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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
FIRST AMERICAN TITLE
BY: ARG, DEPUTY - WI 47 P.

WHEN RECORDED RETURN TO:

J. Gregory Lake, Esq.
Lake & Cobb, P.L.C.
101 N. First Ave., Suite 2000
Phoenix, Arizona 85003

ACCOMMODATION RECORDING ONLY.
FIRST AMERICAN TITLE MAKES NO
REPRESENTATION AS TO CONDITION OF
TITLE, NOR DOES IT ASSUME
ANY RESPONSIBILITY FOR VALIDITY,
SUFFICIENCY OR AFFECT OF DOCUMENT.

CONSENT, NONDISTURBANCE AND ESTOPPEL AGREEMENT

This Agreement made this 7th day of February, 2001, between GREGORY GRANI, ROBERT S. HUTCHISON and STEPHEN MCDANNOLD, each as their sole and separate property, whose address is 2250 South Central Avenue, Rancho Dominguez, California 90220 ("Landlord"), THE WINROC CORPORATION (UTAH), a Utah corporation, whose address is Suite 300, 5824 - 2nd Street SW, Calgary, Alberta T2H 0H2 ("Tenant") and CENTRAL VALLEY WATER RECLAMATION FACILITY BOARD, a regional governmental entity, whose address is 800 West Central Valley Road, Salt Lake City, Utah 84119-3379 ("Prime Landlord").

1. Landlord and Prime Landlord have entered into a Ground Lease Agreement ("Prime Lease") dated November 1, 1993, by which Landlord leases from Prime Landlord that property (the "Property") legally described on Exhibit "A".

2. Landlord and Tenant have entered into a certain Sublease (the "Sublease") by which Landlord subleases the Property to Tenant.

3. Prime Landlord hereby consents to the Sublease and the Tenant's use and occupancy of the Property under the terms and conditions set forth in the Sublease. So long as Tenant is not in default in the performance of any of the terms of the Sublease beyond any grace or cure periods provided for therein, the parties agree that in the event the Prime Lease is canceled or terminated or it expires for any reason prior to the termination or expiration of the Sublease, Tenant shall be bound to Prime Landlord under all of the terms of the Sublease for the balance of the term thereof remaining with the same force and effect as if Prime Landlord were the Landlord under the Sublease, and Tenant shall attorn to Prime Landlord as its Landlord, such attornment and nondisturbance to be effective and self-operative, without the execution of any further instrument on the part of any of the parties hereto, immediately upon the termination, cancellation or expiration of the Prime Lease. Notwithstanding anything herein to the contrary, Tenant shall be under no obligation to pay rent to Prime Landlord until Tenant receives written notice from Prime Landlord that the Prime Lease has terminated. The respective rights and obligations of Tenant and Prime Landlord upon such attornment shall, to the extent of the then remaining balance of the Term (or any Renewal Term) of the Sublease, be the same as now set forth

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therein, it being the intention of the parties hereto for this purpose to incorporate the Sublease in this Agreement by reference with the same force and effect as if set forth at length herein. In the event the Prime Lease is canceled or terminated or it expires for any reason prior to the termination or expiration of the Sublease, Prime Landlord shall be bound to Tenant under all of the terms and conditions of the Sublease.

4. Landlord and Prime Landlord represent as follows:

a. A true and correct copy of the Prime Lease has been delivered, is attached hereto as Exhibit "1", and the Prime Lease is presently in full force and effect and unmodified or unchanged.

b. The term of the Prime Lease commenced on November 1, 1993.

c. All conditions required under the Prime Lease to have been satisfied as of the date hereof have been satisfied.

d. No default exists under the Prime Lease.

e. Prime Landlord has not received notice of any assignment, mortgage or pledge of Landlord's interest in the Prime Lease.

f. The Prime Lease constitutes the entire rental agreement between Prime Landlord and Landlord.

g. Prime Landlord shall give written notice to Tenant of any failure by Landlord to perform or observe any of the covenants, conditions or provisions of the Prime Lease, and Tenant shall have the right, but not the obligation, to cure such failure.

h. Tenant shall be permitted to operate at the Property under the name, The Winroc Corporation or a derivation thereof. *Tenant may use the property for the sale of building products.* *ZAF*

i. Prime Landlord's obligation to indemnify Landlord pursuant to Section 4 of the Prime Lease, shall also be an obligation directly between Prime Landlord and Tenant as if Tenant were Landlord. Notwithstanding the foregoing, this indemnity obligation shall survive only so long as Prime Landlord has an obligation to indemnify Landlord under Section 4 of the Prime Lease. *MSW*

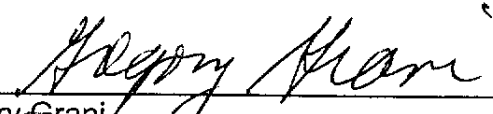
j. Prime Landlord and Landlord hereby consent to Tenant installing storage shelters at the Property.

k. Prime Landlord and Landlord have complied with all requirements of the Uranium Mill Tailings Radiation Control Act of 1978, and the local, state and federal environmental laws applicable to the Property.

5. The rights and obligations hereunder of Tenant, Prime Landlord and Landlord shall bind and inure to the benefit of their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LANDLORD:



Gregory Grani



Robert S. Hutchison



Stephen McDannold

THE WINROC CORPORATION (UTAH), a Utah corporation

By _____
Its _____

By _____
Its _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LANDLORD:

Gregory Grani

Robert S. Hutchison

Stephen McDannold

THE WINROC CORPORATION (UTAH), a Utah corporation

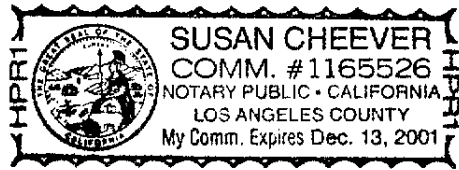
By Paul Vanderberg
Paul Vanderberg, President and C.E.O.

STATE OF California)
) ss.
COUNTY OF Los Angeles)

This instrument was acknowledged before me on this the 8th day of
February, 2001 by Stephen McDannold.

