LEASE AGREEMENT, WITH PURCHASE OPTION

THIS LEASE AGREEMENT, made this day by and between Gillette Properties, LLC, a Wyoming, Limited Liability Company, P.O. Box 245, Gillette, Wyoming 82717 (hereinafter referred to as "Lessor"), and Rodel, LLC, a Wyoming limited liability company, 2107 Douglas Highway, Gillette, Wyoming 82718 (hereinafter referred to as "Lessee").

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor, certain real property and improvements described herein.

NOW THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I PREMISES

In consideration of the rents, covenants and agreements hereafter set forth, the Lessor does hereby let and lease unto the said Lessee certain land and building, together with appurtenances thereto and improvements thereon, located in Gillette, County of Campbell, Wyoming (the "Premises"). The Premises consist of the real property more particularly described herein, together with a building (the "Building"), and related improvements (the "Improvements"), all known as 2107 South Douglas Highway, Gillette, Wyoming, and having a legal description of:

Tract 2 of Country Club Road Addition, Campbell County, Wyoming, according to the official plat thereof filed for record June 21, 1977 in Book 2 of Plats, page 74 of the records of Campbell County, Wyoming, and all improvements thereon.

ARTICLE II USE OF PREMISES

The Premises shall be used for operation of a restaurant and no other purpose without the prior written consent of Lessor. Lessee shall be permitted to serve alcoholic beverages for on-Premises consumption (subject to Lessee's ability to obtain all necessary licenses and permits for selling alcoholic beverages). Lessee agrees to operate its business on the Premises in full compliance with all federal, state and local laws, regulations and requirements.

Signage. Lessee may use the present pole sign on the Premises as Lessee deems fit and subject to Lessee obtaining all necessary licenses and permits for the use of such sign pole.

ARTICLE III TERM

3.1 <u>Initial Term</u>. This Agreement shall be effective upon the execution by Lessor and Lessee. The rental term shall be for a period of five (5) years beginning April 1, 2014, subject to the option to renew this Lease.

- 3.2 <u>Renewal Term</u>. Lessee is hereby given an option to extend this Lease for one (1) additional consecutive three (3) year period upon the same terms and conditions governing the initial term hereof. Lessee may exercise the option to extend the Lease by providing written notice of intent to so exercise to Lessor, not later than one hundred twenty (120) days prior to the expiration of the original term of this Lease.
- 3.3 <u>Holding Over</u>. At the expiration of this Lease, or any extension thereof, if Lessee should hold over for any reason, it is agreed that, in the absence of a written agreement to the contrary, such tenancy shall be from month to month only. In the event Lessee should hold over, all terms and conditions of this Agreement shall remain in effect until such time as Lessee shall vacate the leased Premises.

ARTICLE IV RENT

- 4.1 <u>Rent Commencement Date</u>. The rent shall commence on April 1, 2014, and shall be due on the first day of each month thereafter for the term of this Agreement or any extension thereof. The "Basic Annual Rental" shall be Eighty-Two Thousand Eight Hundred Dollars (\$82,800.00).
- 4.2 <u>Payment</u>. The rent shall be paid in equal monthly installments in advance upon the first day of each and every calendar month during the term hereof, and shall be payable at the office of the Lessor, or its designee. The monthly payments shall be Six Thousand Nine Hundred Dollars (\$6,900.00), subject to the increases provided for in 4.3 herein.
- 4.3 <u>Rent</u>. Lessor and Lessee acknowledge that this Lease is a "triple net" Lease. Therefore, all costs, expenses and charges relating to the Premises, except as expressly provided herein, shall be paid by Lessee. The Basic Annual Rental for the Lease term shall be as set forth below:

The Basic Annual Rental shall be amended each three (3) years of the lease, including any extension, to wit, April 1, 2017 and April 1, 2020 (if extended), as follows:

Commencing April 1, 2017 and April 1, 2020, the Basic Annual Rental shall be equal to the Basic Annual Rental for the preceding Lease year, plus an amount equal to the Basic Annual Rental for the preceding Lease year multiplied by a percentage, which shall be the percent change in the United States Consumer Price Index as published by the Bureau of Labor Statistics, All Urban Consumers (CPI-U), West Region, all items, base period 1982-84 = 100, from April of the preceding year to April of the then current year. In no event, however, shall the Basic Annual Rent be less than the Basic Annual Rent for the prior year.

