

RESPONDENTS' EXHIBIT 3

L E A S E

WAYNE COLISEUM LIMITED PARTNERSHIP

BASIC LEASE INFORMATION

1. DATE: August 1, 2004
2. LESSOR: Wayne Coliseum Limited Partnership
3. LESSEE: Creative Coatings, Inc., a(n) _____ corporation
FID#: _____
4. GUARANTOR(S): Not applicable.
5. PREMISES:
- (i) **Current Premises:** Currently 55,702 (subject to the final sentence of this paragraph) rentable square feet, (known as Suite 1284 in Building 13, currently leased by Lessee by virtue of current lease effective as of June 16, 2003, current lease is being replaced by this Lease) which Lease dated August 1, 2004 now represents the full and complete Lease between the parties. Current Premises is outlined on the attached **Exhibit 1** ("Current Premises Plan"). Notwithstanding anything herein to the contrary, the Current Premises is agreed to be 63,664 as of January 1, 2005 and thereafter.
 - (ii) **Premises A:** 58,464 rentable square feet, as outlined on the attached **Exhibit A** ("Premises A Plan")
 - (iii) **Premises B:** 12,000 rentable square feet, outlined on the attached **Exhibit B** ("Premises B Plan")
 - (iv) **Premises C:** 36,600 rentable square feet, outlined on the attached **Exhibit C** ("Premises C Plan")
 - (v) **Premises D:** 4,980 rentable square feet, outlined on the attached **Exhibit D** ("Premises D Plan")

All of the Premises are part of the complex known as International Park (the "Complex" or "International Park"), located at 2701 South Coliseum Boulevard, as more particularly shown on **Exhibit E** ("Site Plan"). All of the Premises are collectively hereinafter referred to as the "Premises."

6. SUITE #: 1284 in Building No. 13
_____ in Building No. _____
_____ in Building No. _____
_____ in Building No. _____
_____ in Building No. _____

7. TERM:

- (i) **Current Premises:** Currently in lease for term ending August 31, 2005. In addition, Lessee shall have a one-year option on the Current Premises only as described in Section 1.4
- (ii) **Premises A:** 24 months commencing August 1, 2004 and terminating on July 31, 2006
- (iii) **Premises B:** Commencing on the earlier of: (i) Lessee's occupying Premises B or (ii) January 1, 2005 and terminating on July 31, 2006
- (iv) **Premises C:** 36 months commencing August 1, 2004 and terminating July 31, 2007
- (v) **Premises D:** Commencing on the earlier of (i) Lessee's occupying Premises D or (ii) May 1, 2005 and terminating on July 31, 2007.

8. RENT:

(1) **Base Rent:**

Current Premises:

8/1/04 – 08/31/04: \$6,879 per month (1.48 per sq. ft/per yr)

9/1/04 – 12/31/04: \$7,659 per month (1.65 per sq. ft/per yr)

1/1/05 – 08/31/05: \$8,754 per month (1.65 per sq. ft/per yr)

Renewal Term:

9/1/05 – 8/31/06 \$9,284 per month (1.75 per sq. ft/per yr)

Premises A: \$7,308.00 per month (\$1.50 per sq. ft/per yr)

During the period starting August 1, 2004 and ending on the first to occur of (i) Lessee's beginning of production or (ii) January 1, 2005 ("Payment Commencement Date"), Base Rent of \$7,308.00 per month (\$1.50 per square foot per year) is deferred and payable as described below. The total of the aggregate deferred rent is further defined as "Premises A Deferred Rent". The Premises A Deferred Rent is payable in 18 equal monthly installments starting on the Payment Commencement Date. Thus, Lessee will pay Base Rent of \$7,308.00 on the first day of each month commencing on the Payment Commencement Date together with the Premises A Deferred Rent. *By way of example, if the Premises A Deferred Rent is \$7,308.00 per month and there is a 4 month deferral period, $\$7,308.00 \times 4 = \$29,232.00$. Lessee will pay this amount in eighteen (18) installments of \$1,624.00 along with the monthly Base Rent amount as described above.*

Premises B: \$1,500.00 per month (\$1.50 per sq. ft/per yr)

During the period starting August 1, 2004 and ending on the first to occur of (i) Lessee's beginning of production or (ii) January 1, 2005 ("Payment Commencement Date"), Base Rent of \$1,500.00 per month (\$1.50 per square foot per year) is deferred and payable as described below. The total of the aggregate deferred rent is further defined as "Premises B

Deferred Rent". The Premises B Deferred Rent is payable in 18 equal monthly installments starting on the Payment Commencement Date. Thus, Lessee will pay Base Rent of \$1,500.00 on the first day of each month commencing on the Payment Commencement Date together with the Premises B Deferred Rent. *By way of example, if the Premises B Deferred Rent is \$1,500.00 per month and there is a 4 month deferral period, $\$1,500.00 \times 4 = \$6,000.00$. Lessee will pay this amount in eighteen (18) installments of \$333.33 along with the monthly Base Rent amount as described below.*

Premises C: \$4,575.50 per month (\$1.50 per sq. ft/per yr) During the period starting August 1, 2004 and ending on the first to occur of (i) Lessee's production in Premises C or (ii) May 1, 2005 ("Payment Commencement Date for Premises C"), the Base Rent of \$4,575.50 per month (\$1.50 per square foot per year) will be due but is deferred and payable as described below. The total of the aggregate deferred rent is further defined as "Premises C Deferred Rent". The Premises C Deferred Rent is payable in 24 equal monthly installments starting on the Payment Commencement Date for Premises C. Thus, Lessee will pay Base Rent of \$4,575.50 on the first day of each month commencing on the Payment Commencement Date for Premises C in addition to the Base Rent. Thus, Lessor will pay both the Premises C Deferred Rent and the Base Rent on the Payment Commencement Date for Premises C. *By way of example, if the Premises C Deferred Rent is \$4,575.50 per month and there is a 4 month deferral period, $\$4,575.50 \times 4 = \$18,300.00$. Lessee will pay this amount in twenty-four (24) installments of \$762.50 along with the monthly Base Rent amount.*

Premises D: \$622.50 per month (\$1.50 sq. ft/per yr.) During the period starting on the first to occur of (i) Lessee occupying Premises D or (ii) May 1, 2005 ("Payment Commencement Date for Premises D"), the Base Rent of \$622.50 per month (\$1.50 per square foot per year) will be due and payable.

(2) **Additional Rent:** Commencing August 1, 2004, Lessee will pay as additional rent insurance, taxes, common area and other expenses for the Premises, being added here with space added to be paid as it is added. In addition, Lessee continues to owe additional rent and will pay it for the Current Premises. This additional rent is initially estimated to be \$.70 per square foot per year and is due and payable on the first day of each month, together with Base Rent and Deferred Base Rent amounts, if any. Additional Rent will be adjusted/added as space is added.

9. PRORATED SHARE: Current Premises: 3.8% through 12/31/04; after 1/1/05: 4.3%

Premises A: 3.9%
Premises B: 0.8%
Premises C: 2.5%
Premises D: .3%

10. SECURITY DEPOSIT: \$20,663 (including \$5,663 for the Current Premises) to be held as security for Lessee's performance of the Lease.