Susan Cheever
Notary Public

My commission expires:
12/13/01



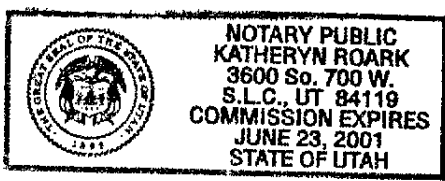
STATE OF _____)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on this the _____ day of
_____, 2001 by _____, the
_____ of THE WINROC CORPORATION (UTAH), a Utah
corporation, on behalf of said corporation.

Notary Public

My commission expires:

STATE OF Utah)
COUNTY OF Salt Lake) ss.



This instrument was acknowledged before me on this the 7th day of February, 2001 by Reed Fisher, the General Manager of CENTRAL VALLEY WATER RECLAMATION FACILITY BOARD, a regional governmental entity, on behalf of said entity.

Kathryn Roark
Notary Public

My commission expires:
June 23, 2001

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EXHIBIT "A"

The following real property is located in Salt Lake County, State of Utah, and is located on the East side of 9th West Street and is more particularly described as follows:

Commencing at the South East Corner of Section 26, Township 1 South, Range 1 West, Salt Lake Base & Meridians; thence as follows:

North 1684.13' and West 1754.60' to the Point of Beginning and thence: S 89°45'47" East 211'; thence N00°14'13" East 405'; thence N89°45'47" West 211'; thence S00°14'13" West 405' to the Point of Beginning. Contains 1.96 acres.

TAX ID NO.: 15-26-402-002-2001

POOR COPY.
CO. RECORDER

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GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Lease") is made and entered into effective this 1st day of November, 1993 by and between CENTRAL VALLEY WATER RECLAMATION FACILITY BOARD, a regional governmental entity created and acting pursuant to Title 11, Chapter 13 of the Utah Code, having offices at 800 West Central Valley Road, Salt Lake City, Utah 84119-3379 (hereinafter "Lessor") and Gregory Grani and Robert S. HUTCHINSON AND STEPHEN MCDANNELO Hutchinson (hereinafter collectively called "Lessee"), 3225 South 900 West, Salt Lake City, Utah 84119.

Handwritten signatures and initials:
 [Signature]
 [Signature]
 HUTCHINSON
 MCDANNELO

R E C I T A L S:

WHEREAS, Lessor owns certain real property comprising approximately 2.0 acres located in the city of South Salt Lake, Utah, as more particularly described hereinafter; and

WHEREAS, Lessor is currently leasing portions of the real property described herein which contains an old warehouse and Lessee would like to expand its current facilities and upgrade the existing warehouse; and

WHEREAS, Lessee desires to lease that certain real property from Lessor and Lessor desires to lease that certain real property to Lessee; and

WHEREAS, Lessor and Lessee desire to enter into this Lease upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties agree as follows:

EXHIBIT 1

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ARTICLE I

DEFINITIONS

The terms defined in this Article shall, for all purposes of this Lease and all agreements supplemental hereto or modifying this Lease, have the meaning herein specified unless that context requires otherwise.

1. "Authorities" means all laws, ordinances, regulations or requirements of the United States, Utah, Salt Lake County or other local governmental or quasi-governmental authorities, or any department, office, or agency of the foregoing now existing or hereafter created.

2. "Fixed Ground Rent" means the annual ground rental payable by Lessee for the Leased Premises in accordance with the provisions of Paragraph 1 of Article IV hereof.

3. "Impositions" means all duties, real estate taxes, charges for water and sewer, governmental levies or excises, license fees, permit fees, inspection fees and other authorization fees, or similar rents, rates, charges, assessments and payments, extraordinary as well as ordinary, whether foreseen or unforeseen (including all interest and penalties thereon), as shall, during the Term of this Lease, be laid, levied, assessed or imposed upon the Land, any rent therefrom, or any use or possession of or any activity conducted on the Leased Premises or any part thereof or any appurtenances thereto, the leasehold estate hereby created, the sidewalk, plazas or streets in front of or adjoining the Leased Premises by virtue of any present or future Authorities.

4. "Land" means the parcel of land consisting of approximately 2.0 acres described in Exhibit "A" hereto, including the old warehouse and all rights of way or use, servitudes, licenses, tenements, hereditaments, appurtenances and easements now or hereafter belonging or pertaining to the Land.

5. "Lease" means this agreement, together with the Exhibits annexed hereto, which are made a part hereof, and all agreements supplemental to or modifying this agreement made contemporaneously herewith or subsequent hereto.

6. "Leased Premises" means the leasehold estate in the Land together with any improvements to be added by Lessee on the Land.

7. "Project" means the business conducted by the Lessees known as Acoustical Products Incorporated which includes but is not limited to the warehousing of acoustical tile products and the selling of the same. The Leased Premises with include warehouse and business office facilities necessary for the business of the Lessees. Such business shall comply with the applicable ordinances of the City of South Salt Lake.

8. "Term" means the period commencing on the date hereof and ending thirty (30) years from the date hereof.

ARTICLE II

PREMISES, TERM AND CONDITION

1. Real Property Leased. For and in consideration of the rents herein reserved, and the agreements, conditions, covenants and terms to be performed on the part of the Lessee,

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Lessor hereby leases to Lessee the real property (the "Land") situated in the County of Salt Lake, State of Utah, being more particularly described upon Exhibit "A" attached hereto and incorporated herein by this reference. Lessee may use such Land for the uses set forth in Article VI hereof so long as such uses are in conformity with any applicable Authorities affecting the Land, and Lessee will not do, or permit to be done, any action or thing which is contrary to any applicable Authorities or to any insurance requirement or which constitutes a public or private nuisance or waste.

2. Term. The initial term of this Lease shall be for a period of twenty (20) years from the date first hereinabove written. At any time before the expiration of the initial term of this lease, as long as the notice is given in writing to the Lessor 120 days before the expiration of the lease, the Lessee shall have the option to extend the term of the lease for an other 10 year period of time.

3. Date of Possession. Possession of the Land shall be delivered to Lessee upon execution of this Lease by Lessor and Lessee.