4.4 <u>Deposit</u>. Lessee shall pay a deposit to Lessor on the day of execution of this Agreement in the amount of \$ N/A. Lessor shall hold the deposit until expiration of the Lease period at which time Lessee shall be entitled to its return. However, should Lessee default in any of the provisions of the Lease, Lessor shall have the right to apply the deposit to any sums due and payable by Lessee.

ARTICLE V ACCEPTANCE OF PREMISES

Lessee has made all such examinations, inspections and inquiries regarding the Premises and has made all such consultations with professional advisors it deems best to satisfy itself in its own discretion and on its own initiative, that the Premises are suitable for the purposes of this Lease and it is prepared to assume all risks of any kind that may be involved in its becoming the Lessee.

LESSEE ACCEPTS THE PREMISES IN ITS PRESENT CONDITION "AS IS, WHERE IS", WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR THE SUITABILITY OR FITNESS OF THE PREMISES FOR ANY PARTICULAR OR GENERAL USE OR PURPOSE OF LESSEE'S BUSINESS EXCEPT AS SET FORTH HEREIN. LESSOR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS MADE TO LESSEE BY ANY PERSON, WHETHER RELATING TO THE CONDITION OF OR OTHERWISE TO THE PREMISES, EXCEPT AS EXPRESSLY SET FORTH HEREIN.

Lessee enters this Lease in reliance of its examination and inspections and not in reliance upon any alleged assurances, representations and warranties made by Lessor, its agents or employees.

ARTICLE VI OBLIGATIONS OF LESSEE

- 6.1 <u>Utilities</u>. Lessee shall pay all charges for gas, electricity, or other utilities, sewer charges, taxes and driveway fees, if applicable, and for all water used on the Premises as such charges become due. Lessee's obligation to pay the foregoing charges shall commence on the Rent Commencement Date.
- 6.2 Maintenance and Repair. Lessee shall, at Lessee's sole cost and expense, (i) keep the entire Premises, all improvements, utility lines and all signs, trade fixtures, equipment and furnishings at all times in good repair, order and condition; (ii) replace all broken, damaged or missing personal property, signs, trade fixtures, equipment and furnishings; and (iii) at the expiration or earlier termination of this Lease, surrender the Premises and any signs, trade fixtures, equipment and furnishings belonging to Lessor in good repair, order and condition, ordinary wear and tear excepted, loss by fire and other casualty excepted if so provided in this Lease. Upon request of Lessor, Lessee shall remove all signs and other identifying features from the Premises upon expiration or earlier termination of this Lease.
- 6.3 <u>Alterations</u>. Lessee shall not make any change in, alteration of, or addition to any part of the Premises, or remove any of the buildings or building fixtures located thereon without, in each instance, supplying to Lessor final construction plans and drawings and obtaining the prior written consent of Lessor. After obtaining Lessor's written consent, any such work shall also be subject to the following conditions:
- a. No alteration shall be undertaken until Lessee shall have procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction, and Lessor agrees to reasonably cooperate, at the expense of Lessee, with Lessee in the application for such permits or authorizations whenever such action is necessary.
- b. Each alteration, when completed, shall be of such a character so as not to adversely affect or diminish the value or marketability of the buildings, improvements and building equipment on the Premises immediately before such alteration.
- c. All work done in connection with any alteration shall be done promptly and in a good and workmanlike manner and in compliance with the applicable municipal building and zoning laws and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof. The cost of any such alteration shall be paid in cash or its equivalent, so that the

Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to the Premises or, alternatively, Lessor may require the posting of those bonds described in 6.4. below.

- 6.4 Payment and Performance Bonds. Before commencement of any construction or installation of any structure, fixture, equipment or other improvements on the Premises, or of any repairs, alterations, additions, replacement or restoration in, on or about the Premises, Lessee shall deposit with Lessor, if requested by Lessor, a certificate or other evidence satisfactory to Lessor that Lessee has obtained a bond or that Lessor's building contractor, if any, has furnished a bond in favor of Lessor, with a surety approved by Lessor, guaranteeing the performance and completion of said work free and clear of all liens arising from such work. Lessor reserves the right to withhold its approval of any proposed construction or installation of any structure, fixture, equipment or other improvement on the Premises, or of any repairs, alterations, additions, replacements or restorations, and without limiting the generality of the foregoing, may require as a condition of its approval that it be permitted to review and approve any contract entered into by Lessee as may be necessary to protect Lessor against liability for such liens and claims.
- 6.5 <u>Liens Against Premises</u>. Nothing in this Lease shall authorize Lessee to do any act which shall in any way encumber the title of Lessor in and to the Premises. The interest or estate of the Lessor in the Premises shall not in any way be subject to any claim by lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Lessee. Lessee shall not permit the Premises to become subject to any mechanic's, laborer's or materialman's lien on account of labor or material furnished to Lessee in connection with work of any character performed or claimed to have been performed on the Premises by or at the direction of Lessee.