11. PERMITTED USE: Painting and storage of automobile and truck parts

12. EXHIBITS:	Exhibit 1	Current Premises Plan
	Exhibit A	Premises A Plan
	Exhibit B	Premises B Plan
	Exhibit C	Premises C Plan
	Exhibit D	Premises D Plan
	Exhibit E	Site Plan
	Exhibit F	Additional Covenants

13. ELECTRIC METER #: Unknown

GAS METER #: Unknown

14. LESSOR'S MAILING

ADDRESS: NOTICES: Wayne Coliseum Limited Partnership, 2800 Neilson Way, Suite 206, Santa Monica, California 90405

RENT PAYMENT ADDRESS: 8360 W. Sahara Avenue, Suite 230, Las Vegas, Nevada 89117

15. LESSEE'S MAILING

ADDRESS: 7505 Freedom Way, Fort Wayne, Indiana 46818

16. BROKERS: NONE

17. LESSEE IMPROVEMENTS: Lessor is providing a lessee allowance of up to Forty Thousand Dollars (\$40,000.00) ("Lessee Allowance") for approved Lessee Improvement work, subject to the provisions of Section 14.13 below. Lessee shall repay to Lessor the Lessee Allowance in equal installments of \$1,666.67 per month over a twenty-four (24) month period, beginning on the earlier to occur of (i) Lessee's commencement of production in Premises C or (ii) May 1, 2005.

18. OPTION TO REDUCE SPACE: Lessee shall have the option to reduce space with respect to Premises A and Premises B as explained in Section 1.5.

This Basic Lease Information is incorporated into the Lease.

LEASE AGREEMENT

This Lease Agreement ("Lease") is made as of the date specified in the Basic Lease Information between the parties set forth in the Basic Lease Information.

Article 1: Premises and Term

- 1.1. Premises. Lessor, in consideration of the rents and covenants herein contained, leases to Lessee, and Lessee leases from Lessor, the real estate in the City of Fort Wayne, County of Allen, and State of Indiana, described in the Basic Lease Information. The Premises are leased by Lessor to Lessee subject to covenants, easements, conditions and restrictions of record and subject to all applicable building codes and zoning ordinances.
- 1.2. Term. The term of this Lease is set out in the Basic Lease Information.
- 1.3. Holdover. No holding-over by Lessee hereunder will constitute a renewal or extension of the terms of this Lease except upon written consent of Lessor. Any holdover by Lessee will create no more than a month-to-month tenancy at one hundred fifty percent (150%) of the rent herein set forth for the month preceding termination of this Lease. Lessee shall also be responsible for all damages suffered by Lessor in the event of any losses incurred as a result of a holding over without written consent of Lessor.
- 1.4. Option to Renew for Current Premises. Provided that Lessee is not in default of any of the terms and conditions hereof and Lessee has not exercised its Option under Section 1.5 below, Lessee shall have the right, at Lessee's option, to renew the Lease as it applies to the Current Premises for one (1) additional consecutive period of one (1) year (such additional period being referred to herein as renewal). Such option to renew shall be exercised by Lessee giving written notice of the exercise to Lessor at least one hundred and twenty (120) days prior to the expiration of the then-current term. The renewal term shall be upon the same terms, conditions and covenants as set forth in the Lease with respect to the initial term for the Current Premises, except Base Rent, which will increase as specified in the **Basic Lease Information** at the inception of such renewal term.
- 1.5. Option to Reduce Space. Provided that Lessee is not in default of any of the terms and conditions hereof, Lessee shall have the right to terminate its lease obligations with respect to Premises A and Premises B subject to the following additional conditions:
 - (a) Such termination may only be exercised through May 31, 2006 and may only be exercised by giving sixty (60) days notice in advance of the effective date of termination.
 - (b) Such termination may only be exercised only if (i) the Current Premises is not under lease upon the effective date of termination; or (ii) Lessor and Lessee mutually agree to a re-configuration of the remaining Premises.

- (c) When Lessee provides notice, it shall advise Lessor of the areas of space it would prefer to delete from the Premises and thereafter Lessor will, in cooperation with Lessee, determine the precise areas to be deleted, any such area to be deleted being subject to Lessor's discretion.
 - (d) On such exercise of this Option, Lessee will pay all deferred amounts due under the Lease. Such amount will be paid along with the notice of exercise.
- 1.6. Time is of the Essence. Time is of the essence in the exercise of the Option provided to Lessee. Any failure to timely exercise will cause the Option to be null and void.

Article 2: Annual Base Rent and Security Deposit

- 2.0. Annual Base Rent. The Base Rent shall be as set out in the Basic Lease Information. All sums due and from Lessee hereunder shall be due and payable on the first day of each month during the term hereof at 8360 W. Sahara Avenue, Suite 230, Las Vegas, Nevada 89117 or such other place as Lessor may designate in writing.
- 2.1. Interest and Late Fees. Lessee acknowledges that late payment will cause Lessor to incur costs and expenses, the exact amount of which is difficult to fix. Therefore, Lessee will pay Lessor a late charge of five percent (5%) of any delinquent installment or unpaid balance, not paid within seven (7) days of when due. An additional charge of Fifty Dollars (\$50.00) shall be assessed for each rent check returned for insufficient funds. Further, all amounts of money payable by Lessee to Lessor hereunder, if not paid within seven (7) days of when due, will bear interest from the due date until paid at the rate of ten percent (10%) per annum (or the maximum legal rate, whichever is less).
- 2.2. Net Lease. It is understood that the rent due under this Lease is to be totally net to the Lessor without any right of abatement, deduction or set-off of any nature whatsoever.
- 2.3. Security Deposit. A deposit, as set out in the Basic Lease Information, payable to Lessor is delivered herewith to be held by Lessor as a security deposit without interest and will be returned to Lessee upon full compliance with and subject to the terms and conditions of this Lease. If Lessee fails to comply with the provisions hereof, such deposit may be retained by Lessor in payment for any expenses or damages incurred by Lessor, including, but not limited to, expenses or damages caused by Lessee's failure to deliver the Premises to Lessor upon the termination of this Lease in the state required by this Lease, but such retention shall not limit or preclude Lessor's right of action for damages or other remedies for breach of the provisions of this Lease. If Lessor shall so use, apply or retain the whole or any part of the security deposit, Lessee, upon demand, shall immediately deposit with Lessor a sum equal to the amount so used, as security hereunder, failing which Lessor shall have the same rights and remedies as for the non-payment of rent beyond the applicable grace period. In the event of the sale, transfer or leasing of Lessor's interest in the Premises, Lessor shall have the right to transfer the unapplied part of the security deposit to the vendee, transferee or lessee and, provided that such vendee,

transferee or lessee has agreed in writing to assume full responsibility with respect to such security deposit, Lessor shall thereupon be released by Lessee from all liability for the return or payment thereof, and Lessee shall look solely to the new vendee, transferee or lessee for the return or payment of same. Lessee shall not assign or encumber the monies deposited herein as security, and neither Lessor nor its successors or assigns shall be bound by any such assignment.

- 2.4. Amount Paid Upon Execution Lease. Lessee shall, on or before the date Lessee executes this Lease, pay to Lessor the security deposit described in the Basic Lease Information and the first month's installment of annual base rent, per the Basic Lease Information.

