchandise or materials within, into or out of the Premises or the Building not in the ordinary course of Tenant's business as permitted herein, shall be restricted to time, method and routing of movement as determined by Landlord upon request from Tenant and Tenant shall assume all liability and risk to property, the Premises and the Building in such movement. The movement of furniture, equipment, machines, merchandise or materials within, into or out of the Premises in the ordinary course of Tenant's permitted business shall also be at Tenant's sole risk and responsibility and shall be conducted in such a fashion as not to cause damage or injury to the Premises or the Building or to disturb other occupants thereof. Tenant shall not move furniture, machines, equipment, merchandise or materials within, into or out of the Premises or the Building not in the ordinary course of Tenant's permitted business without having first obtained a written permit from Landlord twenty-four (24) hours in advance. Safes and other heavy fixtures, equipment or machines intended to be kept permanently in the Premises shall be moved into the Premises or the Building only with Landlord's written consent and placed where directed by Landlord. Anything in these rules and regulations to the contrary notwithstanding, Tenant shall be able to determine, on its own, the location within the Premises of machinery and equipment, so long as such location does not create an unsafe condition on the Premises and is otherwise in compliance with the other provisions of the Lease.

3. Landlord will not be responsible for lost or stolen personal property, equipment, money or any article taken from Premises, regardless of how or when loss occurs.

4. Tenant, its officers, agents, servants and employees shall not install or operate any refrigerating, heating or air conditioning apparatus or carry on any mechanical operation or bring into the Premises any inflammable fluids or explosives without written permission of Landlord.

5. Tenant, its officers, agents, servants or employees shall not use the Premises for housing, lodging or sleeping purposes or for the cooking or preparation of food without written permission

of Landlord. Anything in these rules and regulations to the contrary notwithstanding, Tenant shall be allowed the use of a microwave oven and other similar appliances in the breakroom located on the Premises for the purpose of preparing snacks or other meals for the Tenant and its employees, so long as such use does not create an unsafe condition on the Premises or otherwise interfere with other Building tenants' use and enjoyment of their respective premises.

6. Tenant, its officers, agents, servants, employees, patrons, licensees, customers, visitors or invitees shall not bring into the Premises or keep on Premises any fish, fowl, reptile, insect or animal without the prior written consent of the Landlord.

7. No additional locks shall be placed on any door in the Building without the prior written consent of Landlord. Landlord will furnish two keys to each lock on doors in the Premises and Landlord, upon request of Tenant, shall provide additional duplicate keys at Tenant's expense. Landlord may at all times keep a pass key to the Premises. All keys shall be returned to Landlord promptly upon termination of this Lease.

8. Tenant, its officers, agents, servants or employees shall do no painting or decorating in the Premises; or mark, paint or cut into, drive nails or screw into nor in any way deface any part of the Premises or the Building without the prior written consent of Landlord. If Tenant desires signal, communication, alarm or other utility or service connection installed or changed, such work shall be done at expense of Tenant, with the approval and under the direction of Landlord.

9. Tenant, its officers, agents, servants and employees shall not permit the operation of any musical or sound-producing instruments or device which may be heard outside the Premises, or which may emanate electrical waves or x-rays or other emissions which will impair radio or television broadcasting or reception from or in the Building, or be hazardous to health, well-being or condition of persons or property.

10. Tenant, its officers, agents, servants and employees shall, before leaving the Premises unattended, close and lock all doors and shut off all lights, business equipment and machinery. Damage resulting from failure to do so shall be paid by Tenant. Each Tenant, before closing for the day and leaving the Premises, shall see that all doors are locked. Anything in these rules and regulations to the contrary notwithstanding, Tenant shall be allowed to leave on certain automatic equipment, computers, telephone systems and other like items at the close of business, so long as such does not create an unsafe condition on the Premises or otherwise interfere with the other tenants use and enjoyment of the Building.

11. All plate and other glass now in the Premises or Building which is broken through cause attributable to Tenant, its officers, agents, servants, employees, patrons, licensees, customers, visitors or invitees shall be replaced by and at expense of Tenant under the direction of Landlord.

12. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, electric facilities or any part of appurtenance of the Premises.

