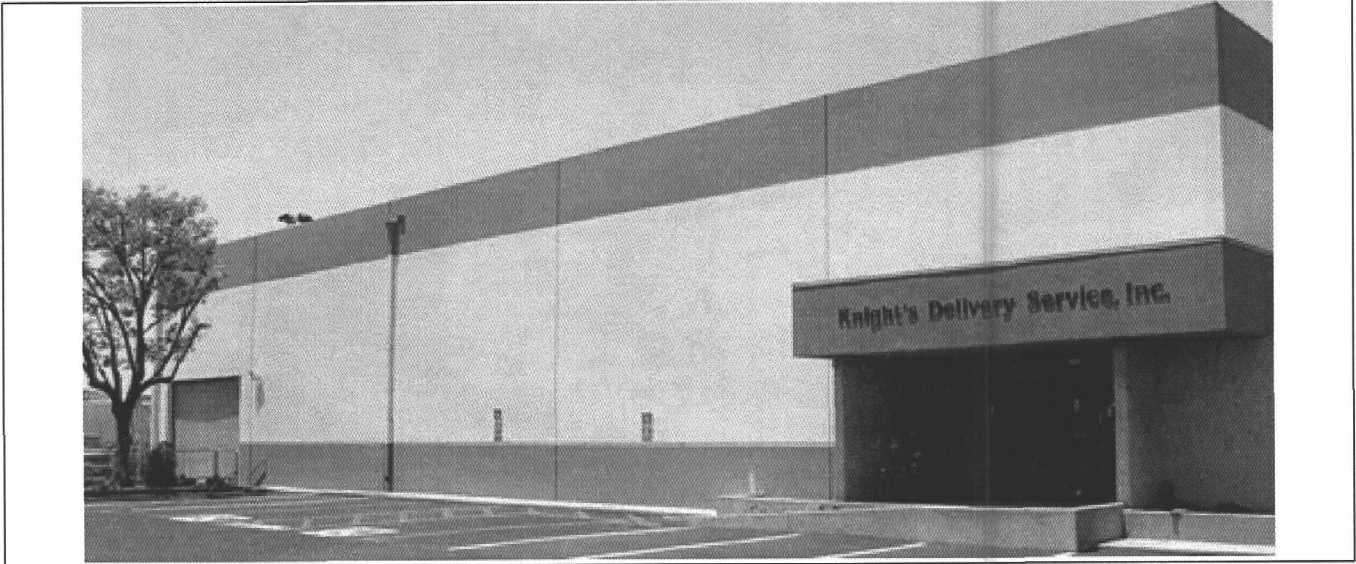


**Industrial For Sale - Active**

**Available SF:** 18,000  
**Total Building SF:** 18,000



**Address:** 3041 Via Mondo, Rancho Dominguez, CA 90221  
**Cross Streets:** Susana Rd/Via Mondo

**29% Building To Land Ratio – Private Fenced Yard**  
**Artesia Freeway Visibility**  
**Rancho Dominguez – No Business Tax**  
**Price Includes Complete Building Refurbishment**

**Price/SF:** \$125.00  
**Available SF:** 18,000  
**Const Status/Yr Blt:** Existing/1974  
**Region:** LA South  
**Zoning:** M1

**Ground Level Drs:** 1  
**Sprinklered:** No  
**Finished Ofc Mezz:** No  
**Include In Avail:** No  
**Rail Service:** No

**Listing Company:** The Klabin Company-Torrance (310) 329-9000

**Agents:** David Prior SIOR (310) 329-9000 x109, Murray Smith (310) 329-9000 x116, Patrick Remolacio SIOR (949) 724-5585  
**Property ID/Listing #:** 1051291/312026      **Listing Date:** 06/25/2009

**Notes:** To Show Note: Call Broker – Occupied. Sale Terms: All Cash.

**Sale Price:** \$2,250,000  
**Office SF / #:** 2,284 / TBD  
**Construction Type:** Tilt-up  
**Specific Use:** Warehouse - Distribution  
**Lot Size:** 62,000 SF / 1.42 AC