Article 3: Use, Occupancy and Utilities

- 3.1 Use. Lessee covenants and agrees that said Premises will be used for the purposes set out as Permitted Use in the Basic Lease Information, and no other. Lessee further agrees that it will not use or occupy said Premises for any unlawful purpose; that it will not use or permit the Premises to be used in violation of any federal or state environmental, or other law, order or regulation of any governmental authority relating to the use or occupancy of said Premises; that if any use by Lessee of the Premises increases the insurance rates thereon, Lessee will pay to Lessor the amount of increases in premium caused by such increase in rates; that it will permit said Lessor, or its agents, to enter upon said Premises at all reasonable times, to examine the condition thereof.
- 3.2. Acceptance. Lessee has examined the Premises prior to and as a condition precedent to its acceptance and the execution hereof, and is satisfied with and accepts the physical condition of the Premises, as is, as of the date hereof, and its taking possession will be conclusive evidence of its receipt thereof in good order and repair, including, but not limited to, walls, all overhead doors, overhead door motors (if applicable), service doors, dock levelers, dock cushions (if applicable), bulbs, ballasts, lights, heaters, restrooms, office ceilings (if applicable), office floor tile or carpet and walls (if applicable), and all heating, ventilation and air conditioning systems (if applicable), except as otherwise specified herein, and agrees and admits that no representation as to the condition or repair thereof has been made by Lessor or its agent, which is not expressed or endorsed hereon; and Lessee likewise agrees and admits that no agreement or promise to repair or improve said Premises, either before or after the execution hereof, not contained herein, has been made by Lessor or its agent.
- 3.3. Compliance with Laws, etc. Lessee, at its sole cost and expense, will comply, and shall cause the Premises to comply with, (a) all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting any part of the Premises, or the use thereof, including, without limitation, those which require the making of any structural, unforeseen or extraordinary changes, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereinafter enacted and involve a change of policy on part of the governmental body enacting the same, and (b) all rules, orders and regulations of the National Board of Fire Underwriters, Lessors Casualty Insurer(s) and other applicable insurance rating

organizations or other bodies exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions which apply to the Premises. Lessee will neither commit nor permit waste upon the Premises. Lessee shall indemnify and hold Lessor harmless from and against all liability threatened against or suffered by Lessor or Lessee as a result of its breach of the foregoing obligations.

- 3.4. Utilities. Lessee shall pay all bills and charges for gas and electric current which may be assessed or charged against the occupant of said Premises during said term or any extension thereof. Lessee shall, prior to taking possession of the Premises, cause the electric meter and the gas meter to be placed in the name of Lessee, identified in the Basic Lease Information. Lessor may, in its sole discretion, sub-meter water usage for the Premises at Lessor's sole cost and, thereafter, Lessee shall pay Lessor for water usage based upon the sub-meter reading for the Premises promptly with the next installment of rent and all subsequent installments of rent. Lessee shall be solely responsible for all costs and expenses for all telephone, alarm, computer or other services, systems and installations.
- 3.5. Reservation of Rights. Lessor reserves to itself the right, from time to time, to grant such easements, rights and dedications that Lessor deems necessary or desirable, and to cause the recordation of plats and restrictions, so long as such easements, rights, dedications, plats and restrictions do not unreasonably interfere with the use of the Premises of Lessee.

Article 4: Maintenance and Repairs

- 4.1. Lessee's Obligations. Lessee shall keep the said Premises in a clean, sightly and healthful condition, and in good repair, except as hereinafter provided, all at its own expense, and shall yield the same back to Lessor upon termination of the said Lease, whether such termination shall occur by expiration of the term hereof or in any other manner whatsoever in the same condition of cleanliness, repair and sightliness as at the date of the execution hereof, including, but not limited to, walls, all overhead doors, overhead door motors (if applicable), service and other doors, dock levelers, dock cushions (if applicable), bulbs, ballasts, lights, heaters, restrooms, office ceilings (if applicable), office floor tile or carpet and walls (if applicable), and all heating, ventilation and air conditioning systems (if applicable), loss by fire or by the elements, and reasonable wear and tear excepted. If, however, the Premises are not kept in good repair and in a clean, sightly and healthful condition by Lessee, as aforesaid, Lessor or its agents, servants or employees may enter the Premises without such entering causing or constituting a termination of this Lease or an interference with the possession of the Premises by Lessee, and Lessor may replace the same, in the same condition of repair, sightliness, healthfulness and cleanliness as existed at the date of execution hereof, and Lessee agrees to pay Lessor, in addition to the rent hereby reserved, the expenses of Lessor in thus replacing the Premises in that condition. Lessor may provide Lessee with a list of items to be repaired by Lessee prior to vacating the Premises. In the event Lessee fails to make the repairs prior to vacating the Premises, then Lessor may make such repairs, and Lessee shall pay for all costs thereof within five (5) days of Lessor's submitting a bill.

- 4.2. Lessor's Obligations. Subject to Lessee's obligations under Section 4.1 above or as otherwise provided in this Lease, Lessor shall keep all structural portions of the said Premises, including foundations, walls (except interior demising walls), floors, stairways, roof and roof drains and exterior portions thereof, in good repair and order, except if damage to such structural portions of the Premises or buildings is caused by Lessee, its employees, customers, agents, licensees or invitees due to its use or occupancy of the Premises, which damage shall be repaired at the sole cost of Lessee, and Lessor shall have access to said Premises at any reasonable time to make said repairs; provided, however, that Lessor shall not be liable to Lessee for any damage or injury to Lessee or to its property, or to third persons or to the property of third persons occasioned by the failure of Lessor to keep said Premises in repair, all claims for any such damages being hereby expressly waived by Lessee.

Article 5: Alterations and Improvements

- 5.1. Alterations and Improvements. Lessee shall make no improvements or alterations to the Premises without the prior written consent of Lessor. In the event Lessee desires to make any alterations or improvements to the Premises, Lessee shall request Lessor's consent in writing, included with Lessee's written request shall be a copy of all plans and specifications for Lessee's proposed improvements or alterations. Lessor shall either grant or deny consent in writing within thirty (30) days of Lessee's written request. If Lessor fails to deny consent within thirty (30) days of Lessee's written request, consent will be deemed granted. All alterations or improvements to the Premises by Lessee shall be made at Lessee's sole cost and expense in a good and workmanlike manner and shall be made in compliance with all federal, state and local laws, regulations, codes and ordinances. Lessee shall obtain all necessary building permits and governmental approvals prior to commencing construction of any improvements or alterations. All alterations and improvements whether installed with or without the prior written consent of Lessor, shall become the property of Lessor at the expiration of this Lease, Lessee's personal property and trade fixtures excepted. Lessee, at Lessor's request, shall remove any alterations or improvements made by Lessee and shall be responsible for all damages to the Premises caused by such removal. Lessee will provide copies of as-built plans to Lessor on completion of any alterations or improvements to the Premises.
- 5.2. Mechanics' Liens. 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 or International Park, nor shall the interest of Lessor in the Premises or International Park be subject to any lien arising from any act or omission of Lessee. If any mechanics' lien or liens shall be filed against the Premises or International Park for work done or materials furnished to Lessee, Lessee shall within forty-five (45) days after it has actual notice of such lien, at its own expense, cause such lien or liens to be discharged by payment of such claims or by filing of bond pursuant to statute.
- 5.3. Indemnification. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, damages, liabilities, suits, actions, judgments, fines, penalties, losses, costs or expenses, including, but not limited to, attorney fees, paralegal fees and court costs, incurred by Lessor as a result, direct or indirect, of Lessee's failure to comply with the terms of Sections 5.1 and 5.2 above.