4. Condition of Leased Premises. Lessor makes no representation or warranty with respect to the condition or state of the Land or its fitness or availability for any particular use, and Lessor shall not be liable for any latent or patent defect thereon. Lessee acknowledges that it has conducted an on-site inspection of the Land, is fully familiar

with the physical condition of the Land and that it is receiving the Land "as is." Specifically, Lessee acknowledges that it is receiving its leasehold interest in the Land subject to the following conditions and circumstances:

(a) Odor. Lessee acknowledges that Lessor operates a wastewater treatment facility adjacent to the Leased Premises, and Lessee takes its leasehold interest in the Land subject to all normal operating conditions of such a wastewater facility, including any odor that may be emitted from such facility. The Lessee further acknowledges that as of the date of this lease that the odor does not interfere with its current business or the future planned activities for the Leased Premises. In the event that a future problem with the odor from the plant creates an environment detrimental to the business of the Lessee, the Lessee may terminate this lease without penalty; however, the Lessor will not be liable for any damages to the Lessee from odor coming from the wastewater facility.

(b) Uranium Mill Tailings. Lessee acknowledges that the Leased Premises are located upon a uranium mill tailings site that is subject to the provisions of the Uranium Mill Tailings Radiation Control Act of 1978 ("UMTRA"), codified at 42 U.S.C. §§7901 to 7942. Lessee further acknowledges that the Land is subject to ongoing remedial action concerning the soil and groundwater and agrees to provide access to the Leased Premises for the purpose of any necessary monitoring and/or

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remediation. Lessee shall not be responsible for the costs of any such remediation, and Lessor shall indemnify Lessee for any costs (except costs resulting from loss of business) incurred by Lessee in connection with any such remediation. Further, Lessor shall indemnify Lessee for any cost or claim arising from damages to health caused by the uranium mill tailings; but Lessor shall in no event indemnify Lessee for any costs associated with loss of business;

Further, except as set forth in this paragraph, Lessee hereby waives any claim, right, cause of action, etc., including but not limited to any claim for breach of this Lease by Lessor and any claim for business impairment, it may have against Lessor arising out of or in any way relating to any of the conditions or circumstances set forth above in Paragraph 4(a) - (b).

5. Quiet Enjoyment. Lessor represents that it has the right and capacity to enter into this Lease. Lessor covenants and agrees that upon Lessee's paying the rent and performing and observing all of the Lessee's obligations under this Lease, Lessee may peaceably and quietly have, hold and enjoy the Leased Premises for the term of this Lease, without hindrance or molestation by anyone claiming paramount title or claims through Lessor subject, however, to the covenants, agreements, terms, acknowledgments, waivers and conditions and other obligations of this Lease.

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6. Right of First Refusal. The Lessee is granted a right of first refusal^{AT EXPIRATION OF THE TERM OF THE LEASE} to meet and match any bonafide offer from a third party to purchase or lease the property described on Exhibit A. To exercise this right; however, the Lessee must not be in default of the terms required under this Lease and the Lessor must have determined that the real property is surplus. This right of first refusal shall exist during the term of this Lease and for a (1) year period from the date that the Lessee's interest in the lease is terminated, if for reasons other than the default of the Lessee.

ARTICLE III

LESSOR'S TITLE

Lessor holds fee simple title to the Land subject to exceptions of sight and record.

ARTICLE IV

RENT

1. Rent and Payment Thereof.

(a) Rental Payments. Lessee agrees to pay to Lessor during the Term of this Lease, at the time and place and in the manner specified herein, a fixed annual net ground rent ("Fixed Ground Rent") of \$12,000.00 for the Leased Premises covered hereby and for the rights and privileges granted Lessee under this Lease. The Fixed Ground Rent shall be due monthly in the amount of 1/12 of the annual fixed ground rent. Such monthly payments shall be due on the 1st day of each month during the

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term of this lease. The first monthly payment shall be due on the 1st of November, 1993.

(b) Escalation Clause. Starting on (same date as first monthly payment five years later) November 1, 1998, and continuing for each calendar year thereafter during the remaining term of this Lease, the base Fixed Ground Rent amount shall be \$12,000.00 plus an additional amount to be calculated in accordance with changes in the All Urban Consumers (CPI-U), U.S. City Average, All Items, Consumer Price Index (hereinafter called the "Price Index"), as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor. The increase in the Fixed Ground Rent amount shall be determined in accordance with the following provisions:

(i) The average Price Index for the calendar year 1994 shall be designated as the "Base Price Index" and shall remain the Base Price Index throughout the Lease.

(ii) Promptly after the end of the calendar year 1997 (and after the end of each calendar year thereafter), the increase in the Fixed Ground Rent to be paid during the next year in monthly installments starting on 1st of each calendar year thereafter) shall be determined. The amount of the annual increase to the Fixed Ground Rent shall be determined by multiplying \$12,000.00 by a fraction, the denominator of which shall be the Base Price Index and the numerator of which shall be the average Price Index for the immediately preceding

calendar year. See Exhibit "B" attached hereto for the method of calculation of the rental adjustment.

(iii) Any other provisions to the contrary notwithstanding, no such adjustment shall reduce the Fixed Ground Rent amount below the 1996 Fixed Ground Rent Amount of Twelve Thousand Dollars (\$12,000.00).

If Lessor claims to be entitled to an increase over and above the \$12,000.00 Fixed Ground Rent amount in accordance with the above provisions, Lessor shall send notice to Lessee setting forth the new rental claimed to be payable on the next August 1st, together with the supporting data and calculations. In the event that the Price Index hereinabove referred to ceases to incorporate a significant number of the items set forth currently in the Price Index, or if a substantial change is made in the method of establishing such Price Index, the Price Index shall be adjusted to the figure that would have resulted had no change occurred in the manner of computing such Price Index. In the event such Price Index is not available, a reliable governmental or other nonpartisan publication evaluating the information theretofore used in determining the Price Index shall be used in lieu of the Price Index.

(c) No Setoffs or Deductions. It is the intention hereof and the parties hereto agree that the Lessor shall receive the Fixed Ground Rent from the Lessee without any setoff or deduction whatsoever, free from all taxes, charges, expenses, damages and deductions of every description, and that

the Lessee shall pay all items of expense and damages which, except for the execution and delivery of this Lease, would have been chargeable against the Leased Premises and payable by Lessor.