**Dock High:** 6  
**Yard:** Yes - Paved  
**Unfinished Mezz:** No  
**Include In Avail:** No  
**Heat/Cool:** None

**Taxes:** Yr 2008

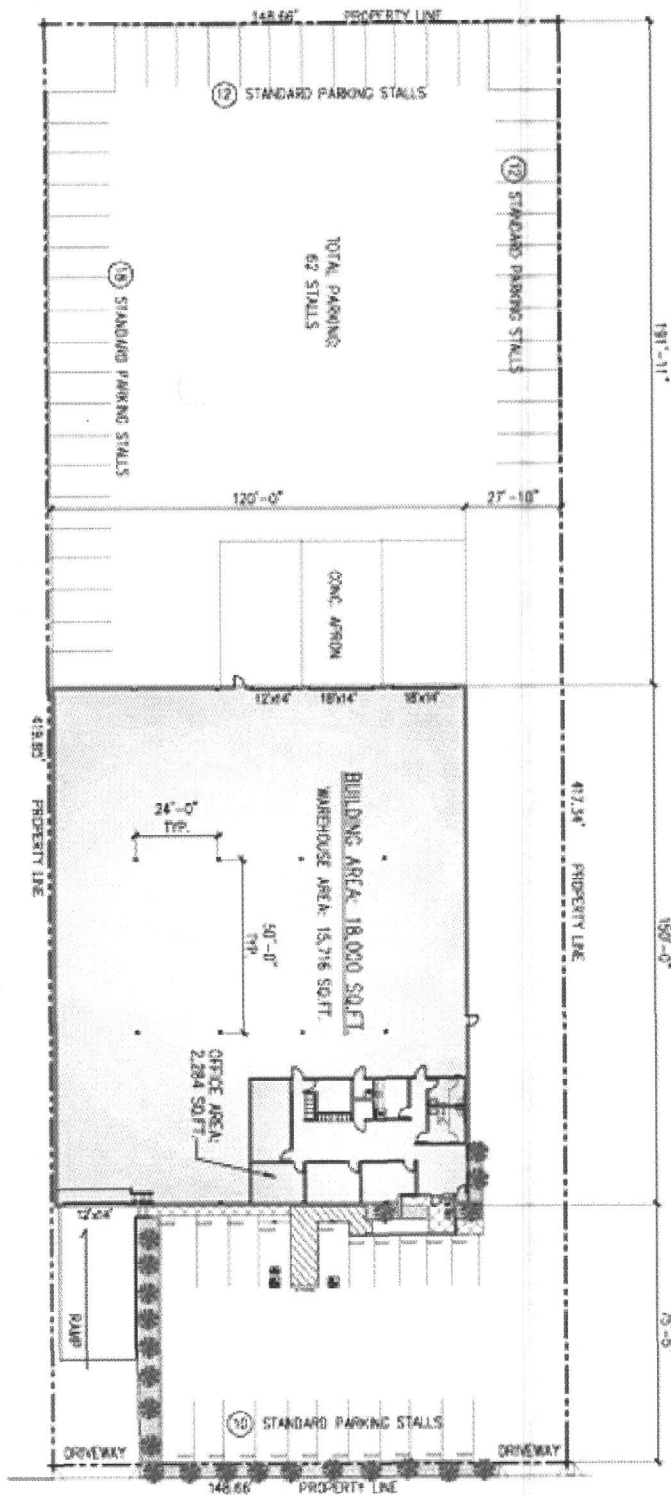
**Parking:** Ratio: 2.2:1 / Spaces: 40  
**Thomas Guide:** 735-B7  
**APN #:**

**Clear Height:** 20  
**Amps:** 400  
**Volts:** 120-240  
**Phase:** 3      **Wire:** 4  
**Office Air:**      **Office Heat:**

**To Show:** Call Agent  
**FTCF:** CB000N000S250/OAA

This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.





**SITE PLAN**



VIA MONDO

JOHN G. COLEMAN P.E. C.E.T.

3011 VIA MONDO  
DANFORD SAN DIEGO, CA



3011 VIA MONDO  
DANFORD SAN DIEGO, CA

Contact Info  
PH: 310.580.0000



3011 VIA MONDO  
DANFORD SAN DIEGO, CA

**Industrial For Sale - Active**

**Available SF:** 17,585  
**Total Building SF:** 17,585



**Address:** 825 W Walnut St, Compton, CA 90220  
**Cross Streets:** Walnut St/Wilmington Av  
**Park Name:** Los Angeles Industrial Center

**Los Angeles Industrial Center Location  
22' Clear / Sprinklered  
Truck High And Ground Level Loading  
Excellent Freeway Access**

**Price/SF:** \$115.00  
**Available SF:** 17,585  
**Const Status/Yr Blt:** Existing/1988  
**Region:** LA South  
**Zoning:** M2

**Sale Price:** \$2,022,275  
**Office SF / #:** 3,212 / TBD  
**Construction Type:** Tilt-up  
**Specific Use:** Light Industrial  
**Lot Size:** 37,440 SF / 0.86 AC

**Taxes:** \$1.53/sf, Yr 2009

**Parking:** Ratio: 2.4:1 / Spaces: 42  
**Thomas Guide:** 734-H7  
**APN #:**

**Ground Level Drs:** 1 / 12 X 14  
**Sprinklered:** Yes  
**Finished Ofc Mezz:** No  
**Include In Avail:** No  
**Rail Service:** No

**Dock High:** 1 / 9 X 10  
**Yard:** Yes - Paved  
**Unfinished Mezz:** No  
**Include In Avail:** No  
**Heat/Cool:** Electric / Ind. AC

**Clear Height:** 22  
**Amps:** 400  
**Volts:** 277/480  
**Phase:** 3 **Wire:** 4  
**Office Air:** **Office Heat:**  
**To Show:** Call Agent