In the event any lien or notice of intent to hold a lien is filed against or attached to the Premises, or Lessee's interest therein, at Lessor's option, Lessee shall either pay the amount of said lien in full or shall, upon demand of Lessor, provide and pay for a non-cancelable bond, placed with a reputable company, approved by Lessor, in an amount equal to one and one-half (1½) times the amount of such lien and insuring the interest of Lessor and any mortgagee, from any loss by reason of the filing of such lien. Lessee shall immediately pursue in good faith Lessee's legal remedies in order to secure removal of said lien.

ARTICLE VII FIXTURES AND EQUIPMENT

- 7.1 <u>Fixtures</u>. All buildings, improvements, plumbing, heating, lighting, electrical and air conditioning fixtures, equipment and all other articles of property which, at the date Lessee takes possession of the Premises, are the property of Lessor.
- 7.2 Removal of Lessee's Property. At the termination of this Lease, whether by lapse of time or otherwise, Lessee shall, subject to any rights of Lessor under this Agreement, remove all of its personal property and trade fixtures from the Premises and shall repair any damage to the Premises which may have been caused or occasioned by such removal.

ARTICLE VIII INSURANCE AND DAMAGE TO PREMISES

8.1 <u>Liability Insurance</u>. Lessee shall be responsible for all loss or damage originating in or incurred in connection with the operation of a restaurant on the Premises and for all claims or

demands for damages to property or for injury, illness, or death of persons directly or indirectly resulting therefrom, and Lessee agrees to indemnify, defend and save Lessor harmless from any such claim, loss or damage. Lessee shall at all times carry, at a minimum, the following insurance coverage:

- a. Liability Insurance under a commercial general liability policy that includes coverage for bodily injury, products, owned and non-owned automobile(s) and property damage, with a combined single limit of One Million Dollars (\$1,000,000) per occurrence, or with such other limits as may be specified by Lessor from time to time.
- 8.2 <u>Property Insurance</u>. Lessee shall maintain and keep in form, "causes of loss-special form" type or comparable property insurance, including vandalism, and extended coverage upon the Premises, with a replacement cost endorsement (whereby the insurer will be obligated to pay full cost of repair or replacement). It is intended that neither Lessor nor Lessee shall be a co-insurer, and to that end, in the event the insurance proceeds are not adequate to rebuild said building or other improvements, Lessee shall be obligated for the difference between the proceeds obtained and the actual cost of the restoration of the improvements.
- 8.3 Other Insurance. Lessee shall maintain and keep in force, together with all other insurance not otherwise specified in this Lease and required by the Lease, plate glass insurance (full coverage), fire and extended coverage insurance on operational equipment, signs, furnishings, fixtures and supplies and such other insurance, with a replacement cost endorsement (whereby the insurer will be obligated to pay full cost of repair or replacement), as Lessor may from time to time reasonably require.
- 8.4 <u>Placement and Certificates of Insurance</u>. All insurance policies required to be carried hereunder shall name Lessor and any party designated by Lessor, as their interests may appear, as additional insureds. Evidence of payment of premiums and duplicate copies of policies or certificates of the insurance required herein shall be delivered to Lessor prior to or on the date that possession of the Premises is delivered to Lessee. All policies of insurance shall include a provision requiring the insurer to give Lessor at least ten (10) days prior written notice before terminating, canceling or making any changes in any such policy. All such policies shall be renewed (and certificates evidencing renewal shall be delivered to Lessor) at least forty (40) days prior to expiration.

The failure of Lessee to obtain and maintain the required insurance shall constitute a substantial breach of this Lease entitling Lessor to terminate this Lease and Lessee's right to possession of the Premises. Additionally, in the event Lessee should fail to obtain and maintain the insurance required herein, Lessor may, but need not, purchase said insurance, adding the premiums paid to Lessee's monthly rent.