(d) Interest on Late Payments. If Lessee shall fail to pay when due any payment of Fixed Ground Rent for a period of thirty (30) days after such payment shall have become due, Lessee shall pay interest thereon at an annual rate of three percent (3%) above the rate announced, from time to time, by Citibank, N.A. as its "prime rate" from the date when such payment shall have become due to the date of the payment thereof. This provision for interest on late rent is in addition to all other remedies available to Lessor, which Lessor specifically reserves, for non-payment of Fixed Ground Rent.

2. Place of Rental Payments. All payments of rent to be paid to Lessor under the terms of this Lease shall be made in lawful money of the United States which at the time of such payment shall be the legal tender for payment of public and private debts, and shall be payable at the office of Lessor, or at such other place or places as may be, from time to time, designated by Lessor by written notice to Lessee.

ARTICLE V
IMPOSITIONS

1. Payment of Impositions. All payments of Impositions shall be paid by Lessee when the same shall become due and payable (before any interest, penalty, fine or cost may be added thereto for non-payment) to the department, officer or bureau charged with the collection thereof.

2. Proof of Payment of Impositions. Lessee shall forward copies of all bills for Impositions, together with copies of Lessee's checks in payment thereof, promptly after payment of such Impositions by Lessee and Lessee, upon request of Lessor, will promptly exhibit to Lessor all paid bills for Impositions, which bills shall be returned to Lessee after inspection by Lessor.

3. Contest of Impositions. Lessee may, in its own name, or to the extent necessary under Lessor's name, contest in good faith by all appropriate proceedings, the amount, applicability or validity of any tax or assessment pertaining to the Leased Premises or improvements therein or property located thereon, and in the event Lessee does in good faith contest the applicability or validity of any tax or assessment, Lessor will cooperate in such contest whenever possible with Lessee; provided that such contest will not subject any part of the Leased Premises to forfeiture or loss. If at any time payment of the whole or any part of such tax or assessment shall become necessary in order to prevent any such forfeiture or loss, Lessee shall pay the same or cause the same to be paid in time to prevent such forfeiture or loss.

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ARTICLE VI
CONSTRUCTION OF IMPROVEMENTS
AND USE OF LEASED PREMISES

1. Preparation for Construction of Improvements. Before any construction on the Leased Premises is commenced, and before any building materials are delivered to the Leased Premises, Lessee shall comply with the following requirements or procure Lessor's written waiver of the requirement:

(a) Delivery of Preliminary Plans. Lessor shall deliver to Lessor for Lessor's approval two full sets of preliminary construction plans and specifications of the Project prepared by an architect or engineer licensed to practice in the state of Utah, including but not limited to preliminary grading and drainage plans, soil tests, utilities, sewer and service connection, locations of ingress and egress to and from public thoroughfares, curbs, gutters, parkways, street lighting, designs and locations for outdoor signs, storage areas, and landscaping, all sufficient to enable potential contractors and subcontractors to make reasonably accurate bid estimates and to enable Lessor to make an informed judgment about the design and quality of construction, about the impact of the Project, etc. All improvements shall be constructed within the exterior property lines of the Land (Lessee shall furnish to Lessor a survey of the Leased Premises showing the location of the Project in relation to the perimeter of the Leased Premises); provided that required work

beyond the Land on utilities, access, and conditional use requirements do not violate this provision. Lessor shall not unreasonably disapprove preliminary plans and specifications. Approval or disapproval shall be communicated in the manner provided for notices, and disapproval shall be accompanied by specification of the grounds for disapproval; Lessee shall not deliver working drawings to any governmental body for a building permit until preliminary plans are approved in writing by Lessor. Following any disapproval by Lessor, Lessee shall submit revised plans and specifications satisfactory to Lessor.

(b) Preparation of Final Plans. Lessee shall prepare final plans and specifications substantially conforming to preliminary plans previously approved by Lessor and submit them to Lessor for approval in writing, which approval shall not be unreasonably withheld or delayed.

(c) Contract with General Contractor. Lessee shall furnish to Lessor a true copy of Lessee's contract with the general contractor and with evidence of the general contractor's financial condition for Lessor's approval, which approval shall not be unreasonably withheld or delayed. The contract shall give Lessor the right but not the obligation to assume Lessee's obligations and rights under that contract if Lessee should default. However, Lessee may, at its option, act as such general contractor.

2. Construction of Improvements. No construction of the Project or related improvements shall be commenced until Lessee

has met 1) the requirements of Paragraph 1 above and 2) the following requirements or obtained a written waiver of that requirement by the Lessor:

(a) Proof of Insurance. Lessee shall furnish to Lessor the insurance set forth in Article VIII below.

(b) Permits. Lessee shall obtain and furnish to Lessor true copies of all necessary governmental approvals and permits relating to the Project or related improvements and shall comply with all applicable Authorities;

(c) Bonds. Lessee shall deliver to Lessor a contractor's completion bond (or other security acceptable to Lessor) of a surety company licensed to do business in the state of Utah, running to Lessor as obligee conditioned on the completion of the Project in accordance with the Final Plans and the provisions of this Lease, free and clear of all mechanics' or other liens and free and clear of all financing statements under the Uniform Commercial Code. This bond shall be in an amount and in a form and written by a company as the Lessor shall approve, which approval Lessor shall not unreasonably withhold.

(d) Worker's Compensation Insurance. Lessee shall deliver to Lessor satisfactory proof that worker's compensation insurance has been procured to cover all persons employed in connection with any construction.

3. Timetable for Construction of Improvements.
Development of the Project may be accomplished in phases; however, all phases of the Project must be completed within three years from the date of this Lease.