**Listing Company:** Lee & Associates-Gardena (310) 768-8800

**Agents:** Craig Poropat (310) 768-8800

**Property ID/Listing #:** 702934/311253

**Listing Date:** 06/19/2009 *N*

**FTCF:** AP000Y000S300/AOAA

**Notes:** Seller would consider a short lease back or lease. Special Features: Paved Yard Area.

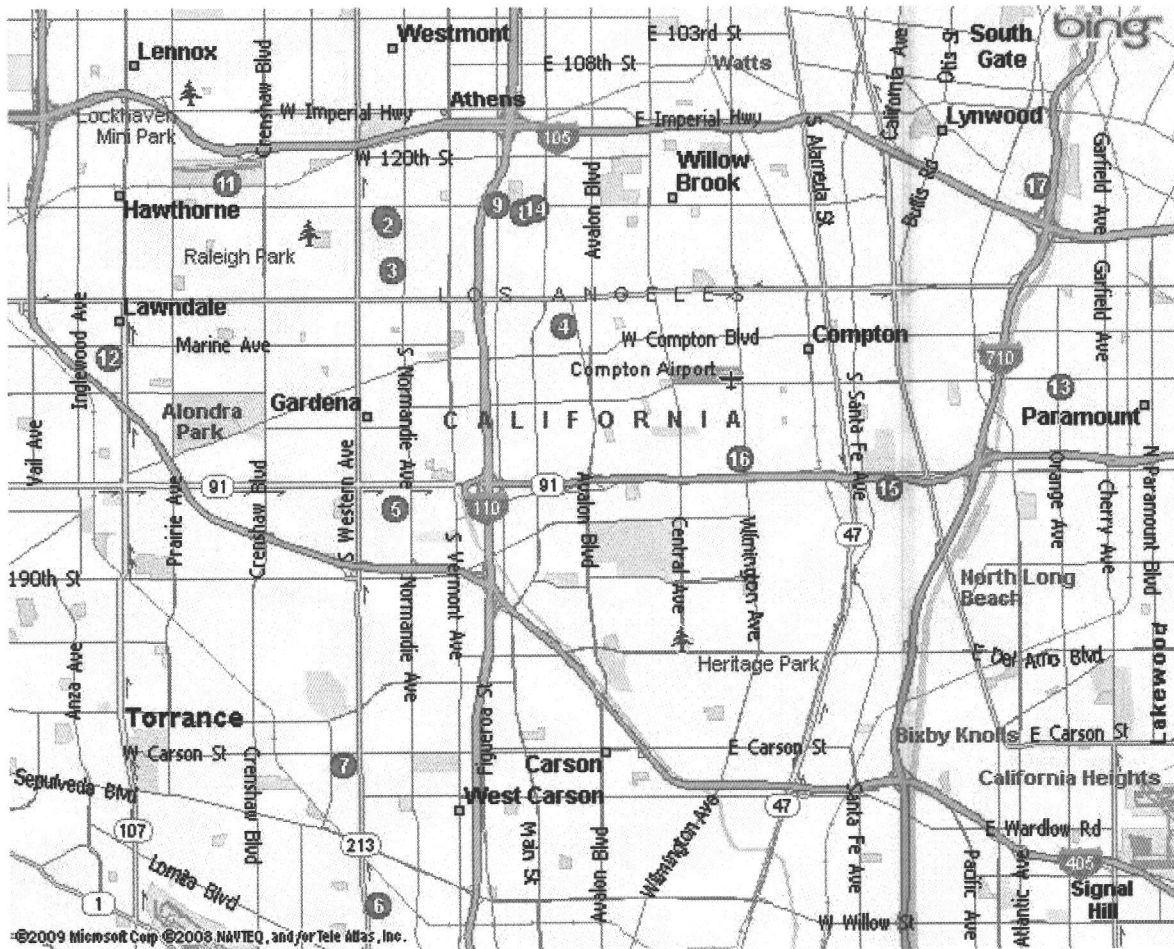
This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.



---

## Property Map

---



---

## Map Legend

---

- 1) 1536-1538 W 130Th St, Gardena, CA 90249
- 2) 1519 W 132nd St, Gardena, CA 90249
- 3) 1455 W 139th St, Gardena, CA 90249
- 4) 415 E 149th St, Unincorporated L.A. County, CA 90248
- 5) 1480-1488 W 178Th St, Gardena, CA 90248
- 6) 1600 240th St, Harbor City, CA 90710
- 7) 1814 Abalone Ave, Torrance, CA 90501
- 8) 12916 S Broadway, Los Angeles, CA 90061
- 9) 12823 S Figueroa St, Los Angeles, CA 90061
- 10) 3313 Jack Northrop Ave, Hawthorne, CA 90250
- 11) 3503 Jack Northrop Ave, Hawthorne, CA 90250
- 12) 15216 Mansel Ave, Lawndale, CA 90250
- 13) 16122 Orange, Paramount, CA 90723
- 14) 12812 S Spring St, Los Angeles, CA 90061
- 15) 3041 Via Mondo, Rancho Dominguez, CA 90221
- 16) 825 W Walnut St, Compton, CA 90220
- 17) 11490 Wright Rd, Lynwood, CA 90262



# STANDARD ESTOPPEL CERTIFICATE - BY LESSOR

TO WHOM IT MAY CONCERN:

RE: Lease ("Lease") dated October 27, 2003, by and between Fred S. & Eleanore Cathey

as Lessor, and Excess Trading Inc., a California Corporation DBA Precision Designed Products as Lessee, concerning the real property known as: 1600 240th Street, Harbor City, CA 90710

("Premises"), which Lease was amended March 6, 2009

and guaranteed by N/A

("Guarantor(s)") (it will be presumed no amendments or guarantees exist unless they are specified above).