13. The plumbing facilities shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant, who shall, or whose officers, employees, agents, servants, patrons, customers, licensees, visitors or invitees shall, have caused it. Landlord shall not be responsible for any damage due to stoppage, backup or overflow of the drains or other plumbing fixtures.

14. All contractors and/or technicians performing work for Tenant within the Premises, Building or garage facilities shall be referred to Landlord for approval before performing such work. This shall apply to all work including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, and all installations affecting floors, walls, windows, doors, ceilings, equipment or any other physical feature of the Building, the Premises or garage facilities. None of this work shall be done by Tenant without Landlord's prior written approval.

15. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, without the prior written consent of Landlord.

16. NO TENANT OR ANY OFFICER, AGENT, EMPLOYEE, SERVANT, PATRON, CUSTOMER, VISITOR, LICENSEE OR INVITEE OF ANY TENANT SHALL GO UPON THE ROOF OF THE BUILDING, WITHOUT THE PRIOR WRITTEN CONSENT OF THE LANDLORD.

17. In the event Tenant must dispose of crates, boxes, etc. which will not fit into wastepaper baskets, it will be the responsibility of Tenant to dispose of same properly.

18. If the Premises shall become infested with vermin, roaches, or other undesirable creatures, Tenant, at its sole cost and expense, shall cause the Premises to be professionally treated from time to time to the satisfaction of Landlord and shall employ such exterminators for this purpose as shall be approved by Landlord.

19. Tenant shall not install any antenna or aerial wires, radio or television equipment or any other type of equipment inside or outside of the Building without Landlord's prior approval in writing and upon such terms and conditions as may be specified by Landlord in each and every instance.

20. Tenant shall not make or permit any use of the Premises, the Building or garage facilities which, directly or indirectly, is forbidden by law, ordinance or governmental or municipal regulation, code or order or which may be disreputable or dangerous to life, limb or property.

21. Tenant shall not advertise the business, profession or activities of Tenant in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto, use the name of the Building for any purpose other than that of the business address of Tenant or use any picture or likeness of the Building or the complex name in any letterheads, envelopes, circulars, notices, advertisements, containers or wrapping material without Landlord's express consent in writing.

22. Tenant shall not conduct its business and/or control its officers, agents, employees, servants, patrons, customers, licensees and visitors in such a manner as to create any nuisance or interfere with, annoy or disturb any other tenant or Landlord in its operation of the Building or commit waste or suffer or permit waste to be committed in Premises.

23. The Tenant shall not install in the Premises any equipment which uses a substantial amount of electricity without the advance written consent of the Landlord. The Tenant shall ascertain from the Landlord the maximum amount of electrical current which can safely be used in the Premises, taking into account the capacity of the electric wiring in the Building and the Premises and the needs of other tenants in the Building and the complex and shall not use more than such safe capacity. The Landlord's consent to the installation of electric equipment shall not relieve the Tenant from the obligation not to use more electricity than such safe capacity.

24. The Tenant, without the prior written consent of Landlord, shall not lay linoleum or other similar floor covering within the Premises.

25. No outside storage of any material, pallets, disabled vehicles, etc., will be permitted including but not limited to trash, except in approved containers.

26. Tenant shall not allow a fire or bankruptcy sale or any auction to be held on the Premises, or allow the Premises to be

used for the storage of merchandise held for sale to the general public.

27. Canvassing, soliciting, distribution of hand-bills or any other written material peddling in the Building and the complex are prohibited, and each Tenant shall cooperate to prevent the same.

28. Tenant agrees to park in only these parking stalls designated as tenant parking. Tenant shall hold Landlord harmless for the removal and charges related thereto when Tenant, or its employees, park in spaces designated as visitor, handicapped parking, red or yellow curb areas. Tenant shall not park or allow to be kept any vehicle on the Premises, either company or personnel, which is not being used on a daily basis.

29. Tenant shall not maintain armed security in or about the Premises nor possess any weapons, explosives, combustibles or other hazardous devices in or about the Building and/or Premises.

30. No sign shall be installed or placed in or around the Building or Premises unless such is approved, installed and maintained in accordance with procedures established from time to time by Landlord for Building signs.