4. Use of Leased Premises.

(a) Construction and Operation of Project. Lessee shall be entitled to use the Leased Premises for the sole purpose of construction and operation of the Project, and Lessee shall not be entitled to use the Leased Premises for any other purpose without written consent of Lessor, which consent shall not be unreasonably withheld. Further, the Lessee shall not use or occupy or permit to be occupied, nor do or permit anything to be done in or on the Leased Premises, in whole or in part, in a manner which would in any way (i) violate any of the covenants, agreements, provisions and condition of this Lease or (ii) violate the certificate of occupancy then in force with respect thereto, or (iii) may make it difficult for either Lessor or Lessee to obtain fire or other insurance required hereunder, or, (iv) as will constitute a public or private nuisance.

(b) Other Conditions. Lessee shall not use or occupy or permit the Leased Premises to be used or occupied, in whole or part, in a manner which may violate any applicable Authorities or, in Lessor's judgment may, or tend to, impair or interfere with the operation, character, reputation or appearance of the Premises, the Project, or the wastewater treatment facility operated by Lessor.

(c) Title to Buildings. Title to all buildings and appurtenances thereto and all other improvements of whatsoever nature erected, constructed or installed by Lessee upon, under or about the Leased Premises and the fixtures, equipment and machinery necessary to the operation thereof erected,

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constructed or installed by Lessee, upon under or about the Leased Premises (all sometimes in this Lease called the "improvements") shall be and remain in Lessee during the term of this Lease, together with all items of personal property used by Lessee upon, under or about the Leased Premises. No interest in such improvements shall pass to Lessor until the expiration or earlier termination of this Lease. Lessee covenants and agrees that upon expiration or earlier termination of this Lease Lessee will yield up and deliver to Lessor the Leased Premises with all improvements, but without personal property, at such time free and clear of liens and indebtedness of any kind; ~~Lessee also covenants and agrees that upon the expiration or earlier termination of this Lease Lessee shall, at the discretion of Lessor, remove (at Lessee's cost) all improvements and additions upon the Leased Premises (except for grass and underground utilities) and return those portions of the Leased Premises to the condition they were in at the commencement of this Lease.~~

[Handwritten signature]
[Handwritten initials]

(d) Deed at Termination. Upon expiration or earlier termination of this Lease, Lessee shall, upon request by Lessor, execute a deed confirming Lessor's title to the improvements and alterations, modifications and enlargements thereof upon the Leased Premises.

5. Utilities. Lessee shall have the right to request and receive at its own expense all utility services necessary to conduct the business and activity upon the Leased Premises

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contemplated by this Lease. Lessee hereby agrees to pay all charges for utility services furnished upon the Leased Premises.

ARTICLE VII

MAINTENANCE, ALTERATIONS,

REMOVAL AND DEMOLITION

1. Maintenance. Lessee shall, at Lessee's expense, keep and maintain during the term of this Lease all of the Leased Premises, together with the improvements, in good repair and condition, reasonable wear and tear excepted.

2. Duty to Repair. Except as set forth in Paragraph 3 of Article VII hereof, if any part of the Project or any other improvement on the Leased Premises shall be damaged or destroyed by any cause whatsoever, Lessee shall, with reasonable promptness, repair and replace the same at its own expense, to at least the condition existing immediately prior to the damage or destruction, and shall do so, even though the proceeds of any insurance policies covering the loss shall be insufficient to reimburse Lessee therefor. All such repairs and/or replacements shall be done in a manner approved by Lessor (which approval shall not be unreasonably withheld) and shall be performed by Lessee in accordance with all applicable Authorities. Further, if such repair and/or replacement shall involve any construction, such construction shall be done in accordance with Article VI of this Lease.

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3. No Abatement; Option to Terminate. Lessee shall not be entitled to any abatement of rent, nor shall its obligations under this Lease be terminated during the Term, notwithstanding any destruction or damage to the Leased Premises by any cause whatsoever; provided, however, that if the Leased Premises are destroyed or damaged (by any cause whatsoever) to the extent of fifty percent (50%) of replacement value at any time during the last two (2) years of the Term, then Lessee and Lessor shall each have the right to terminate this Lease by giving the other parties hereto written notice within thirty (30) days after the date of such destruction or damage. Upon such termination, Lessee shall be discharged from any responsibility to repair the damage or to remove the improvements as discussed in Paragraph 4(d) of Article VI herein, but all proceeds of insurance covering the loss (except insurance proceeds relating to removable personal property of Lessee which Lessee could have otherwise removed at the termination of the Lease) shall in that circumstance belong to Lessor free of any claim thereto by Lessee.

4. Use of Insurance Proceeds. All insurance proceeds shall be deposited directly into an escrow account at the financial institution holding a first mortgage upon the Leased Premises, if any, and if such financial institution is willing to accept such escrow (if such a financial institution does not accept the escrow, then the escrow holder shall be any financial institution mutually agreeable to Lessor and Lessee),

with instructions to the escrow holder that the escrow holder shall disburse to Lessee moneys in stage payments as the repair and/or construction work (the "Work") progresses upon (1) certificates of the architect or engineer supervising the Work certifying the cost of work performed to the date of the certificate and the amount thereof paid and justly due, and upon (2) satisfactory proof that there are no liens and that there are no financing statements under the Uniform Commercial Code filed pertaining to the Work. Lessee shall receive all such payments from the escrow holder in trust and shall not commingle them with Lessee's other funds. The escrow holder may require the submission to it of any additional data it reasonably requires to assure that the payment is in all respects proper. The escrow holder and Lessor shall have the right to examine Lessee's contracts, books, and records concerning the Work.

5. Alteration. Lessee shall have the right and privilege at its own cost and expense, and upon advance approval in writing by the Lessor, to construct or erect on the Leased Premises any improvements which it may consider necessary or useful in connection with or related to the uses permitted under this Lease, or to alter, change or make other improvements to or in any existing improvements which it may consider necessary or useful.

6. Removal and Demolition. Except as provided herein, during the Term of this Lease Lessee shall not have the right

to remove or demolish, in whole or in part, any improvement upon the Leased Premises, except with the written consent of Lessor, which may, in its discretion, condition such consent on the obligation of Lessee to replace the same by improvements specified in such consent or to return the Leased Premises to the condition they were in at the commencement of this Lease, etc. The foregoing consent of Lessor shall not be unreasonably withheld. The foregoing provisions shall not impair the right of Lessee to remove any furniture, furnishing or other personal property from the Leased Premises. Neither shall the foregoing provisions negate or affect in any way the obligation of the Lessee, at its own expense, to remove (at the Lessor's discretion) all of the improvements at the expiration or earlier termination of this Lease, as described in Article VI hereof.