Article 6: Indemnity and Insurance

- 6.1. Indemnification. Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from the performance of any obligation on Lessee's part to be performed under the terms of this Lease or arising from any negligence of the Lessee, or any of Lessee's agents, contractors, or employees from and against all costs, attorney fees, expenses and liabilities incurred as a result of or in the defense of any such claim or any action or proceeding brought thereon. In the event any action or proceeding be brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises arising from any cause, and Lessee hereby waives all claims in respect thereof against Lessor.
- 6.2. Liability Insurance. Lessee shall provide and maintain during the term hereof, for the benefit of Lessor, its managing agent and Lessee, public liability insurance in the name of Lessee, Lessor and Huntington Development Group, LLC (as additional named insureds) against injury caused to persons or damage to property by reason of its occupancy of the Premises, with a combined single limit of not less than ONE MILLION DOLLARS (\$1,000,000.00) and, in addition, in a like amount covering Lessee's contractual liability under the aforesaid hold harmless clause as provided in Section 6.1 above. The insurance policy shall be in a form and with a company reasonably satisfactory to Lessor and shall carry an endorsement that before changing or canceling any policy the insurance company issuing the same shall give the Lessor at least sixty (60) days prior written notice, and Lessee shall be required to furnish Lessor with an acceptable replacement policy before the effective date of any such cancellation. Lessee shall deliver a certificate evidencing the insurance policy prior to taking possession of the Premises and at such other times as Lessor shall request.
- 6.3. Hazard Insurance. Lessor shall maintain an all risk insurance policy, excluding flood and earthquake perils, for the benefit of Lessor covering International Park, including the Premises. Lessor shall also maintain general liability, umbrella liability and loss of rent insurance for the benefit of Lessor covering International Park including the Premises. Said insurance shall be in such amounts and with such companies as Lessor may deem necessary in its discretion.
- 6.4. Waiver of Subrogation. Lessee and Lessor each hereby waive any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party for its property or the property of others under its control to the extent that such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. The insuring party shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

Article 7: Taxes and Other Charges

- 7.1. Personal Property Taxes. Lessee shall be solely responsible for and shall pay all personal property taxes assessed against all personal property, equipment, inventory, and trade fixtures owned by Lessee and located upon the Premises which accrue during the term of this Lease.
- 7.2. Real Property Taxes, Special Assessments and Other Fees. Lessee shall pay as additional rent its Prorated Share of real property taxes (which shall include all taxes, levies, fees or charges related to the real estate or providing of services, facilities, whether or not now customary or within the contemplation of the parties) special assessments and other fees (hereinafter called "Taxes"). Lessor may bill Lessee for Taxes on a monthly estimated basis and adjust to actual annually. If Lessor, in its sole discretion, successfully pursues and secures a reduction in property taxes, Lessee shall share in that reduction on a pro-rata basis less Lessee's proportionate share of reasonable costs and expenses, including attorney fees associated with obtaining such reductions. Real property taxes, special assessments and other fees shall include all special user fees and/or charges for municipal or other services provided to the Premises or to International Park, as well as any sales or other taxes and rents.

Article 8: Common Areas and Operating Costs

- 8.1. Use of Common Areas. Lessee and its officers, agents, servants, licensees, invitees, customers, suppliers and patrons shall have the non-exclusive right, in common with the Lessor and all other tenants of the complex to whom Lessor has granted or may hereafter grant rights, to enjoy throughout the term those areas and facilities which the Lessor may provide for common use on the property. Such areas shall include, but shall not be limited to, the parking areas, access roads and facilities, interior corridors, sidewalks and driveways. Such common areas shall be under and subject to the exclusive control and management of the Lessor, and Lessee may not use such common areas for the storage of vehicles, trailers, merchandise, refuse (except for Lessee's trash dumpsters) or any other items for any period of time. If Lessee shall use any common areas for storage of any items, Lessee shall pay all fines imposed upon Lessor and/or Lessee by the fire, building or other regulatory departments, and Lessee shall pay all costs to clean and dispose of Lessee's refuse. Lessee shall not store pallets, drums or other containers outside of the Premises (except for Lessee's trash dumpsters). In the event Lessee shall store such items outside of the Premises in violation hereof, Lessor may dispose of them, and Lessee shall pay to Lessor a disposal fee equal to twenty-five dollars (\$25.00) for each pallet and other container, and fifty dollars (\$50.00) for each drum, plus additional costs of testing and special disposal, if required. If Lessee shall store vehicles or trailers outside the Premises it shall pay a fifty dollar (\$50.00) fee per month per trailer or vehicle. Lessor shall have the right from time to time to establish and enforce reasonable rules and regulations with respect thereto. The Lessor reserves the right from time to time to enlarge or diminish or otherwise alter or modify any of the common areas so long as, in the reasonable judgment of the Lessor, adequate common areas are made available for the use and convenience of the tenants of the complex and access to the Premises is not significantly impaired.

- 8.2 Operating Costs. Lessee shall pay as additional rent its Prorated Share of all costs to operate and maintain the International Park complex, including all common areas. Such costs shall include, but not be limited to: water and sewer charges (unless separately sub-metered) and other utilities, security, snow plowing, landscaping, sweeping and janitorial expenses, office expenses, management fees, electrical, plumbing, sprinkler, and HVAC repair and maintenance, other repairs and maintenance, roadway and parking lot repairs and resurfacing; common signage, painting, fence and gate repair, rubbish removal, mowing and weed removal, lighting maintenance and repairs, labor, supervision and other common area costs plus a five percent (5%) administrative overhead fee calculated on the total common area costs. Lessor may bill Lessee for common area costs monthly on an estimated basis and adjust to actual annually.

Article 9: Condemnation

- 9.1. Taking. If the Premises are taken by eminent domain or sold to any entity having the power of eminent domain under threat of condemnation, this Lease shall terminate on the day on which the condemnor or buyer takes possession thereof. In the event of such taking or sale of only a part of the Premises, which taking or sale shall substantially interfere with the Lessee's use or occupancy thereof, the Lessee may terminate this Lease by giving the Lessor written notice thereof not more than ten (10) days after the condemnor or buyer takes possession of the part taken or sold. If a partial taking or sale shall not substantially interfere with the Lessee's use or occupancy of the Premises, or if the Lessee does not terminate the Lease as herein before provided, then on the day on which the condemnor or buyer takes possession of the part taken or sold, the rent thereafter accruing shall be reduced in proportion to the value of the part of the Premises so taken or sold, and the Lessor shall, to the extent practicable, restore the remaining Premises to its condition prior to such partial taking or sale.
- 9.2. Award. All awards for the taking of any part of the Premises or any payment made under the threat of the exercise of power of eminent domain shall be the property of Lessor, whether made as compensation for the diminution of value of the leasehold or for the taking of the fee or as severance damages; provided, however, the Lessee shall be entitled to any award for loss or damage to Lessee's trade fixtures, removable personal property, any award for relocation expenses and any award for any other items which are separately compensable to Lessee and do not diminish the award or payment with respect to the taking of the Premises. Except in regard to the damages specifically reserved to Lessee herein, Lessee hereby irrevocably assigns, transfers and sets over to the Lessor all rights of Lessee to any award or payment on account of any taking and irrevocably authorizes and empowers Lessor in the name of Lessee or otherwise to file and prosecute what would otherwise be Lessee's claim for any such award payment and to collect, receipt for and return the same. In the event this Lease is terminated as provided herein, Lessee shall not have any claim against Lessor for the value of the unexpired term hereof.