8.5 Waiver of Subrogation. Lessee releases Lessor, and its employees, agents and every person claiming by, through, or under Lessor from any claim Lessee might now or hereafter may have against Lessor, by subrogation or otherwise, based on any loss, damage, or injury that is insured against under any insurance policy naming Lessee as insured or that would be insured against under any insurance policy Lessee is required to carry pursuant to the terms of this Lease. Lessor waives any cause of action that Lessor or anyone claiming by, through, or under Lessor, by subrogation or otherwise, might now or hereafter have against Lessee based on any loss, damage, or injury which is insured against under any insurance policy naming Lessor as insured or that would be insured under any insurance policy required by the terms of this Lease. All policies of insurance required under this Article VIII shall contain a proper provision, by endorsement or otherwise, whereby the insurance carriers issuing the same shall: (a) acknowledge that the insured has so

waived and released its right of recovery pursuant to this section; and (b) waive the right to subrogation which such carrier might otherwise have had, all without impairment or invalidation of such insurance.

ARTICLE IX ASSIGNMENT AND SUBLETTING

Lessee shall not sublet or allow or permit any transfer of this Lease or any interest hereunder by operation of law, or assign, subject, convey, mortgage, pledge or encumber this Lease or any interest hereunder, or permit the use or occupancy of the Premises or any part thereof without, in each case, obtaining the prior written consent of Lessor. No assignment (with or without Lessor's consent) shall release Lessee from any of its obligations hereunder.

The acceptance of rent from any other person or entity shall not be deemed to be a waiver of these provisions of this Lease or to be a consent to the assignment of this Lease or subletting of the Premises.

ARTICLE X INDEMNITY

- 10.1 <u>By Lessee</u>. Lessee agrees that it will indemnify and save the Lessor harmless against and from any penalty or damage or charges imposed for any violation of any law or ordinance, and from all claims, loss, cost, damage or expense arising out of or from any personal injury or property damage to third parties occurring on or about the Premises, to the extent that such penalty, damage, charge, claims, losses, costs, damages or expenses are caused by the negligent or intentional acts or omissions of Lessee. In no event shall Lessee's obligation to indemnify and save harmless extend to any penalty, damage, charge, claims, losses, costs, damages or expenses to the extent caused, created or contributed to by Lessor or Lessor's employees or agents.
- 10.2 <u>By Lessor</u>. Lessor agrees that it will indemnify and save the Lessee harmless against and from any penalty or damage or charges imposed for any violation of any law or ordinance, and from all claims, loss, cost, damage or expense arising out of or from any personal injury or property damage to third parties occurring on or about the Premises, to the extent that such penalty, damage, charge, claims, losses, costs, damages or expenses are caused by the negligent or intentional acts or omissions of Lessor. In no event shall Lessor's obligation to indemnify and save harmless extend to any penalty, damage, charge, claims, losses, costs, damages or expenses to the extent caused, created or contributed to by Lessee or Lessee's employees or agents.

ARTICLE XI TERMINATION OF LEASE AND DEFAULTS

- 11.1 <u>Default by Lessee</u>. Any of the following events shall be a default under this Agreement:
- a. Lessee's failure to make any lease payment within five business (5) days of the due date. Any lease payment not made within 5 business days of the due date shall be assessed a late fee of \$150.00:
- b. Lessee's failure to perform any other term, condition, or covenant of this agreement after 15 days written notice by Lessor to Lessee.

- c. The filing by Lessee or its assignees of any petition in bankruptcy, bankruptcy reorganization, or any affirmative act of insolvency.
- 11.2 Remedies for Default by Lessee. Upon the occurrence of a default by Lessee, and continuance of that default beyond the cure period set forth above, Lessor may, upon notice in writing to the Lessee, terminate this Lease not earlier than five (5) days from the date of the notice, if such default results from Lessee's failure to pay any lease payment, or fifteen (15) days from the date of the notice, if such default results from Lessee's failure to abide by any other term or condition of this Agreement.