ARTICLE VIII

INSURANCE AND INDEMNIFICATION

1. Insurance. During the Term of this Lease, the Project and all improvements upon the Leased Premises shall be insured, at the sole expense of Lessee against loss by fire and other hazards, with both Lessor and Lessee named as loss payees. The fire and extended coverage insurance shall have limits of at least 100 percent (100%) of the then current replacement value of said improvements.

Lessee shall also obtain at its own expense 1) any worker's compensation insurance required by applicable Authorities, and 2) comprehensive broad form public liability

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insurance, with terms and limits approved in writing in advance by Lessor (which approval shall not be unreasonably withheld), to cover all uses of the Leased Premises by Lessee and the general public affording protection for personal injury or death or damage to property. Such policy shall be for the benefit of Lessee and Lessor, and Lessee will furnish evidence of such liability insurance to Lessor. Said policies and certificates shall contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to Lessor ten (10) days in advance of the effective date thereof.

2. Indemnification.

(a) Defense and Payment of Claims. Except as set forth in Paragraph 4(b) of Article II hereof, Lessee agrees to defend, indemnify and hold harmless Lessor, and all of its servants, agents and employees, from and against all liability or loss for injuries to or death of persons or damage to property caused by Lessee's act or omission to act, use of, or occupancy of the Leased Premises, or as the result of Lessee's operations on the Leased Premises. Each party hereto shall give to the other prompt and timely notice of any claim or suit instituted, coming to its or his knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each party shall have the right to participate in the defense of the same to the extent of its own interest.

(b) Mechanics' Liens. Lessee shall keep the Leased Premises free from mechanics' liens during the term of this Lease arising from labor and materials furnished for the benefit of the Leased Premises at the request of Lessee. Lessee shall, within sixty (60) days after written notice from Lessor of the existence of said mechanics' liens, either pay or bond the same or provide for the discharge thereof in such manner as may be provided by law. Lessee shall also defend on behalf of Lessor, at Lessee's sole expense, any action, suit or proceeding which may be brought thereon, and Lessee shall pay any damage resulting therefrom.

(c) Resisting Claims. In the event Lessee shall desire to resist any mechanics' liens, or any other claim against the Leased Premises on account of building, rebuilding, repairing, reconstruction or otherwise improving the Leased Premises or any improvements now or hereafter located thereon, Lessee shall have the right to do so, provided, Lessee shall first place funds into escrow in an amount sufficient to pay said claims or liens, with said escrow directed to pay said claims and liens in the event of a result adverse to Lessee.

ARTICLE IX

CONDEMNATION

1. All of Leased Premises. In the event the whole of the Leased Premises shall be taken by any public authority other than Lessor under the power of eminent domain, the Lease term shall cease on the date title passes or possession is

required for such public purpose. The rights and interests of Lessor and Lessee in and to the entire award, or the aggregate of any separate awards to Lessor and Lessee, irrespective of any determination of such rights and interests in any condemnation proceeding, shall be as follows:

(a) Payment of Expenses. There shall first be paid any and all reasonable fees and expenses incurred by both parties in collecting the awards in proportion that their respective participation in such award as hereinafter set forth shall bear to the total award.

(b) Division of Award. The balance of such award or awards shall be divided between the Lessor and Lessee in the ratio which (i) the then value of Lessor's interest in the Leased Premises (including its interest hereunder and its reversionary interest in the improvements) bears to (ii) the then value of Lessee's interest in the remainder of the lease term (including the value of Lessee's options, if any remaining) and the improvements for such remainder, determined in both cases in accordance with generally accepted appraisal principles.

2. Part of Leased Premises. In the event that only a part of the Leased Premises shall be so taken: Lessee shall have the option to terminate this Lease without any liability of Lessee to Lessor if the operation of the Project on the Leased Premises is materially impaired, or Lessee shall have the option to terminate this Lease without any liability of Lessee to Lessor as to such part taken, and the rent due

hereunder shall abate equitably; and the rights and interests of Lessor and Lessee in and to the entire award, or the aggregate of any separate awards to Lessor and Lessee, irrespective of any determination of such rights and interests in any condemnation proceeding, shall be as follows:

(a) Payment of Expenses. There shall first be paid any and all reasonable fees and expenses incurred by both parties in collecting the awards in proportion that their respective participation in such award as hereinafter set forth shall bear to the total award.

(b) Division of Award. The award or awards shall be divided into two portions, the first representing the separate values of the land and of the improvements so taken, the second representing the consequential or resulting damage to the parties for the parts not so taken. The amounts of each of said two portions and the amounts to which the parties are separately entitled out of such portions shall be determined and fixed by appraisal. The first of said funds shall be divided by the appraisers and awarded to the respective values for land and for improvements as determined by such appraisers, and the second of said funds shall be divided by the appraisers, and awarded in the following manner: The Lessor and Lessee shall each be entitled to receive a sum based on a percentage that the expired term, as at the date of such taking, bears to the full term of this Lease, such percentage increasing as to Lessor and decreasing as to Lessee. For example, if such taking shall occur at the end of six (6) years, Lessor shall be entitled to receive 6/20ths of said

moneys and Lessee 14/20ths thereof; if such taking shall occur at the end of fourteen (14) years, Lessor shall be entitled to receive 14/20ths of said moneys and Lessee 6/20ths thereof.

3. Condemnation by Lessor.

In the event the whole or a part of the Leased Premises shall be taken by the Lessor under the power of eminent domain during the term of the Lease, such condemnation shall be governed by applicable Utah law rather than this Article.