Article 10: Damage or Destruction

- 10.1. Damage. If the Premises, or other areas within International Park or any part thereof, shall be damaged by fire or other cause to the extent of fifty percent (50%) or less of the replacement cost thereof, and such damage cannot be reasonably replaced or restored within one hundred eighty (180) days after such damage in substantially the same condition as existed as of the date of such damage, or if fire or other casualty shall damage the Premises within the final twelve (12) months of this Lease, or if Lessor shall determine that repair or restoration is not economically justified, then in any such case, Lessor may terminate this Lease by giving written notice to Lessee within thirty (30) days after such damage.
- 10.2. Destruction. If the Premises or International Park, or any part thereof, shall be damaged by fire or other cause to the extent of fifty percent (50%) or more of the replacement cost thereof, and such damage cannot be reasonably replaced or restored within one hundred eighty (180) days after such damage in substantially the same condition as existed as of the date of such damage, then either Lessor or Lessee may terminate this Lease by giving the other written notice within thirty (30) days after such damage.
- 10.3. Restoration. If said Premises can be reasonably repaired by Lessor within the above-described time periods, and Lessor shall not have terminated this Lease pursuant to the foregoing, then this Lease shall not terminate and the rent payable hereunder shall abate in proportion to the amount of the Premises rendered untenable thereby from the date of damage or destruction until the date said Premises are restored or repaired by Lessor in substantially the same condition as existed prior to such damage.

Article 11: Environmental Matters

- 11.1. Environmental Covenant. Lessee agrees that it shall not construct, deposit, store, dispose, place or locate in the leased Premises or anywhere in International Park, any material, element, compound, solution, mixture, substance or other matter of any kind, including solid, liquid or gaseous material, that: (i) is a hazardous substance as defined in the Federal Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601, et. seq., the regulations promulgated from time to time thereunder, environmental laws administered by the United States Environmental Protection Agency and similar laws and regulations of the State of Indiana, County of Allen, or any other governmental organization or agency; (ii) contains in any form asbestos; or (iii) may cause or contribute to the damage of the public health or environment.
- 11.2. Compliance with Environmental Laws, etc.. Lessee shall comply with any and all laws, regulations, codes and requirements with regard to the storage and disposal of materials used in the conduct of Lessee's business upon the Premises. Lessee further agrees to comply with any and all requirements of Lessor's insurance carrier and any independent environmental consultants employed by Lessor with regard to the storage and disposal of materials used in the conduct of Lessee's business upon the Premises. Lessee agrees to provide documentation evidencing its compliance with this paragraph to Lessor.

- 11.3. Environmental Indemnification. Lessee agrees to indemnify, defend and hold Lessor harmless from and against any and all claims, demands, liabilities, damages, suits, actions, judgments, fines, penalties, losses, costs and expenses (including, without limitation, attorney fees and paralegal fees) arising or resulting from, or suffered, sustained or incurred by Lessor as a result (direct or indirect) of the breach by Lessee of the covenants contained in Sections 11.1 and 11.2 above. The indemnity contained herein shall survive the termination of this Lease.

Article 12: Default and Remedies

- 12.1. Lessee's Default. If said rent, or any part thereof, shall at any time be in arrears and unpaid, and without any demand being made therefor; or if said Lessee shall fail to keep and perform any of the covenants, agreements or conditions of this Lease, on its part to be kept and performed, and such default is not cured within five (5) days for monetary default, other than non-payment of rent, thirty (30) days for non-monetary defaults, after written notice from Lessor setting forth the nature of such default; or, if said Lessee shall be adjudged a bankrupt, or shall make an assignment for the benefit of creditors, or if the interest of said Lessee hereunder shall be sold under execution or other legal process, or if Lessee shall file a voluntary petition in bankruptcy, or shall be placed in the hands of a receiver, Lessee shall be deemed in default.
- 12.2. Lessor's Remedies. In the event Lessee shall be in default, it shall be lawful for Lessor, its heirs or assigns, without notice or process of law, to enter into said Premises, and again have, repossess and enjoy the same as if this Lease had not been made, and thereupon, this Lease and everything herein contained on the part of said Lessor to be done and performed shall cease, terminate and be utterly void, all at the election of Lessor; without prejudice, however, to the right of the Lessor to recover from said Lessee, or assigns, all rent due up to the time of such entry. In case of any such default and entry by Lessor, Lessor may relet said Premises for the remainder of said term for the highest rent obtainable and may recover from Lessee any deficiency between the amount so obtained, and the rent herein above reserved plus brokerage commissions and reasonable attorney fees. Failure on the part of Lessor to avail itself of any right or remedy hereunder shall not constitute a waiver thereof as to any future default or breach by Lessee, its heirs and assigns.
- 12.3. Lessor Default. In the event of any default by Lessor under this Lease, Lessee agrees to look solely to the equity or interest then owned by Lessor in the Premises, and in no event shall any deficiency judgment or personal money judgment of any kind be sought or obtained against Lessor.

Article 13: Mortgage, Subordination and Estoppel Certificates; Assignment/Subletting

- 13.1. Subordination. Lessor may at any time mortgage the Premises, or any part thereof, and this Lease shall be subordinate to the lien of any such mortgage; and Lessee agrees to execute any documents which may be required by any lending institution for the purpose of such a subordination.

- 13.2. Estoppel Certificates. Lessee agrees to execute such estoppel certificates as may be required by Lessor, lending institutions or prospective purchasers within five (5) days of Lessor's written request.
- 13.3 Assignment or Subletting. Lessee shall not voluntarily or involuntarily assign, sublease or otherwise transfer this Lease or any interest hereunder, or permit the use or occupancy of the Premises or any part thereof by any entity other than Lessee, without the prior written consent of Lessor, not to be unreasonably withheld. If Lessor consents, Lessee will nevertheless remain liable under the terms of this Lease, and Lessee's assignee, sublessee or other occupant shall comply with all the terms, provisions and conditions of this Lease and be bound to Lessor for the performance thereof as if such assignee, sublessee or other occupant originally executed this Lease. Any consent by Lessor shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease, nor does it constitute a waiver of any of Lessor's other rights.