31. Landlord may waive any one more of these Rules and Regulations for the benefit of any particular tenant or landlords, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or landlords, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the complex.

32. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any Lease on premises in the complex.

INITIALS:

Tenant:

Landlord:

Taylor Coleman
OTB

EXHIBIT 27.20

TENANT OPERATIONS INQUIRY

For (Facility Address & Suite Number):

4545 DIABLO DRIVE, SUITE A
LAS VEGAS, NEVADA 89118

1. Name of Company: CASTLE MANUFACTURING, INC.
2. Address (Local): 4545 DIABLO DRIVE, SUITE A, LAS VEGAS, NV 89118
Phone Number (Local): (702) 221-4170
3. Address (Corporate): 5501 E. WASHINGTON, PHOENIX, AZ 85034
Phone Number (Corporate): (602) 275-2339
4. What is your business? (describe briefly) MANUFACTURE, STORAGE AND DISTRIBUTION OF NOVELTY AND ADULT ORIENTED PRODUCTS.
5. What operations will you maintain at the proposed facility?
MANUFACTURE, STORAGE AND DISTRIBUTION OF NOVELTY AND ADULT ORIENTED PRODUCTS.
6. Describe any assembly, manufacturing, machining, painting, printing or mechanical repair activities that will be part of your business operations at the proposed facility:
MIXING AND LOW-TEMPERATURE HEATING OF PLASTIC MATERIALS WHICH WILL BE POURED INTO MOLDS, MOLDED PRODUCTS WILL BE PACKAGED IN SHRINK WRAP OR HEAT MOLD PLASTIC CONTAINERS.
7. Tenant chemical inventory at proposed facility (make additional copies, if required) (you may exclude small quantities of toner and other office supplies):

Chemical (by chemical name where available)	What will be the average quantity on proposed premises?	What will be the maximum quantity on proposed premises?	What will be the annual quantity used?	How will the chemical be stored?
---	---	---	--	---

1) PRIMARY RAW MATERIAL WILL BE A RELATIVELY INERT
PLASTIC MIXTURE PREPARED BY A THIRD PARTY SUPPLIER -
RECEIVED AND STORED IN 275 GAL. TOTE CONTAINERS, AND
2) SMALL QUANTITIES OF SILICONE (RELEASING AGENT FOR
MOLDS) - RECEIVED AND STORED IN 2-5 GALLON CONTAINERS

AVG. QUANTITY #1 4000 GAL.; MAXIMUM QTY 8,000 GAL.; ANNUAL QTY 400,000

Storage Methods (use all that apply): A) 55 gallon drum; B) 20 gallon drum; C) 2-5 gallon
pallet/container; D) bulk dry packages; E) cartoned small containers (less than 2 gallons
or 10 pounds) on pallets; F) on floor; G) on racks; or H) other (please describe)

8. Describe any pollution control equipment that will be used at the
proposed facility (example: paint spray booth, fume hood, waste water
treatment):

NONE NECESSARY

9. Will your operations generate any chemical wastes that require special
disposal? (example: waste oil, waste solvent)

NO

How will the chemical wastes be stored on site?

N/A NONE

How will the wastes be disposed? (example: recycled, landfilled,
incinerated)

N/A

10. Does your business have an EPA Hazardous Waste Generator ID Number?

Yes

No

N/A

11. What spill prevention and containment measures will be in place for the
chemicals and wastes stored at the proposed facility? (describe briefly)

N/A

12. Does your business have an Emergency Response or Contingency Plan in place in the event of a chemical incident? (please prove a copy)

Yes N/A No _____

13. Does your business have any type of Hazardous Materials training program for your employees? (describe briefly)

Yes N/A No _____

14. Do you have copies of all the Material Safety Data Sheets (MSDS) at your facility for the chemicals listed in Question No. 7? (please provide copies)

Yes N/A No _____

15. Does your business carry environmental insurance coverage in the event of a chemical incident?

Yes N/A No _____

How much coverage? (please provide a copy of the certificate of insurance) _____

16. Will you be required to make filings and notices required by SARA TITLE III for the operations at the proposed facility?