In light of the fact that the Lessee has failed to provide an Estoppel Certificate, Lessor hereby certifies as follows:

1. True copies of the above referenced Lease as amended and the guarantees, if any, are attached hereto marked Exhibit "1" (Attach a copy of Lease, all amendments and guarantees.) Other than the documents included in Exhibit 1 there are no oral or written agreements or understandings between the Lessor and Lessee with respect to the Premises except (if there are no exceptions, write "NONE") None

2. The Lease term commenced on December 1, 2003 and expires on November 30, 2013

3. The current monthly rent and expense pass-through, if any, are as follows:

Rent	Amount	Day of Month Due	Paid Up Through	Year
Pass Through	<u>9,455<sup>00</sup></u>	<u>1st</u>	<u>End of Month</u>	<u>July 09</u>

No rents or pass-throughs have been prepaid except as reflected in the Lease. (It will be presumed that no expense pass-throughs are currently required unless set forth above.)

4. The current amount of security deposit held by Lessor is \$ 6,300<sup>00</sup>

5. The Lease has not been modified, orally or in writing, since its execution, except as hereinabove identified. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee, except (if there are no exceptions, write "NONE"): See Amendments 1, 2 + 3

6. The improvements and space required to be provided by Lessor have been provided and completed in all respects, and all promises of an inducement nature by Lessor have been fulfilled except (if there are no exceptions, write "NONE"): None

7. Lessor has no knowledge of any uncured defaults by Lessor or Lessee under the Lease, except (if there are no exceptions, write "NONE"): None

8. There are no disputes between Lessor and Lessee concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): None

9. To the best of Lessor's knowledge, Lessee is in full and complete possession of the Premises and has not assigned or sublet any portion of the Premises, except (if there are no exceptions, write "NONE"): None

10. Lessor has no knowledge of any prior sale, transfer, assignment or encumbrance of the Lessee's interest in the Lease, except (if there are no exceptions, write "NONE"): None

11. To the best of Lessor's knowledge, Lessee has made no alterations or additions to the Premises, except (if there are no exceptions, write "NONE"): None

If alterations or additions have been made by Lessee, Lessor represents that to the best of its knowledge, all such alterations and additions were done in accordance with the terms of the Lease and in compliance with all applicable laws, rules and regulations, except (if there are no exceptions, write "NONE"): None

12. The guarantees of the Guarantors named above are still in full force and effect, except (if there are no exceptions, write "NONE"): None

13. Lessor is not currently the subject of a bankruptcy proceeding and to the best of its knowledge neither Lessee nor any Guarantor is involved in such a proceeding, except (if there are no exceptions, write "NONE"): None

14. Lessor is aware that buyers, lenders and others will rely upon the statements made in this Estoppel Certificate, and has therefore adjusted the language hereof as necessary to make it an accurate statement of the current facts concerning the Lease. If no such adjustments have been made, said parties may rely upon the statements in this form as printed.





# STANDARD ESTOPPEL CERTIFICATE - BY LESSOR

TO WHOM IT MAY CONCERN:

RE: Lease ("Lease") dated October 27, 2003, by and between Fred S. & Eleanore Cathey

as Lessor, and Excess Trading Inc., a California Corporation DBA Precision Designed Products as Lessee, concerning the real property known as: 1600 240th Street, Harbor City, CA 90710

("Premises"), which Lease was amended March 6, 2009

and guaranteed by N/A

("Guarantor(s)") (it will be presumed no amendments or guarantees exist unless they are specified above).

In light of the fact that the Lessee has failed to provide an Estoppel Certificate, Lessor hereby certifies as follows:

1. True copies of the above referenced Lease as amended and the guarantees, if any, are attached hereto marked Exhibit "1" (Attach a copy of Lease, all amendments and guarantees.) Other than the documents included in Exhibit 1 there are no oral or written agreements or understandings between the Lessor and Lessee with respect to the Premises except (if there are no exceptions, write "NONE")

2. The Lease term commenced on December 1, 2003 and expires on November 30, 2013

3. The current monthly rent and expense pass-through, if any, are as follows:

Rent	Amount	Day of Month Due	Paid Up Through	Year
Pass Through	<u>9,145<sup>50</sup></u>	<u>1st</u>	<u>END OF MONTH</u>	<u>JULY 09</u>

No rents or pass-throughs have been prepaid except as reflected in the Lease. (It will be presumed that no expense pass-throughs are currently required unless set forth above.)

4. The current amount of security deposit held by Lessor is \$ 6300<sup>00</sup>

5. The Lease has not been modified, orally or in writing, since its execution, except as hereinabove identified. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee, except (if there are no exceptions, write "NONE"): See Amendments 1, 2 + 3

6. The improvements and space required to be provided by Lessor have been provided and completed in all respects, and all promises of an inducement nature by Lessor have been fulfilled except (if there are no exceptions, write "NONE"): None

7. Lessor has no knowledge of any uncured defaults by Lessor or Lessee under the Lease, except (if there are no exceptions, write "NONE"): None

8. There are no disputes between Lessor and Lessee concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): None

9. To the best of Lessor's knowledge, Lessee is in full and complete possession of the Premises and has not assigned or sublet any portion of the Premises, except (if there are no exceptions, write "NONE"): None

10. Lessor has no knowledge of any prior sale, transfer, assignment or encumbrance of the Lessee's interest in the Lease, except (if there are no exceptions, write "NONE"): None

11. To the best of Lessor's knowledge, Lessee has made no alterations or additions to the Premises, except (if there are no exceptions, write "NONE"): None

If alterations or additions have been made by Lessee, Lessor represents that to the best of its knowledge, all such alterations and additions were done in accordance with the terms of the Lease and in compliance with all applicable laws, rules and regulations, except (if there are no exceptions, write "NONE"): None

12. The guarantees of the Guarantors named above are still in full force and effect, except (if there are no exceptions, write "NONE"): None

13. Lessor is not currently the subject of a bankruptcy proceeding and to the best of its knowledge neither Lessee nor any Guarantor is involved in such a proceeding, except (if there are no exceptions, write "NONE"): None

14. Lessor is aware that buyers, lenders and others will rely upon the statements made in this Estoppel Certificate, and has therefore adjusted the language hereof as necessary to make it an accurate statement of the current facts concerning the Lease. If no such adjustments have been made, said parties may rely upon the statements in this form as printed.