Article 14: Miscellaneous

- 14.1. Quiet Enjoyment. Lessor, for itself, and for its heirs and assigns, hereby covenants and agrees with Lessee that said Lessee, paying the rents, and keeping and performing the covenants of this Lease on its part to be kept and performed, shall peaceably and quietly hold, occupy and enjoy said Premises during said term, without any hindrance or molestation by Lessor or any person or persons lawfully claiming under it, and Lessor shall pay all taxes and assessments levied against the leased Premises.
- 14.2. Rules and Regulations. Lessee agrees that it will abide by, keep and observe all reasonable rules and regulations which Lessor may make from time to time for the management, safety, care and cleanliness of the building and grounds, in the parking of vehicles and the preservation of good order therein as well as for the convenience of other occupants and tenants. Lessee shall provide one sign for the Premises to be approved by Lessor in its sole and absolute discretion consistent with other tenants' signs within the complex. The violations of any such rules and regulations shall be deemed a material breach of this Lease by Lessee.
- 14.3. Notices. Any notice to be given under this Lease shall be made in person or by certified mail to Lessor and Lessee at the addresses set out in the Basic Lease Information, or to such other address as may be given by either party in writing, in person or by certified mail. Notice, if made by certified mail, shall be deemed given on the date of postmark.
- 14.4. Brokers. Lessee hereby represents that in the negotiation of this Lease Agreement, it dealt with no real estate broker except those set out in the Basic Lease Information. Lessee shall indemnify and hold Lessor harmless from all broker claims except those brokers indicated above.
- 14.5. Time of the Essence. Time is and shall be of the essence of this Lease and of each term or provision hereof.

- 14.6. Severability. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.
- 14.7. Headings. The headings of the articles of this instrument are for convenience and reference only and the words 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 Lease.
- 14.8. Memorandum. This Lease shall not be recorded. In the event Lessor elects, the parties shall execute a memorandum of lease to be recorded in lieu thereof.
- 14.9. Lease Binding. This Lease and the covenants herein contained shall extend to and be binding upon the heirs, executors and successors of the parties to this Lease. This Lease shall be governed by the laws of the State of Indiana.
- 14.10. Waiver of Trial by Jury. It is mutually agreed by and between Lessor and Lessee that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, Lessee's use of or occupancy of said Premises, and any emergency statutory or any other statutory remedy.
- 14.11. Entry by Lessor. Lessor shall have the right to enter the Premises to: (a) inspect the Premises; (b) exhibit the Premises to prospective purchasers, lenders or tenants; (c) determine whether Lessee is performing all of Lessee's obligations; (d) supply any service to be provided by Lessor; (e) post notices of nonresponsibility; and (f) make any repairs to the Premises, or make any repairs to any other portion of the Complex.
- 14.12. Confidentiality. Lessee shall keep the contents of the Lease and the terms and conditions of its tenancy confidential and shall not disclose the contents of the Lease or any terms or conditions in any manner whatsoever, except that: (i) Lessee may make any disclosure of information contained in the Lease to which Lessor gives its prior written consent; and (ii) any information contained in the Lease may be disclosed to Lessee's representatives who need to know that information for the purpose of assisting Lessee in connection with its business at the Premises and who agree in writing to keep that information confidential. Lessee may be responsible for any breach of the provisions of this section by any of its representatives. The term "representatives," as used in this section of the Lease, means Lessee's directors, officers, partners, employees, attorneys, accountants and bankers. Lessee agrees to protect, indemnify, defend and hold harmless Lessor from any damages or other adverse consequences that Landlord may incur or suffer as a result of the breach of the covenants contained in this section. A breach of this section constitutes a default of this Lease.
- 14.13 Lessee Improvements.

- (a) *Condition of Premises.* Lessor has no obligation to alter, remodel or improve the Premises in any way. Lessee agrees to accept the Premises in an "as is" condition.
- (b) *Plans.* Lessee shall submit to Lessor, on or before thirty (30) days after the date of this Lease, plans for its intended Improvements. Within ten (10) days after the receipt of Lessee's plans, Lessor, by notice in writing addressed to Lessee, shall indicate Lessor's approval of them or clearly specify any objections to them, the objections in all events to be reasonable. The work to be performed by Lessee as described in the plans therefor and approved by Lessor as provided above are herein referred to as "Lessee's Work." Lessee shall bear all costs of preparing the plans. Lessor's approval of the plans shall not constitute an opinion or agreement that they are in compliance with law (it being agreed that such compliance is solely Lessee's responsibility), nor shall such approval impose any present or future liability on Lessor or waive any of Lessor's rights under the Lease. Lessee shall provide Lessor with two (2) sets of the plans.
- (c) *Workmanship.* Lessee shall, to the reasonable satisfaction of Lessor, commence, construct, perform and complete all Lessee's Work in a good and workmanlike manner, in complete accordance with the drawings approved by Lessor.
- (d) *Lease Applicability During Lessee's Work.* At all times during Lessee's Work, all the provisions, covenants and conditions of the Lease shall be applicable to the Premises other than those requiring payment of rent relating solely to the Premises.
- (e) *Permits.* Prior to commencement of construction of Lessee's Work, Lessee shall obtain, at its sole cost and expense, all permits and licenses and other consents and approvals of all governmental authorities as may be required in connection with Lessee's Work, and shall deliver copies thereof to Lessor. Lessee shall, at its sole cost and expense, furnish to Lessor all certificates and approvals with respect to work done by Lessee or on Lessee's behalf that may be required from any governmental authority for the issuance of a certificate of occupancy for the Premises, and shall obtain such certificate and furnish Lessor with a copy of such certificate prior to the Commencement Date.
- (f) *Compliance with Law.* Lessee's Work and all of Lessee's trade fixtures and equipment shall be performed, constructed and installed in accordance and in full compliance with all applicable governmental requirements, including, without limitation, all applicable laws, statutes, codes, ordinances and governmental rules, regulations and orders, as well as reasonable rules and regulations established by Lessor. Lessee's Work shall be performed without interference and disruption to Lessor or other tenants.
- (g) *Approval of Contractor.* Any contractor used by Lessee to perform Lessee's Work pursuant to this section must first be approved in writing by Lessor,

which approval shall not be unreasonably withheld. Such approval shall be in Lessor's sole discretion, based on the proposed contractor's financial condition, reputation and workmanship, but no such approval shall relieve Lessee of any of its other obligations hereunder or impose any liability upon Lessor. In connection with the performance of Lessee's Work or the use and occupancy of the Premises, Lessee shall not permit anything to occur which directly or indirectly interferes in any way with the use and occupancy of any tenant or the normal operations of International Park.

- (h) *Lessee's Allowance.* Lessor shall provide to Lessee an allowance in the sum of up to a maximum of Forty Thousand Dollars (\$40,000.00), which shall be used by Lessee toward the cost of construction of Lessee's Work ("Lessee's Allowance"). Lessee's Allowance may only be used for leasehold improvements that become part of the Premises, it being specifically understood and agreed that no portion of the Lessee Allowance may be used for removable trade fixtures, equipment, furniture or other personal property. All improvements constructed with Lessee's Allowance dollars shall become part of the Premises, and title thereto shall vest in Lessor upon installation. All costs of Lessee's Work that exceed Lessee's Allowance shall be paid by Lessee. Lessee hereby expressly grants Lessor an offset and deduction against Lessee's Allowance for all delinquent costs, payments and expenses Lessee is obligated to pay Lessor pursuant to the Lease or otherwise due and owing to Lessor. Lessee is not entitled to a cash allowance under any circumstance.