ARTICLE X

APPRAISAL

Whenever under the provisions of this Lease, the value of the Leased Premises or of the improvements on the Leased Premises is required to be appraised, such appraisal shall be made as follows:

Each party hereto shall designate in writing to the other an appraiser, who shall be a member of the American Institute of Appraisers, and such two appraisers shall thereupon complete such appraisal within ten (10) days following the designation of the second of such appraisers. In the event either party shall fail to designate an appraiser within ten (10) days following notice of the designating of the first appraiser, the party designating the first appraiser shall, at the expense of the party so failing to designate an appraiser, request the highest presiding judge of the County or City wherein the Leased Premises are located to designate the second appraiser. In the event the said appraisers shall fail to agree within ten (10) days following the date of the designation of such second

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appraiser, then a third appraiser shall be designated by such two appraisers, and in the event of their inability to agree upon a third appraiser, such third appraiser shall be designated on the application of either party by the highest presiding judge of the County or City wherein the Leased Premises are located. The three appraisers so designated shall thereupon make such appraisal and if they unanimously agree, then such determination shall be binding upon Lessor and Lessee. If they do not unanimously agree, each will make a separate appraisal and the average of the three appraisals shall be binding upon Lessor and Lessee. The cost of any such appraisal shall be borne equally by Lessor and Lessee.

ARTICLE XI

DEFAULT PROVISIONS

TERMINATION BY LESSOR FOR LESSEE'S DEFAULT

1. Default by Lessee. If Lessee defaults in any of the covenants herein contained or breaches the terms of this Lease in any respect whatsoever, and Lessee shall continue such default for a period of thirty (30) days after notice in writing from Lessor specifying such default directed to Lessee, Lessor shall have the right to terminate this Lease and/or to enter upon the Leased Premises and take exclusive possession of the same; provided, however, that if such default is incapable of being cured with diligence within such thirty (30) day period and if Lessee shall proceed promptly to cure the same and thereafter shall prosecute such curing with diligence, then

upon receipt by Lessor of a certificate from Lessee stating the reason such default cannot be cured within the thirty (30) day period and stating the estimated time necessary to fully cure such failure with diligence, the time period within which such failure may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence. The exercise of the remedy provided for in this Article XI shall be cumulative and shall in no way affect any other remedy available to Lessor. If Lessor elects to so terminate this Lease, then Lessee agrees to pay to Lessor (within 30 days of the date of notice of such termination) all amounts that Lessor shall be entitled to receive from Lessee under applicable law. Upon such termination, Lessor shall not be obligated to pay any sums whatsoever to Lessee.

2. Lessee's Condition. If during the term of this Lease, Lessee shall:

(a) Appointment of Receiver. Apply for or consent in writing to the appointment of a receiver, trustee or liquidator of the Lessee or of all or a substantial part of its assets; or

(b) Voluntary Bankruptcy. File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they become due; or

(c) Assignment for Creditors. Make a general assignment for the benefit of creditors; or

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(d) Reorganization or Arrangement. File a reorganization or arrangement with creditors or to take advantage of any insolvency law; or

(e) Admit Insolvency. File an answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or an order, judgment or decree shall be entered by any court of competent jurisdiction on the application of a creditor adjudicating Lessee bankrupt or insolvent or approving a petition seeking a reorganization of Lessee or appointment a receiver, trustee or liquidator of Lessee, or of all or a substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) consecutive days; then, in any such events, Lessor may give Lessee a notice of intention to end the term of this Lease after the expiration of thirty (30) days from the date of service of such notice, and, on the date set forth in said notice, the term of this Lease and all right, title and interest of Lessee hereunder shall expire and be terminated as fully and completely as if that date were the date herein specifically fixed for the expiration of the term, and Lessee agrees 1) to quit and surrender the Leased Premises to Lessor; and 2) to pay to Lessor (within 30 days of the date of notice of such termination) all amounts that Lessor shall be entitled to receive from Lessee under

applicable law. Upon such termination, Lessor shall not be obligated to pay any sums whatsoever to Lessee.

3. Waiver of Default. No waiver of default by any party hereto of any of the terms, covenants or conditions herein to be performed, kept and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by either party hereto.

Further, no receipt of moneys by Lessor from Lessee after the termination or cancellation of this Lease in any lawful manner shall (a) reinstate, continue or extend the Term of this Lease; (b) affect any notice theretofore given to Lessee; (c) operate as a waiver of the rights of Lessor to enforce the payment of any rent then due or thereafter falling due; or (d) operate as a waiver of the right of Lessor to recover possession of the Leased Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease, or after the commencement of suit, action or summary proceedings, or any other remedy, Lessor may demand, receive and collect any moneys due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit action, order or judgment. The receipt by the Lessor of any rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. Further, the receipt by Lessor of any installment of the Fixed Ground Rent or the Percentage Rent shall not be a

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waiver of any remaining Fixed Ground Rent or Percentage Rent still due.

ARTICLE XII

ASSIGNMENT

Lessee may not make any assignment of its interest, rights and/or obligations under this Lease without prior written consent of Lessor, which consent shall not be unreasonably withheld. Any assignee of Lessee will be fully bound by the terms and conditions of this Lease Agreement.

ARTICLE XIII

GENERAL PROVISIONS

1. Inspection by Lessor. Lessor may enter upon the Leased Premises during business hours for any purpose necessary, incidental to or connected with verification of the performance of Lessee's obligations hereunder.
2. Negation of Partnership. Lessor and Lessee have not entered into any type of partnership agreement, and this Lease shall not in any manner whatsoever be considered any type of Partnership Agreement.
3. Modification of Lease. This Lease contains the entire agreement among the parties, and any agreement hereafter made shall not operate to change, modify or discharge this Lease in whole or in part unless such agreement is in writing and signed by the parties hereto.

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4. Lessor's Right to Cure Lessee's Defaults. Should Lessee fail to perform any of the covenants or terms of this Lease, Lessor may (but is not obligated to) perform the same and Lessee shall be obligated to pay to Lessor any sum expended by Lessor in such performance within thirty (30) days after written notice from Lessor.

5. Lessee's Good Standing. Lessee shall remain an entity in good standing and qualified to do business in the state of Utah.

6. Cancellation of Previous Lease. Lessee is presently leaving a portion of the land upon which is located a warehouse presently being used by Lessee. The execution of this lease cancels any and all covenants contained in the original lease and both parties waive any and all rights under the original lease.