STANDARD ESTOPPEL CERTIFICATE - BY LESSOR

TO WHOM IT MAY CONCERN:

RE: Lease ("Lease") dated October 27, 2003, by and between Fred S. & Eleanore Cathey

as Lessor, and Excess Trading Inc., a California Corporation DBA Precision Designed Products as Lessee, concerning the real property known as: 1600 240th Street, Harbor City, CA 90710

("Premises"), which Lease was amended March 6, 2009 and guaranteed by N/A

("Guarantor(s)") (it will be presumed no amendments or guarantees exist unless they are specified above).

In light of the fact that the Lessee has failed to provide an Estoppel Certificate, Lessor hereby certifies as follows:

1. True copies of the above referenced Lease as amended and the guarantees, if any, are attached hereto marked Exhibit "1" (Attach a copy of Lease, all amendments and guarantees.) Other than the documents included in Exhibit 1 there are no oral or written agreements or understandings between the Lessor and Lessee with respect to the Premises except (if there are no exceptions, write "NONE") None

2. The Lease term commenced on December 1, 2003 and expires on November 30, 2013

3. The current monthly rent and expense pass-through, if any, are as follows:

Table with columns: Rent/Pass Through, Amount, Day of Month Due, Paid Up Through, Year. Handwritten entries: Rent 9145.50, Day of Month Due 1st, Paid Up Through End of Month July 09, Year 09.

No rents or pass-throughs have been prepaid except as reflected in the Lease. (It will be presumed that no expense pass-throughs are currently required unless set forth above.)

4. The current amount of security deposit held by Lessor is \$ 300.00

5. The Lease has not been modified, orally or in writing, since its execution, except as hereinabove identified. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee, except (if there are no exceptions, write "NONE"): See Amendments 1, 2 + 3

6. The improvements and space required to be provided by Lessor have been provided and completed in all respects, and all promises of an inducement nature by Lessor have been fulfilled except (if there are no exceptions, write "NONE"): None

7. Lessor has no knowledge of any uncured defaults by Lessor or Lessee under the Lease, except (if there are no exceptions, write "NONE"): None

8. There are no disputes between Lessor and Lessee concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): None

9. To the best of Lessor's knowledge, Lessee is in full and complete possession of the Premises and has not assigned or sublet any portion of the Premises, except (if there are no exceptions, write "NONE"): None

10. Lessor has no knowledge of any prior sale, transfer, assignment or encumbrance of the Lessee's interest in the Lease, except (if there are no exceptions, write "NONE"): None

11. To the best of Lessor's knowledge, Lessee has made no alterations or additions to the Premises, except (if there are no exceptions, write "NONE"): None

If alterations or additions have been made by Lessee, Lessor represents that to the best of its knowledge, all such alterations and additions were done in accordance with the terms of the Lease and in compliance with all applicable laws, rules and regulations, except (if there are no exceptions, write "NONE"): None

12. The guarantees of the Guarantors named above are still in full force and effect, except (if there are no exceptions, write "NONE"): None

13. Lessor is not currently the subject of a bankruptcy proceeding and to the best of its knowledge neither Lessee nor any Guarantor is involved in such a proceeding, except (if there are no exceptions, write "NONE"): None

14. Lessor is aware that buyers, lenders and others will rely upon the statements made in this Estoppel Certificate, and has therefore adjusted the language hereof as necessary to make it an accurate statement of the current facts concerning the Lease. If no such adjustments have been made, said parties may rely upon the statements in this form as printed.



# STANDARD ESTOPPEL CERTIFICATE - BY LESSOR

TO WHOM IT MAY CONCERN:

RE: Lease ("Lease") dated October 27, 2003, by and between Fred S. & Eleanore Cathey

as Lessor, and Excess Trading Inc., a California Corporation DBA Precision Designed Products as Lessee, concerning the real property known as: 1600 240th Street, Harbor City, CA 90710

("Premises"), which Lease was amended March 6, 2009

and guaranteed by N/A

("Guarantor(s)") (it will be presumed no amendments or guarantees exist unless they are specified above).

In light of the fact that the Lessee has failed to provide an Estoppel Certificate, Lessor hereby certifies as follows:

1. True copies of the above referenced Lease as amended and the guarantees, if any, are attached hereto marked Exhibit "1" (Attach a copy of Lease, all amendments and guarantees.) Other than the documents included in Exhibit 1 there are no oral or written agreements or understandings between the Lessor and Lessee with respect to the Premises except (if there are no exceptions, write "NONE")

2. The Lease term commenced on December 1, 2003 and expires on November 30, 2013

3. The current monthly rent and expense pass-through, if any, are as follows:

Rent	Amount	Day of Month Due	Paid Up Through	Year
Pass Through	<u>9,145<sup>50</sup></u>	<u>1st</u>	<u>End of Month</u>	<u>July 09</u>

No rents or pass-throughs have been prepaid except as reflected in the Lease. (It will be presumed that no expense pass-throughs are currently required unless set forth above.)