Lessee's Allowance shall be due and payable when: (i) Lessee's Work has been performed in accordance with the provisions of this section; (ii) Lessee has executed such certificates as shall be reasonably required by Lessor or any mortgagee of Lessor; and (iii) Lessee has furnished Lessor with a written certificate of the actual third party cost of Lessee's Work, together with evidence of such cost as Lessor shall require. Then, when and if each condition contained in the foregoing items (i) through (iii) inclusive hereof, has been complied with in full, Lessor shall pay to Lessee the amount therefor, up to a maximum of Lessee's Allowance. Lessee expressly agrees that it shall repay Lessor the Lessor Allowance in equal installments over a twenty-four (24) month period commencing on the earlier to occur of (i) Lessee's commencement of production within Premises C or (ii) May 1, 2005. The monthly amount is \$1,666.67 and is in addition to all other monetary rental obligations Lessee has pursuant to this Lease.

- 14.14 Exhibits. Exhibits 1, A, B, C, D, E and F are attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement effective as of the day and date first written above.

"Lessee"
CREATIVE COATINGS, INC.

By: Randall R Geist
Print: RAWDALL R GEIST
Its: CHAIRMAN

"Lessor"
WAYNE COLISEUM LIMITED PARTNERSHIP

By: [Signature]
Print: Brian Wende
Rochelle Realty Corp.,
General Partner

STATE OF Indiana

COUNTY OF Whitley ss:

I, Tricia J. Morton, a Notary Public for said County and State, certify that Randall R. Geist, personally came before me this day, and acknowledge that (s)he is chairman of Creative Coatings, Inc a Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its chairman.

Witness my hand and official seal, this 15th day of October, 2004.

Tricia J. Morton
Notary Public

My Commission expires:
10-15-2009

STATE OF CA

COUNTY OF Los Angeles ss:

I, Sonia Metz, a Notary Public for said County and State, certify that Brian Wende personally came before me this day, and acknowledged that he is ASST. Sec of Rochelle Realty Corp., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ASST. Sec

Witness my hand and official seal, this _____ day of _____, 200 .

[Signature]
Notary Public

My Commission expires:
AUG 2, 2005



279163

EXHIBIT A.

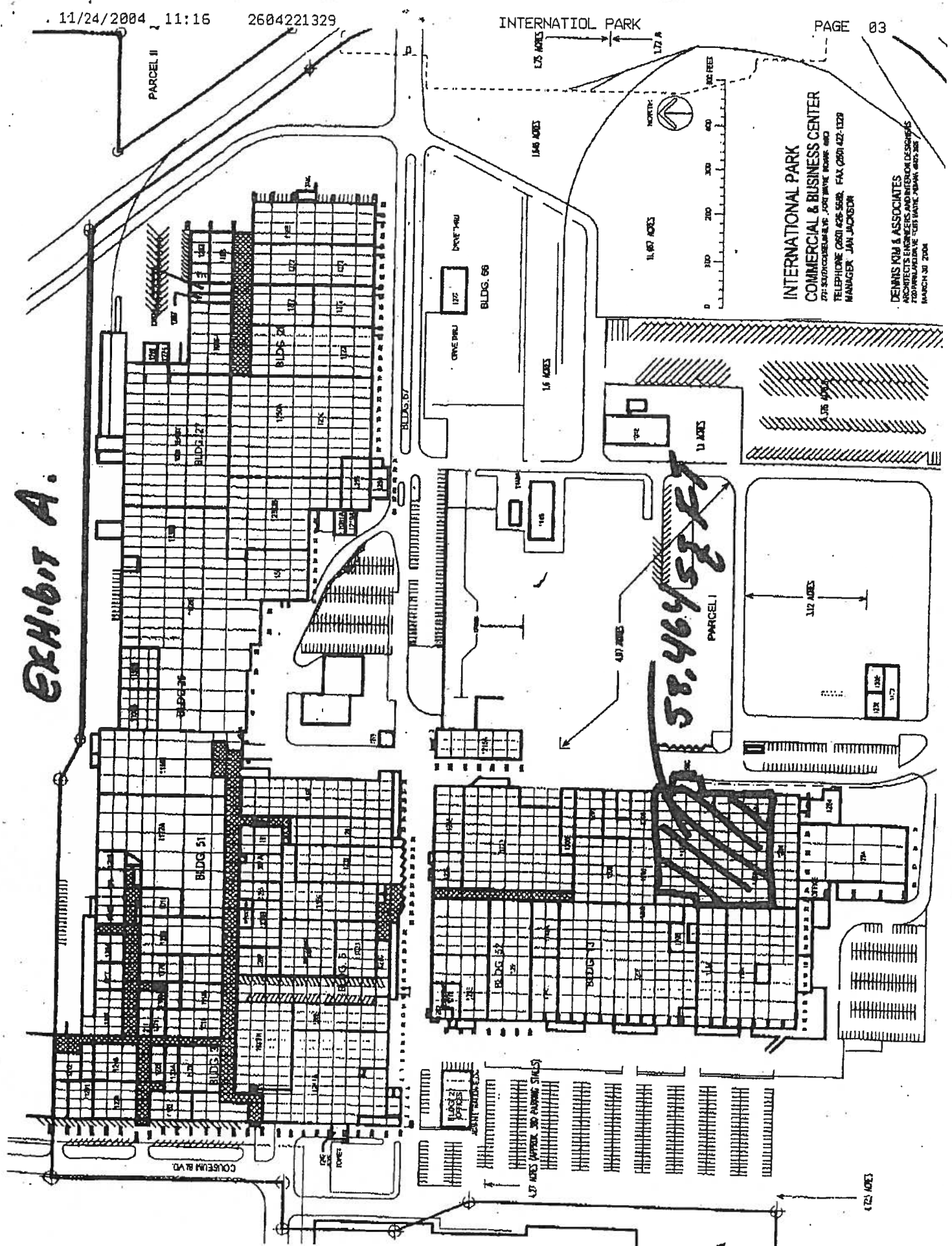
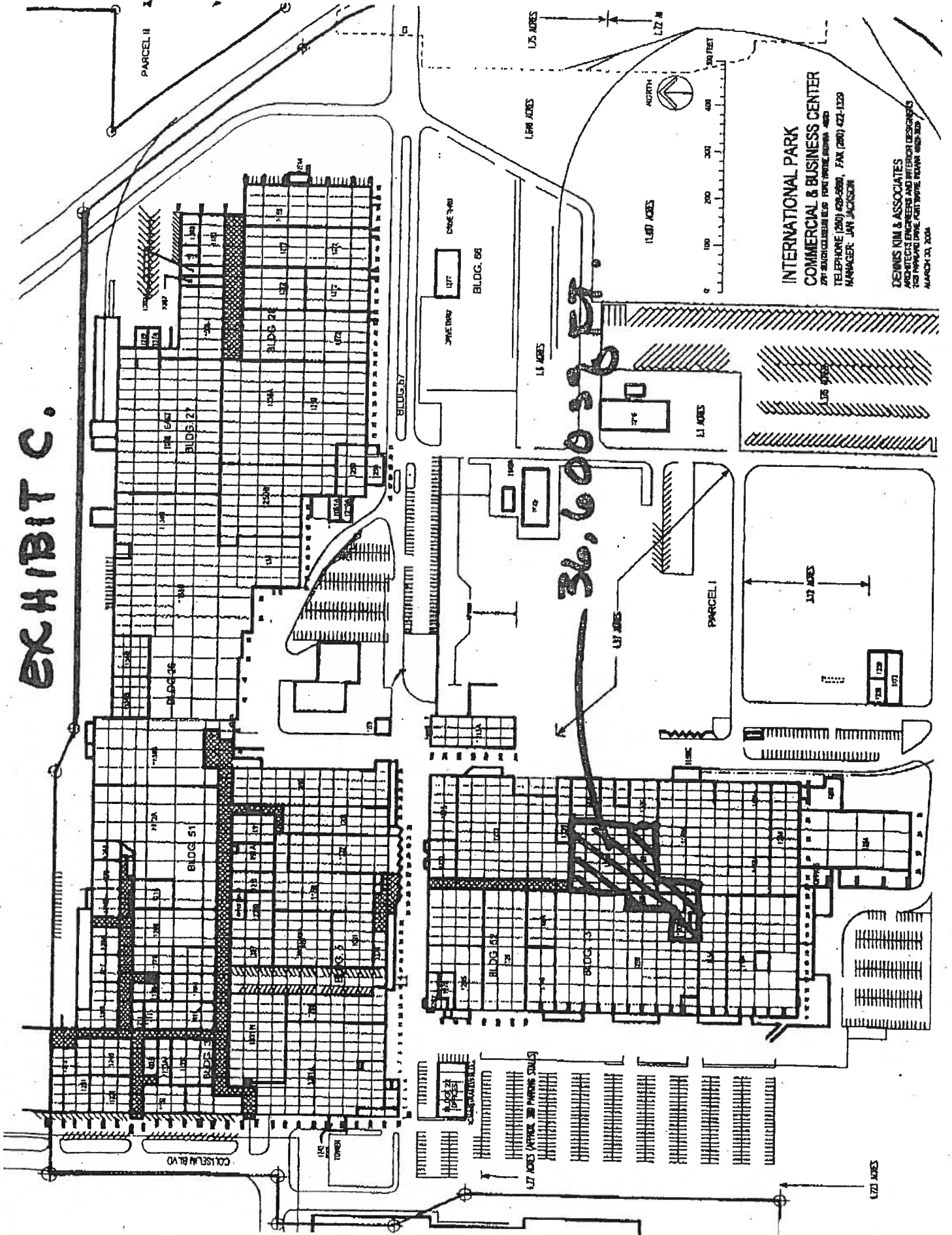