7. Controlling Law. This Lease shall be deemed to be made and shall be construed in accordance with the laws of the State of Utah.

8. Successors. This Lease shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.

9. Severability. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those

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as to which it is held invalid or unenforceable, shall not be affected thereby.

10. Notices. All notices required to be given to Lessee under the terms of this Lease shall be given by registered mail, postage prepaid, addressed to Lessee as follows:

Gregory Grani
3223 South 900 West
Salt Lake City, UT 84119

with a copy to

Robert S. Hutchinson
3223 South 900 West
Salt Lake City, UT 84119

or at such other address as Lessee may designate in writing delivered to Lessor. Similar notice shall be addressed to Lessor as follows:

CENTRAL VALLEY WATER RECLAMATION FACILITY
BOARD
c/o Reed Fisher, General Manager
800 West Central Valley Road
Salt Lake City, Utah 84119-3379

with a copy to

Fred W. Finlinson, Esq.
CALLISTER, DUNCAN & NEBEKER
800 Kennecott Building
Salt Lake City, Utah 84133

or at such other address as Lessor may designate in writing delivered to Lessee.

11. Attorney's Fees. In the event any action or proceeding is brought by any party hereto against any other party under this Lease, the prevailing party shall be entitled to recover attorney's fees and costs in such amount as determined reasonable by the court.

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IN WITNESS WHEREOF, the parties have set their hands effective the day and year first above written.

LESSOR
CENTRAL VALLEY WATER RECLAMATION
FACILITY BOARD

By: [Signature]
Its: David [Signature]

LESSEE

By: [Signature]
Gregory Grani 50% PARTNER
[Signature]

COPY -
CO. RECORDER

State of California
County of Los Angeles
On 11/30/93 before me, Maria Herrera, Notary Public
(DATE) (NAME, TITLE OF OFFICER - I.E., 'JANE DOE, NOTARY PUBLIC')
personally appeared Gregory Grani, partner
(NAME(S) OF SIGNER(S))

RIGHT THUMBPRINT (OPTIONAL)

TOP OF THUMB HERE

CAPACITY CLAIMED BY SIGNER(S)

- INDIVIDUAL(S)
- CORPORATE
- OFFICER(S) _____
- PARTNER(S) (TITLE(S)) _____
- ATTORNEY IN FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.



OFFICIAL SEAL
MARIA HERRERA
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY
My Commission Expires April 22, 1994

[Signature]
(SIGNATURE OF NOTARY)

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(ES))

ATTENTION NOTARY: The information requested below is OPTIONAL. It could, however, prevent fraudulent attachment of this certificate to any unauthorized document.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:
Title or Type of Document _____
Number of Pages _____ Date of Document _____
Signer(s) Other Than Named Above _____

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IN WITNESS WHEREOF, the parties have set their hands effective the day and year first above written.

LESSOR
CENTRAL VALLEY WATER RECLAMATION
FACILITY BOARD

By: *Gary Swensen*
Its: *Board Chairman*

LESSEE

By: *Gregory Grant*
Gregory Grant 50% PARTNER

By: *Robert S. Hutchinson*
Robert S. Hutchinson 25% PARTNER

By: *Stephen McDannold*
STEPHEN MCDANNOLD 25% PARTNER

- COPY -
CO Recorder

STATE OF UTAH
COUNTY OF SALT LAKE

)
) ss.
)

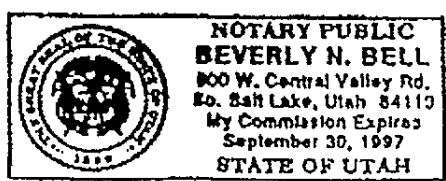
On the 14th day of January, 1997,
personally appeared before me *Gary C. Swensen*, who
being by me duly sworn did say that he is the GENERAL MANAGER *Board Chair*
of CENTRAL VALLEY WATER RECLAMATION FACILITY BOARD, and that
the within and foregoing instrument was signed in behalf of
CENTRAL VALLEY WATER RECLAMATION FACILITY BOARD by authority of
its Board of Directors, and said *Gary C. Swensen* being
authorized, acknowledged to me that he executed the same having
been thereunto duly authorized.

Beverly N. Bell
NOTARY PUBLIC

Residing At: *South Salt Lake, Utah*

September 30, 1997

My Commission Expires:



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STATE OF UTAH)
) ss.
 COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this ___
 day of October, 1993, by Gregory Grani.

 NOTARY PUBLIC

My Commission Expires:

Residing At:

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STATE OF UTAH)
) ss.
 COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this ___
 day of October, 1993, by Robert S. Hutchison.

 NOTARY PUBLIC

My Commission Expires:

Residing At:

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EXHIBIT "A"

The following real property is located in Salt Lake County, State of Utah, and is located on the East side of 9th West Street and is more particularly described as follows:

Commencing at the South East Corner of Section 26, Township 1 South, Range 1 West, Salt Lake Base & Meridians; thence as follows:

North 1684.13' and West 1754.60' to the Point of Beginning and thence: S 89°45'47" East 211'; thence N00°14'13" East 405'; thence N89°45'47" West 211'; thence S00°14'13" West 405' to the Point of Beginning. Contains 1.96 acres.

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EXHIBIT "B"

The method for calculation of the escalation adjustment described in Paragraph 1(b) in Article IV hereof is demonstrated, for the adjusted annual Fixed Ground Rent, the first monthly installment which is due _____ 1, 1998, is to be calculated as follows:

$$\$12,000.00 \times \frac{150.3* \text{ (Average Price Index for 1997)}}{124* \text{ (Base Price Index for 1994)}} = \$14,545.16$$

Accordingly, if the Average Price Index for 1997 were 150.3 and the Average Price Index for 1994 were 124, the Fixed Ground Rent due on _____ 1, 1998 would be \$14,545.16. This amount would then be divided by 12 to reflect the monthly payment for the next year. The calculation for each succeeding year would be the same except that the numerator of the fraction would be the Average Price Index for the immediately preceding calendar year.

*The actual Average Price Indexes for 1994 and 1997 are obviously not yet available; the numbers used in the above calculation are for illustrative purposes only.

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