In the event of any such default of Lessee, Lessor may at any time thereafter, with or without notice or demand, and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default, whether created by statute or case law, and without terminating this Lease, re-enter the Premises and take possession of the same, and all equipment and fixtures therein, and at any time re-let the Premises or any part thereof for the account of Lessee, for such terms and upon such conditions and at such rental as Lessor may deem proper. In such event, Lessor may receive and collect rent from such re-letting and apply it against any amount due from Lessee hereunder, including, without limitation, such expenses as Lessor may have incurred in recovering possession of the Premises, placing the same in good order and condition, and all other expenses, commissions, and charges, including attorney's fees, which Lessor may have paid or incurred in connection with said repossession and re-letting. Lessor may execute any lease made pursuant hereto in Lessor's name or in the name of Lessee, as Lessor may see fit, and Lessee shall have no right to any rent collected thereunder. Whether or not the Premises are re-let, Lessee shall pay Lessor all amounts required to be paid by Lessee to the date of Lessor's re-entry, and, thereafter, Lessee shall pay Lessor, until the end of the term hereof, the amount of all rent and other charges required to be paid by Lessee hereunder, less the proceeds of such re-letting during the term hereof, if any, after payment of Lessor's expenses as provided above. Such payment by Lessee shall be done at such times as are provided elsewhere in this Lease, and Lessor need not wait until the termination of this Lease to recover them by legal action or otherwise.

Lessor shall not, by any re-entry or other act, be deemed to have terminated this Lease or the liability of Lessee for the total rent reserved hereunder unless Lessor shall give Lessee written notice of Lessor's election to terminate this Lease.

Lessor shall also have the right to cancel and terminate this Lease upon default by giving written notice to Lessee, and upon such termination, Lessor shall have the right to re-enter the Premises and take possession of the same and all equipment and fixtures therein. In such event, Lessor shall thereupon be entitled to recover from Lessee the worth, at the time of such termination, of the excess, if any, of the rent and other charges required to be paid by Lessee hereunder for the balance of the term hereof (if the Lease had not been so terminated), or the then reasonable rental value of the Premises for the same period.

- 11.3 <u>Default by Lessor</u>. In the event of any default by Lessor of the performance of any material term or covenant hereof, Lessee may terminate this Lease at its option should such default still continue thirty (30) days after written notice specifying such default and setting forth Lessee's intention to terminate this Lease. Notwithstanding the foregoing, it shall not be an event of default if Lessor has commenced to cure the default during the thirty (30) day period, and is diligently pursuing such cure.
- 11.4 Remedies for Default by Lessor. Upon the occurrence of a default by Lessor, and continuance of that default beyond the cure period set forth above, Lessee may, upon notice in writing to the Lessor, terminate this Lease not earlier than thirty (30) days from the date of the

notice. Upon the effective date of such termination, this Lease shall terminate, and Lessee shall have the right to remove any of its goods, materials, furniture, fixtures, and all other property of Lessee from the Premises, provided that Lessee shall return the Premises in as good condition as at the commencement of this Lease, ordinary wear and tear excepted. Upon termination of the Lease, all obligations under this Lease shall terminate.

11.5 Force Majeure. Notwithstanding the foregoing, if by reason of force majeure a party is unable in whole or in part to carry out the agreements on its part contained herein, that party shall not be deemed in default during the continuance of such disability. The term "force majeure" as used herein includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; fuel shortage; unavailability of materials; delays in obtaining permits or approvals not caused by the party or any other cause or event not reasonably within the control of the party claiming excuse by reason of force majeure.

ARTICLE XII SURRENDER OF LEASED PREMISES

- 12.1 <u>Surrender Upon Termination</u>. Lessee covenants and agrees to deliver up and surrender to the Lessor possession of the Premises upon expiration of this Lease, or its earlier termination as herein provided, in as good condition and repair as the same shall be at the commencement of the term of this Lease, or may have been put by the Lessor during the continuance thereof, ordinary wear and tear and insured loss excepted.
- 12.2 <u>Removal of Equipment</u>. Upon Lessor's request, Lessee shall at Lessee's expense remove all property of Lessee and all alterations, additions and improvements, repair all damage to the Premises caused by such removal and restore the Premises to the condition in which they were prior to the installation of the articles so removed.