Yes N/A No _____

17. This form was prepared by the undersigned as a complete and correct description of Tenant's proposed operations at the location noted and the Landlord may rely on this information.

Taylor L. Coleman
Signature

11/9/95
Date

SCHEDULE 1 TO EXHIBIT 27.20

List of Permissible
Hazardous Materials and Quantities

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EXHIBIT 27.21

Guaranty

FOR VALUE RECEIVED, and in consideration for, and as an inducement to RMS LIMITED PARTNERSHIP, a Nevada limited partnership, as Landlord, to enter into the foregoing Lease dated November 2, 1995 (the "Lease"), with CASTLE MANUFACTURING CORPORATION, a Nevada corporation, as Tenant, the undersigned, TAYLOR R. COLEMAN, hereby absolutely and unconditionally guarantees to Landlord, its successors and assigns, the prompt and full payment of all rent and all other payments to be made by Tenant under the Lease, and the full performance and observance by Tenant of all the other terms, covenants, conditions and agreements therein provided to be performed and observed by Tenant, for which the undersigned shall be jointly and severally liable with Tenant. The undersigned hereby waives any notice of nonpayment, nonperformance or nonobservance, or proof of notice or demand. The undersigned agrees that in the event of a default by Tenant under the Lease, Landlord may proceed against the undersigned before, after or simultaneously with proceeding against Tenant. This Guaranty shall not be terminated, affected, or impaired in any manner by reason of: (1) the assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease; (2) the commencement of summary or other proceedings against Tenant; (3) the failure of Landlord to enforce any of its rights against Tenant; or (4) the granting by Landlord of any extensions of time to Tenant. The undersigned further covenants and agrees that: (1) the undersigned shall be bound by all the provisions, terms, conditions, restrictions and limitations contained in the Lease which are to be observed or performed by Tenant thereunder, the same as if the undersigned were named therein as Tenant, and (2) this Guaranty shall be absolute and unconditional and shall be in full force and effect with respect to any amendment, addition, assignment, sublease transfer or other modification of the Lease, whether or not the undersigned shall have knowledge or have been notified of or agreed or consented thereto. If Landlord at any time is compelled to take action, by legal proceedings or otherwise, to enforce or compel compliance with the terms of this Guaranty, the undersigned shall, in addition to any other rights or remedies to which Landlord may be entitled hereunder or as a matter of law or in equity, pay to Landlord all costs, including reasonable attorneys' fees, incurred or expended by Landlord in connection therewith. In the event the Lease is disaffirmed by a Trustee in Bankruptcy for Tenant, the undersigned agrees that it shall, at the election of Landlord, either assume the Lease and perform all of the covenants, terms and conditions of Tenant thereunder or enter into a new lease, which said new lease shall be in form and substance identical to the Lease. All duties and obligations of the undersigned pursuant to this Guaranty shall be binding upon the successors and assigns of the undersigned. For purposes of this Guaranty, the word "Tenant"

shall include the successors and assigns of the undersigned. This Guaranty shall be governed by and construed in accordance with the laws of the State of Nevada.

The undersigned further agrees that, to the extent that the Tenant makes a payment or payments to the Landlord or the Landlord receives any proceeds of collateral, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or otherwise is required to be repaid to the Tenant, its estate, trustee, receiver or any other party, including, without limitation, under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the obligations of Tenant or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred. The undersigned shall defend and indemnify the Landlord of and from any claim or loss under this paragraph including the Landlord's attorney and paralegal fees and expenses and other expenses in the defense of any such action or suit. The undersigned waives and shall have no right of subrogation, indemnification, reimbursement or exoneration with respect to the liabilities of Tenant under the Lease or any rights of contribution from any other guarantors of such liabilities.

Dated: 11-9 1995.

Taylor R. Coleman
Signature

Address: 5505 San Miguel
Paradise Valley, AZ

INDUSTRIAL LEASE

between

RMS LIMITED PARTNERSHIP,
a Nevada limited partnership
(Landlord)

and

Castle Manufacturing, Inc.
a Nevada corporation
(Tenant)

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Rock-Tenn
Nov 06, 2013 12:24

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Exhibit 20.01	Rules and Regulations
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