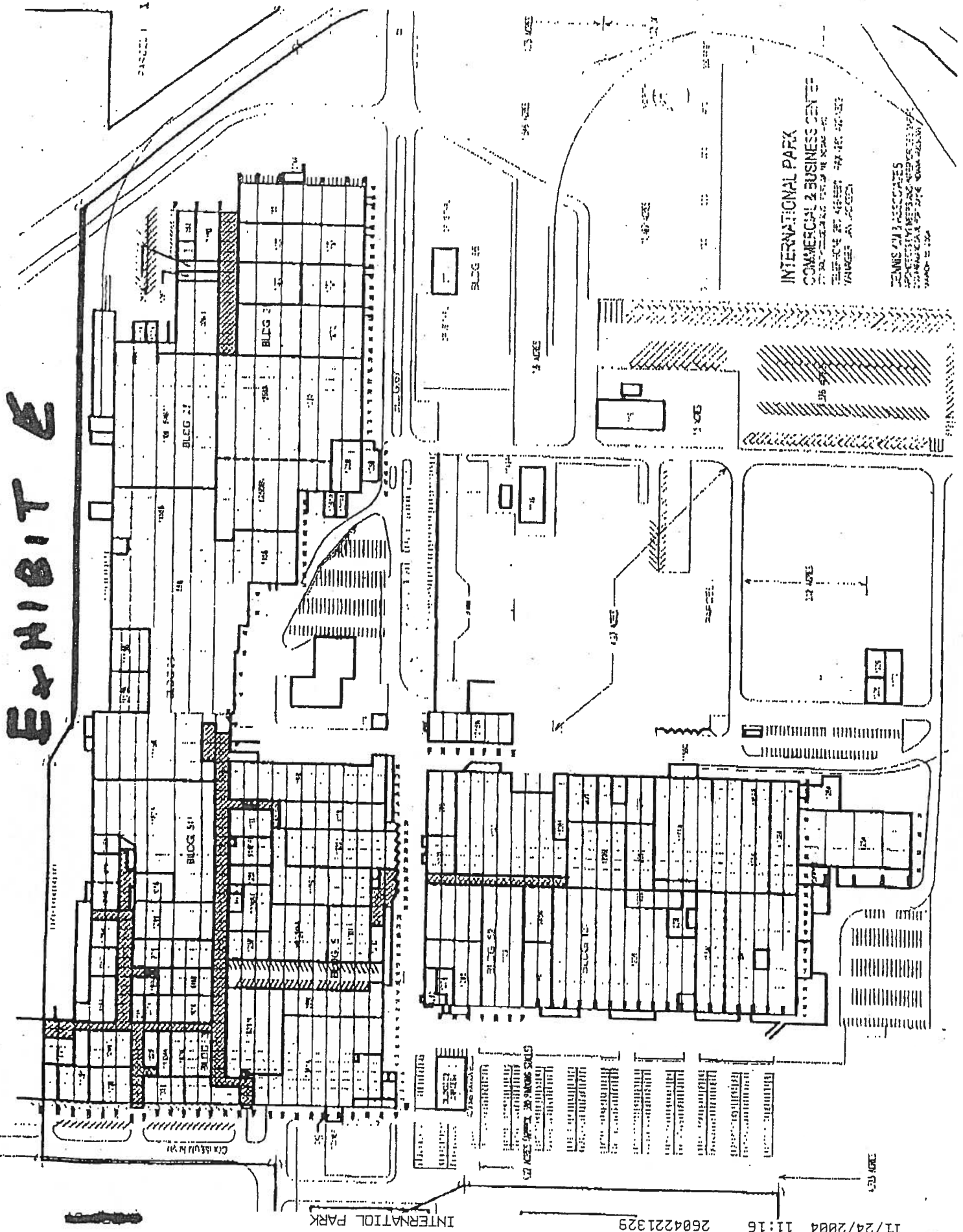
EXHIBIT C.



INTERNATIONAL PARK
COMMERCIAL & BUSINESS CENTER
 2715 SUGARCREST BLVD. FORT WORTH, TEXAS 76103
 TELEPHONE (281) 428-8888, FAX (281) 422-1129
 MANAGER: JAY JACKSON

DEWIS KIM & ASSOCIATES
 ARCHITECTS ENGINEERS AND INTERIOR DESIGNERS
 200 HAWK DR. FORT WORTH, TEXAS 76102
 MARCH 23, 2004

EXHIBIT E



**INTERNATIONAL PARK
COMMERCIAL & BUSINESS CENTER**
 2700 INTERNATIONAL PARKWAY, SUITE 1000
 WASHINGTON, DC 20007
 PHONE: 202-462-1100 FAX: 202-462-1101
 MANAGER: J. J. COOPER

TENNIS & ASSOCIATES
 2700 INTERNATIONAL PARKWAY, SUITE 1000
 WASHINGTON, DC 20007
 PHONE: 202-462-1100 FAX: 202-462-1101
 MANAGER: J. J. COOPER