ARTICLE XIII NOTICES

Any bill, statement, notice, communication or payment which Lessor or Lessee may desire, or be required to give to the other party, shall be in writing and shall be mailed to the other party at the address specified herein by Certified Mail, or to such other address as either party shall have designated to the other, with proof of delivery:

To Lessor:

Gillette Properties, LLC

P.O. Box 245

Gillette, WY 82717-245

To Lessee:

Rodel, LLC

C/O Cristina Robles 2508 Lodahl Avenue Gillette, WY 82718

ARTICLE XIV TAXES AND ASSESSMENTS

- 14.1 <u>Taxes</u>. Lessee, as a part of the consideration for this Lease and in addition to the rentals hereinabove provided for, will, as the same become due and payable, pay all taxes that are now levied or imposed upon the Premises or upon any part thereof which are assessed for the term of this Lease; and Lessee will promptly, after the payment thereof, supply Lessor with receipts or other data satisfactory to Lessor showing the payment of the same. In the event Lessee fails to pay any taxes when due, Lessor may, at its option, pay the same, and Lessee agrees to repay Lessor all sums so advanced, together with interest at the rate of 18% per annum from the date paid by Lessor.
- 14.2 <u>Assessments</u>. Notwithstanding section 14.1 of this Article XIV, Lessor shall be responsible for all assessments, general and special (other than property or real estate taxes) levied or imposed upon the Premises or any part thereof. Lessor will promptly pay any such assessments when due, and upon request of Lessee, will supply Lessee with receipts or other data showing the payment of the same.

ARTICLE XV DESTRUCTION BY FIRE OR CASUALTY

- 15.1 <u>Partial Damage</u>. If the Premises shall be partially damaged by fire or other cause without the fault or neglect of Lessee, the damages shall be repaired by and at the expense of Lessor, and until such repairs shall be made, the rent shall be apportioned according to the part of the Premises which is unusable by Lessee. If such partial damage is due to the fault or neglect of Lessee, the damages shall be repaired by Lessor, but there shall be no apportionment or abatement of rent. No penalty or default hereunder shall accrue for delay which may arise by reason of adjustment of fire insurance on the part of Lessee.
- 15.2 <u>Substantial Damage</u>. If the Premises are substantially damaged or are rendered substantially untenable by fire or other casualty, the Lessor shall have the option of terminating the Lease effective the day of the casualty. If the Lessor determines to repair or rebuild the Premises, then Lessor shall immediately commence such repair or rebuilding, and shall substantially complete all such repairs within 180 days from the date of such determination, and Lessee's liability for rent shall abate until the Premises shall have been substantially rebuilt.

ARTICLE XVI CONDEMNATION

- 16.1 Taking. If the whole of the Premises shall be condemned or taken either permanently or temporarily for any public or quasi-public use or purpose under any statute or by right of eminent domain, or by private purchase in lieu thereof, then and in that event, the term of this Lease shall cease and terminate from the date of possession of the Premises by such condemning authority, and Lessee shall be released of the responsibility to pay rent. In the event a portion of the Premises shall be so taken, but the Premises are usable by the Lessee, the Lease shall not terminate, but shall continue in full force and effect, provided that the rent shall be reduced proportionately based upon the usability of the remaining space.
- 16.2 <u>Compensation Award</u>. In the event the Premises or any part thereof shall be permanently taken or condemned or transferred by agreement in lieu of condemnation for any public

or quasi-public purpose by any competent authority, whether or not this Lease shall be terminated, the compensation award therefor as to the land and permanent structures, including the reversion interest, shall belong to the Lessor. Lessee may, either with Lessor or independently, present and collect a compensation award for its leasehold interest, relocation expenses, fixtures, improvements and other equipment installed by it in the Premises.

ARTICLE XVII ACCESS TO LEASED PREMISES

Lessee agrees to permit, in case of due cause and receipt of notification at least forty-eight (48) hours in advance, or in case of emergency, any of the Lessor's officers to inspect or examine the Premises and to permit at any reasonable time Lessor to make such repairs, decorations, alterations, improvement or additions to the Premises that Lessor may deem desirable or necessary for its preservation.

ARTICLE XVIII PARTIES' REMEDIES CUMULATIVE; NO WAIVER OR FORBEARANCE; SEVERABILITY

- 18.1 No Waiver. Except to the extent that either party may have otherwise agreed in writing, no waiver by such party of any violation or nonperformance by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent violation or nonperformance of the same or any other covenant, agreement or obligation, nor shall any forbearance by either party to exercise a remedy for any such violation or nonperformance by the other party be deemed a waiver by such party of its rights or remedies with respect to such violation or nonperformance.
- 18.2 <u>Severability</u>. If any provision of this Lease, or the application thereof to any person or circumstance, should, for any reason and to any extent, be invalid, unenforceable or illegal, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law and a rapid remedy sought for the provision found to be at fault.