4. The current amount of security deposit held by Lessor is \$ 6,300<sup>00</sup>

5. The Lease has not been modified, orally or in writing, since its execution, except as hereinabove identified. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee, except (if there are no exceptions, write "NONE"): See Amendments 1, 2 + 3

6. The improvements and space required to be provided by Lessor have been provided and completed in all respects, and all promises of an inducement nature by Lessor have been fulfilled except (if there are no exceptions, write "NONE"): None

7. Lessor has no knowledge of any uncured defaults by Lessor or Lessee under the Lease, except (if there are no exceptions, write "NONE"): None

8. There are no disputes between Lessor and Lessee concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): None

9. To the best of Lessor's knowledge, Lessee is in full and complete possession of the Premises and has not assigned or sublet any portion of the Premises, except (if there are no exceptions, write "NONE"): None

10. Lessor has no knowledge of any prior sale, transfer, assignment or encumbrance of the Lessee's interest in the Lease, except (if there are no exceptions, write "NONE"): None

11. To the best of Lessor's knowledge, Lessee has made no alterations or additions to the Premises, except (if there are no exceptions, write "NONE"): None

If alterations or additions have been made by Lessee, Lessor represents that to the best of its knowledge, all such alterations and additions were done in accordance with the terms of the Lease and in compliance with all applicable laws, rules and regulations, except (if there are no exceptions, write "NONE"): None

12. The guarantees of the Guarantors named above are still in full force and effect, except (if there are no exceptions, write "NONE"): None

13. Lessor is not currently the subject of a bankruptcy proceeding and to the best of its knowledge neither Lessee nor any Guarantor is involved in such a proceeding, except (if there are no exceptions, write "NONE"): None

14. Lessor is aware that buyers, lenders and others will rely upon the statements made in this Estoppel Certificate, and has therefore adjusted the language hereof as necessary to make it an accurate statement of the current facts concerning the Lease. If no such adjustments have been made, said parties may rely upon the statements in this form as printed.



15. The Lessee may be contacted at:

Mailing address: 1600 West 240th St Harbor City Ca 90710

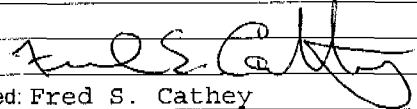
Telephone: (310) 539 7200

Facsimile: (310) 539 7272

Email: \_\_\_\_\_

16. Additional items (if there are no additional items, write "NONE"): \_\_\_\_\_

DATE: 7 27, 2009  
(Fill in date of execution)

By:   
Name Printed: Fred S. Cathey  
Title: OWNER & LESSOR

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

October 9, 2008

Owners – Fred & Eleanore Cathey

Address – 1600 W. 240<sup>th</sup>. St.  
Harbor City, CA 90710

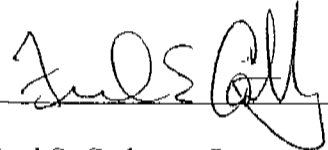
Lessor - Excess Trading Inc. DBA  
Precision Designed Products  
Mark Silberberg


LSA  
Amendment

This letter will serve as an official amendment to the original lease agreement dated October 27, 2003. This amendment will be attached to the original lease and will extend 5 more years from December 1, 2008 to November 30, 2013 with the new monthly rent to be amended as follows:

December 1, 2008	\$ 9,145.50
December 1, 2009	\$ 9,419.86
December 1, 2010	\$ 9,702.45
December 1, 2011	\$ 9,993.52
December 1, 2012	\$ 10,293.32
November 30, 2013	End of lease

Nothing else in the lease has been amended. This amendment shall be signed by both parties for approval:

 10/15/08  
Fred S. Cathey, Owner      Date

 10/13/08  
Mark Silberberg, Lessor      Date

310-530-4605

Excess Trading Inc.  
California DBA Precision  
Design Products  
310-539-7200

14070

SECOND AMENDMENT TO LEASE

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - GROSS LEASE DATED OCTOBER 27, 2003

DATE: March 6, 2009 (for reference purposes only)

LESSOR: Fred S. & Eleanore Cathey

LESSEE: Excess Trading, Inc., a California Corporation, dba Precision Designed Products

PREMISES: 1600 240<sup>th</sup> Street, Harbor City, CA 90710

ORIGINAL TERM: Five (5) years commencing December 1, 2003 and ending November 30, 2008

EXTENSION TERM: Five (5) years commencing December 1, 2008 and ending November 30, 2013

PURPOSE: Lessor's Option to Cancel

WHEREAS on or about October 27, 2003 a Lease was entered into by and between Lessor and Lessee relating to the certain real property commonly known as 1600 240<sup>th</sup> Street, Harbor City, CA 90710 and consisting of approximately 14,070 square feet which is part of larger building consisting of approximately 19,510 total square feet, and

WHEREAS Lessor and Lessee have not previously amended said Lease, and

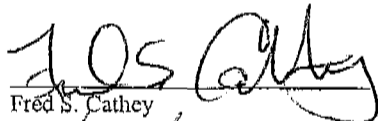
WHEREAS Lessor and Lessee now desire to amend said Lease,

NOW, THEREFORE, the parties mutually agree to make the following additions and modifications to the Lease:

- 1. Lessor's Right to Terminate: In the event Lessor sells or conveys title of the subject property, Lessor shall have the right but not the obligation to give Lessee sixty (60) days advance written notice to terminate the subject Lease. If Lessor shall elect to terminate this Lease, then neither Lessor nor Lessee shall be liable to the other for any reason having to do with this Lease from and after the Termination Date except for matters which may have arisen prior to termination and obligations of Lessee that exist upon termination.

