



July 3, 2013

Email: [phil.harris@nationalposters.com](mailto:phil.harris@nationalposters.com)

National Las Vegas, Inc.,  
Attn: Phil Harris, CFO  
4545 W. Diablo Road  
Building E, Suite A  
Las Vegas, Nevada 89118

**RE: Proposal to Extend-Diablo Industrial Center  
4545 W. Diablo Road, Building E Suite**

Dear Mr. Harris:

We at SN Investment Properties, LLC, value you as a tenant here at Diablo Industrial Center and would like to accommodate your continued space needs.

As with any business, there are strategic decisions we may or may not need to make that will have an impact on your space. Toward that end, we are including in this letter a proposal to extend your current lease. This Proposal is subject to review of Tenant's current financials and credit.

#### **PROPOSAL TO EXTEND**

The terms and conditions of the proposal are as follows:

Premises: A total of +/-49,600 square feet of office/warehouse space located at Diablo Industrial Center, 4545 W. Diablo Road, Building E, Suite A, Las Vegas, Nevada 89118

#### **Option 1:**

The Base Rent shall be \$0.466 per square foot for the first eight (8) months. The Base Rent shall be paid NNN each month per the schedule below: **\$60K Landlord Contribution toward TI's.**

October 1, 2013 through May 31, 2014	\$23,113.00/mo plus NNN Expenses
June 1, 2014 through May 31, 2015	\$24,038.00/mo plus NNN Expenses
June 1, 2015 through May 31, 2016	\$25,000.00/mo plus NNN Expenses
June 1, 2016 through May 31, 2017	\$26,000.00/mo plus NNN Expenses
June 1, 2017 through May 31, 2018	\$27,039.00/mo plus NNN Expenses
June 1, 2018 through December 31, 2018	\$28,121.00/mo plus NNN Expenses

#### **Option 2:**

The Base Rent shall be \$0.454 per square foot for the first eight (8) months. The Base Rent shall be paid NNN each month per the schedule below: **\$30K Landlord Contribution toward TI's.**

October 1, 2013 through May 31, 2014	\$22,529.00/mo plus NNN Expenses
June 1, 2014 through May 31, 2015	\$23,430.00/mo plus NNN Expenses
June 1, 2015 through May 31, 2016	\$24,367.00/mo plus NNN Expenses
June 1, 2016 through May 31, 2017	\$25,342.00/mo plus NNN Expenses
June 1, 2017 through May 31, 2018	\$26,355.00/mo plus NNN Expenses
June 1, 2018 through December 31, 2018	\$27,410.00/mo plus NNN Expenses

Operating Expenses: Tenant shall be responsible for its pro rata share of all expenses associated with occupancy, including insurance, repairs, landscaping, parking lot, fire sprinklers, water, sewer, trash removal (if applicable) management, roof, HVAC, etc. The NNN Expenses for the 2013 calendar year are estimated at **\$ 0.12 per square foot or \$6,051.20 per month** ("Estimated NNN Expenses").

Excluded from the Base Rent and Operating Expenses are the costs of Tenant's individual expenses including, but not limited to interior repairs, electricity, gas, telephone, and data, and any other separately metered services, waste disposal in excess of that provided by the Landlord.

Tenant Improvement: Landlord shall remove eight (8) existing evaporative coolers and using existing curbs, install sixteen (16) new TBA450-G Breezair Evaporative Air Conditioners along with all associated electrical, plumbing, sheet metal work, start up and balancing as well as training of qualified individual(s) on the new system. However, if Tenant contributes half the cost or \$30,000 toward these improvements, Tenant shall pay the Base Rent schedule outlined under Option 2.

Lease Contingency  
Owner Approval:

This Lease is subject to and conditioned upon the review and approval of Landlord's owner in all respects. If Landlord's owner refuses to consent to the terms and conditions of this Lease, the Lease shall be deemed void and of no further force or effect. Landlord agrees to use its commercially reasonable efforts to promptly obtain its owner's consent to this Lease in the form and content negotiated by Landlord and Tenant. In the event Landlord's owner offers modifications to the Lease and the parties agree to such modifications, this contingency shall be deemed satisfied.

Financial Review: This proposal is subject to the review by Landlord of Tenant's latest financial history (last 2 years of audited financial statements).

Confidentiality: Tenant acknowledges that the terms and conditions contained herein and the details of the ensuing negotiations will remain confidential between the parties of the Lease and no proposals, lease drafts, leases or summaries of any kind will be distributed copied or otherwise transmitted, orally or in writing, to any other entity or person.

Disclosure: Landlord and Tenant agree that the terms set forth herein are intended merely as an outline for negotiation of a potential lease transaction to be documented by formal written agreement, and only reflect our present understanding of the discussions we have had regarding the terms and conditions of the proposed transaction. Landlord and Tenant agree that in no event does this Proposal constitute a formal or binding agreement and that the provisions hereof are not binding on either party. Upon Landlord's receipt of a copy of this Proposal signed by Tenant, Landlord will arrange for its counsel to prepare a lease agreement (the "Lease") reflecting the terms and conditions contained herein. The legal rights and obligations of Landlord and Tenant shall be only those which are set forth in such definitive Lease when and if executed and delivered by both Landlord and Tenant. Notwithstanding any provision to the contrary contained herein, this Proposal shall not constitute an agreement to negotiate and solely constitutes an outline of the terms of negotiation. Landlord and Tenant each acknowledge and agree that each party is proceeding with negotiations related to the proposed transaction at its sole cost and expense (which may involve substantial transaction costs) and that either party may terminate negotiations for any reason, at any time, without any liability or obligation whatsoever.

Expiration of Proposal: This Proposal shall become null and void if not accepted prior to 5:00 p.m., Friday, July 12, 2013.

If the above terms and conditions are acceptable, please acknowledge your agreement by signing below or call **702-366-1003** or email [reedg@harsch.com](mailto:reedg@harsch.com), and we will draft the renewal amendment.

Sincerely,



Reed Gottesman-AVP/Director of Leasing & Brokerage

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**ACCEPTED AND AGREED**

**LANDLORD:**

SN Investment Properties, LLC,  
a Delaware limited liability company

By: Harsch Investment Properties  
Management, LLC, its Manager

By: \_\_\_\_\_

Its: \_\_\_\_\_

**TENANT:**

National Las Vegas, Inc.,  
a Nevada corporation

By: \_\_\_\_\_

Date: \_\_\_\_\_

Option Chosen (1 or 2): \_\_\_\_\_

Confidential  
Rock-Tenn  
Nov 06, 2013 12:23