ARTICLE XIX ENVIRONMENTAL COVENANTS, REPRESENTATIONS, WARRANTIES AND INDEMNITY

- 19.1 Lessor represents and warrants to Lessee that:
- a. During the period of Lessor's ownership of the said Premises, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or hazardous substance by any person on, under or about the said Premises which has not been resolved in accordance with applicable local, state or federal standards or criteria.
- b. Lessor has no knowledge of, or reason to believe that there has been, any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or hazardous substance by Lessor or any prior owners or occupants of the said Premises on, under or about the said Premises, Lessor has not been in receipt of written notice of spills of any such substances on the said Premises or on any property within one thousand (1,000) feet of the said

Premises' boundaries, and Lessor has no knowledge of, or reason to believe, that there are any underground storage tanks on the said Premises.

19.2 Lessor covenants that:

- a. it will indemnify and hold harmless Lessee and its directors, officers, employees, and agents, and any assignees, subtenants, or successors to Tenant's interest in the said Premises, their directors, officers, employees, and agents, from and against any and all losses, claims, damages, penalties, and liability, including all out-of-pocket litigation costs and the reasonable fees and expenses of counsel, directly or indirectly arising out of the use, generation, storage, release, or disposal of hazardous materials by Lessor, its agents, or contractors, and also from and against the cost of any required repair, cleanup, or detoxification and any closure or other required plans to the extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of hazardous materials by Lessor, its agents or contractors.
- b. if any cleanup, repair, detoxification, or other similar action is required by any governmental or quasi-governmental agency as a result of the storage, release, or disposal of hazardous materials by Lessor, its agents or contractors, at any time, or by any prior owner, possessor, or operator of any part of the said Premises, and such action requires that Lessee be closed for business or that access be denied for greater than a 24-hour period, then the rent will be abated entirely during the period beyond 24 hours. If the closure or denial of access persists in excess of 30 days, then, at Lessee's election by written notice to Lessor given within 10 days after the end of the 30-day period, this Lease will end as of the commencement of such closure.
- 19.3 Lessee shall, during the entire term of this Lease, comply in all material respects with applicable federal, state and local environmental laws, ordinances, and rules and regulations implementing the same. All of the foregoing laws, regulations and requirements are hereinafter referred to as "Environmental Laws." Lessee shall obtain the required environmental licenses, permits, approvals, authorizations, exemptions, classifications, certificates and registrations (hereinafter collectively referred to as "Permits") and make applicable filings required of Lessee under the Environmental Laws to operate at the leased Premises.
- 19.4 As used in this paragraph XX, "hazardous waste," "hazardous substance," "disposal," "discharge," "release," and "threatened release" shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation and Liability act of 1980, as amended, 42 U.S.C. §9601 et. seq. ('CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et. seq., the Resource Conservation and Recovery Act, 49 U.S.C. §6901 et. seq., and other applicable federal, state or local laws or regulations.
- 19.5 The provisions of this Lease relating to hazardous substances will survive the expiration or termination of this Lease.

ARTICLE XX QUIET ENJOYMENT

Lessor covenants and agrees that if Lessee pays the heretofore described rental and other charges herein provided and shall perform all of the covenants and agreements herein stipulated to be performed on the Lessee's part, Lessee shall, at all times during said term, have the peaceable and quiet enjoyment and possession of said Premises without any manner of hindrance from Lessor or

any persons lawfully claiming through Lessor, except as to such portion of the Premises as shall be taken under the power of eminent domain.

ARTICLE XXI ESTOPPEL CERTIFICATES

At Lessee's request, the Lessor will from time to time execute and deliver a statement in writing (i) certifying (if true) that this Lease is unmodified and in full force and effect, or if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications, (ii) stating the Commencement Date and the expiration date of the Term of this Lease, (iii) stating the dates to which the rent and other charges hereunder have been paid by the Lessee, (iv) stating whether or not, to the Lessor's actual knowledge, the Lessee is in default in the performance of any covenant, agreement or condition contained in this Lease, and, if Lessee is in default, specifying each such default, and (v) stating any extension, renewal, expansion, contraction or termination rights or rights of first offer or refusal with respect to the Premises which have been granted to the Lessee.

ARTICLE XXII RECORDING

Neither party shall record this Lease, nor in any way encumber the record title to the Premises, land or building without the express written consent of the other. Notwithstanding the foregoing, upon mutual consent, the parties may record a memorandum of this Lease, provided that such memorandum shall disclose only the description of the Premises, the length of the term and the names of the parties.