All other terms and conditions of this Lease shall remain unchanged and shall continue in full force and effect except as specifically amended herein.

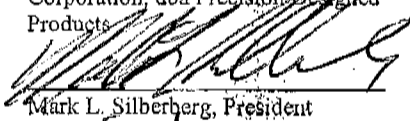
"LESSOR"  
Fred S. Cathey and Eleanore Cathey

  
 Fred S. Cathey  
 3/17/09  
 Date

\_\_\_\_\_  
Eleanore Cathey

\_\_\_\_\_  
Date

"LESSEE"  
Excess Trading, Inc., a California Corporation, dba Precision Designed Products

  
 Mark L. Silberberg, President  
 3/17/09  
 Date

THIRD AMENDMENT TO LEASE

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE – GROSS  
LEASE DATED OCTOBER 27, 2003

DATE: July 13, 2009 (for reference purposes only)  
LESSOR: Fred S. & Eleanore Cathey  
LESSEE: Excess Trading, Inc., a California Corporation, dba  
Precision Designed Products  
PREMISES: 1600 240<sup>th</sup> Street, Harbor City, CA 90710  
ORIGINAL  
TERM: Five (5) years commencing December 1, 2003 and ending November 30, 2008  
EXTENSION  
TERM: Five (5) years commencing December 1, 2008 and ending November 30, 2013  
PURPOSE: Three (3) Month Adjustment to Rental Accounting

WHEREAS on or about October 27, 2003 a Lease was entered into by and between Lessor and Lessee relating to the certain real property commonly known as 1600 240<sup>th</sup> Street, Harbor City, CA 90710 and consisting of approximately 14,070 square feet which is part of larger building consisting of approximately 19,510 total square feet, and

WHEREAS Lessor and Lessee amended said Lease on or about March 6, 2009 as set forth in the Second Amendment to Lease, and

WHEREAS Lessor and Lessee now desire to amend said Lease as set forth below,

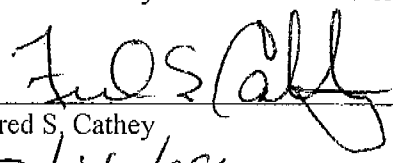
NOW, THEREFORE, the parties mutually agree to make the following additions and modifications to the Lease:

1. July Rent: The July rent in the amount of \$9,145.50 is due and payable and providing it is received by Lessor by 5:00 PM on Wednesday, July 15, 2009, the late payment fee will not be assessed and the below Monthly Base Rent payment schedule will be honored.
2. Monthly Base Rent: The current monthly base rent is \$9,145.50. Commencing August 1, 2009 Lessee shall be permitted to make a payment in the amount of \$7,645.50 to Lessor and Lessor will deduct from the existing Security Deposit of \$6,300.00 the balance due of \$1,500.00. Said modified payment schedule shall be in effect for three (3) months. Beginning November 1, 2009 the full payment of the monthly base rent shall be reinstated and Lessee shall deposit with Lessor additional monies to bring the amount of the Security Deposit back to \$6,300.00.
3. CAM Charges: The Common Area Maintenance charge shall continue to be prorated and invoiced to Lessee for payment.
4. Base Rent Due Date: The monthly base rent is due on the first (1<sup>st</sup>) of every month. In the event Lessee makes a late payment to Lessor, which is defined in paragraph 13.4 of the Lease as not being received within five (5) days after such amount is due, then in that event the accounting set forth in item 2 above shall no longer be available to Lessee and Lessee will be required to make the monthly base rent payment in the amount of \$9,145.50.

All other terms and conditions of this Lease shall remain unchanged and shall continue in full force and effect except as specifically amended herein.

“LESSOR”

Fred S. Cathey and Eleanore Cathey

  
Fred S. Cathey

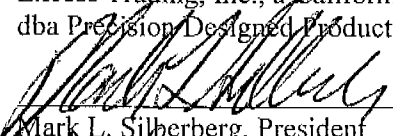
7/16/09  
Date

\_\_\_\_\_  
Eleanore Cathey

\_\_\_\_\_  
Date

“LESSEE”

Excess Trading, Inc., a California Corporation,  
dba Precision Designed Products

  
Mark L. Silberberg, President

7/16/09  
Date

7926.03 Paid today  
1500 Balance Following  
1-week WA FC

Master Lease



STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - GROSS AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

1. Basic Provisions ("Basic Provisions"). 1.1 Parties: This Lease ("Lease"), dated for reference purposes only October 27, 2003, is made by and between Fred S. & Eleanore Cathey ("Lessor")

and Excess Trading, Inc., a California Corporation, DBA Precision Designed Products ("Lessee"), collectively the "Parties", or individually a "Party".

1.2(a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 1600 240th Street, located in the City of Harbor City, County of Los Angeles, State of California, with zip code 90710, as outlined on Exhibit attached hereto ("Premises") and generally described as (describe briefly the nature of the Premises): that approximate 14,070 square foot portion of a 19,510 square foot industrial building.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, exterior walls or utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2.)