ARTICLE XXIII OPTION TO PURCHASE

For the first year of the Lease Lessor grants to Lessee the option to purchase the leased Premises described herein, providing Lessee is not in material default under this lease agreement beyond any applicable period of notice and grace, on the following terms and conditions:

- 23.1 Lessee may exercise the option to purchase by notifying the Lessor in writing at any time prior to the end of the first year of the Lease, to wit March 31, 2015.
- 23.2 If Lessee exercises the option to purchase the premises in accordance with the terms set forth herein, the purchase price shall be One Million Two Hundred Thousand Dollars and No Cents (\$1,200,000.00) paid in cash or certified funds at closing. Closing shall occur within 60 days of the date that the purchase option is exercised by Lessee, or as otherwise agreed by the parties in writing.
- 23.3 At closing, Lessor/Seller shall convey the subject premises to Lessee/Buyer, or to an entity consisting of the principals or members of Lessee formed for the express purpose of receiving and holding title to the premises, pursuant to a statutory form warranty deed.

- 23.4 Rental payments made after the notice of the exercise of the option to purchase shall be credited against the purchase price at closing.
- 23.5 In consideration of the faithful payment of "triple net" rents by Lessee prior to the exercise of the purchase option, Lessor hereby agrees that 25% of the rental payments made by Lessee until the exercise of the option to purchase shall be applied toward the above-stated purchase price and credited to Lessee/Buyer at closing.
- 23.6 Upon Lessee's exercise of its option to purchase, and at least ten (10) business days prior to closing, Lessor, at its cost, shall deliver to Lessee a standard form of title commitment showing good and merchantable title to the Premises, devoid of any liens or other encumbrances, is vested in Lessor. Lessor shall pay the premium for the owner's title insurance at closing and shall comply with all requirements of the policy necessary for the issuance of the title insurance. The original of said policy shall be delivered to Lessee/Buyer at closing, or as soon thereafter as it is prepared by the title company.
- 23.7 Upon closing, Lessee is purchasing the property "AS IS". Lessor makes no warranties concerning the property, other than relating to title as provided for herein. The parties agree that the material terms of their purchase agreement regarding the premises are contained herein, and that the same is enforceable. The parties may close the transaction upon the terms listed above or they may, but neither shall be required to, jointly enter into a purchase agreement to accomplish the intents and purposes of the parties expressed herein. If the parties cannot agree on additional terms, then the parties shall close the transaction based upon the terms set forth herein.
- 23.8 Other than Lessor's obligation to pay for the title commitment, and any attorney fees incurred by Lessor with regard to Lessee's purchase of the premises, Lessee shall pay all other closing costs associated with its purchase of the demised premises.

ARTICLE XXIV MISCELLANEOUS PROVISIONS

- 24.1 <u>Titles of Articles</u>. The titles of the articles and sections throughout this Lease are for convenience and reference only, and the works contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this instrument.
- 24.2 Entire Agreement. This Lease, together with its attachments, represents the complete and exclusive statement of all understandings between the parties with respect to this Lease, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, concerning this Lease. No agent, representative, salesman or officer of either party has authority to make or has made any statement, agreement or representation, either oral or written, in connection herewith, modifying, adding or changing the terms and conditions herein set forth. No dealings between the parties or custom shall be permitted to contradict various additions to or modify the terms hereof. No modification of this Lease shall be binding unless such modification shall be in writing and signed by the parties hereto.

- 24.3 Governing Law. This Lease shall be governed by and interpreted in accordance with the domestic laws of the state of Wyoming, without regard to Wyoming's conflicts of laws principles.
- 24.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee, and their respective successors and assigns.
- 24.5 Counterparts. This Lease may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Lease.
- 24.6 Attorney Fees. In the event either Lessor or Lessee files suit to enforce this agreement, it is hereby agreed that the successful party under such suit shall collect from the other party all costs, expenses, and reasonable attorney's fees incurred in such suit.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this Lease to be signed upon the 30 day of December, 2013. LESSEE: LESSOR:

Gillette Properties, LLC By: Arlyn Magnuson, Member

Christian Robles, Member

PERSONAL GUARANTEE

The undersigned members of LLC hereby personally guarantee the performance and payments provided for by this Lease and agree to be bound by its terms and conditions.

Dated this 30 day of December, 2013

Christian Robles

Cristina Robles

Jose Robles

Jonathan Robles