1.2(b) Parking: 30 unreserved vehicle parking spaces ("Unreserved Parking Spaces"); and n/a reserved vehicle parking spaces ("Reserved Parking Spaces"). (See also Paragraph 2.6.)

1.3 Term: 5 years and 0 months ("Original Term") commencing December 1, 2003 ("Commencement Date") and ending November 30, 2008 ("Expiration Date"). (See also Paragraph 3.)

1.4 Early Possession: n/a ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3.)

1.5 Base Rent: \$ 6,300.00 per month ("Base Rent"), payable on the first day of each month commencing December 1, 2003. (See also Paragraph 4.)

[X] If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. 1.6 Lessee's Share of Common Area Operating Expenses: seventy two percent (72.1%) ("Lessee's Share").

1.7 Base Rent and Other Monies Paid Upon Execution: (a) Base Rent: \$ 6,300.00 for the period December 1-31, 2003 (b) Common Area Operating Expenses: \$ for the period (c) Security Deposit: \$ 6,300.00 ("Security Deposit"). (See also Paragraph 5.) (d) Other: \$ for (e) Total Due Upon Execution of this Lease: \$ 12,600.00

1.8 Agreed Use: assembly and warehousing of bicycle parts and other legal related uses. Manufacturing of the assembly, or other legal related uses. (See also Paragraph 6.)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8.)

1.10 Real Estate Brokers: (See also Paragraph 15.) (a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

- [ ] n/a represents Lessor exclusively ("Lessor's Broker"); [ ] n/a represents Lessee exclusively ("Lessee's Broker"); [ ] n/a represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of or % of the total Base Rent for the brokerage services rendered by the Brokers).

1.11 Guarantor. The obligations of the Lessee under this Lease are hereby guaranteed by Mark L. Silberberg N/A ("Guarantor"). (See also Paragraph 37.)

1.12 Addenda and Exhibits. Attached hereto is an Addendum or Addenda consisting of Paragraphs 51 through and Exhibits A through, all of which constitute a part of this Lease.

2. Premises. 2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been used in calculating Rent, is an approximation which the Parties agree is reasonable and any payments based thereon are not subject to revision whether or not the actual size is more or less. 2.2 Condition. Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date and that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for

Initials

AC initials



of the fire sprinkler systems, foundations, and/or bearing walls - see Paragraph 7).

2.3 **Compliance.** Lessor warrants that the improvements on the Premises and the Common Area comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Start Date ("Applicable Requirements"). Said warranty does not apply to the use to which Lessee will put the Premises or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning is appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor and Lessee shall allocate the obligation to pay for the portion of such costs reasonably attributable to the Premises pursuant to the formula set out in Paragraph 7.1(d); provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall be fully responsible for the cost thereof, and Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (c) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of Unreserved Parking Spaces and Reserved Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor.

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof;

and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

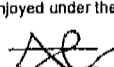
3. **Term.**

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall, however, be in effect during such period. Any such early possession shall not affect the Expiration Date.

3.3 **Delay in Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until it receives possession of the Premises. If possession is not delivered within 60 days after the Commencement Date, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. Except as otherwise provided, if possession is not tendered to Lessee by the Start Date and Lessee does not terminate this Lease, as aforesaid, any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms

  
Initials

  
Initials

... unless other agreements are reached between Lessor and Lessee, ... writing.  
3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Common Area Operating Expenses. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6.) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "Common Area Operating Expenses" are defined, for purposes of this Lease, as all costs incurred by Lessor relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, but not the replacement (see subparagraph (e)), of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) Trash disposal, pest control services, property management, security services, and the costs of any environmental inspections.

(iv) Reserves set aside for maintenance and repair of Common Areas.

(v) Any increase above the Base Real Property Taxes (as defined in Paragraph 10).

(vi) Any "Insurance Cost Increase" (as defined in Paragraph 8).

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) The cost of any Capital Expenditure to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such Capital Expenditure over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month.

(ix) Any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses shall be payable by Lessee within 10 days after a reasonably detailed statement of actual expenses is presented to Lessee. At Lessor's option, however, an amount may be estimated by Lessor from time to time of Lessee's Share of annual Common Area Operating Expenses and the same shall be payable monthly or quarterly, as Lessor shall designate, during each 12 month period of the Lease term, on the same day as the Base Rent is due hereunder. Lessor shall deliver to Lessee within 60 days after the expiration of each calendar year a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses incurred during the preceding year. If Lessee's payments under this Paragraph 4.2(d) during the preceding year exceed Lessee's Share as indicated on such statement, Lessor shall credit the amount of such over-payment against Lessee's Share of Common Area Operating Expenses next becoming due. If Lessee's payments under this Paragraph 4.2(d) during the preceding year were less than Lessee's Share as indicated on such statement, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) When a capital component such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences, etc. requires replacement, rather than repair or maintenance, Lessor shall, at Lessor's expense, be responsible for such replacement. Such expenses and/or costs are not Common Area Operating Expenses.

4.3 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction except as specifically permitted in this Lease, on or before the day on which it is due. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25.

Security Deposit. Lessee shall deposit with Lessor upon execution hereof of the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 14 days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and herewith within 30 days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or emissions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be

  
Initials

  
Initials