

LEASE

This Lease is made at Ogden, Utah, this first day of August, 1998, by and between Ray L. Kimber, Individual ("Lessor") and R.K.B. Industrial, Inc., an Idaho Corporation, d.b.a. KIMBER KABLE, (Lessee).

Subject to the covenants, terms and conditions set forth below, Lessor leases to Lessee the premises, grounds, and parking lot. Together with all buildings and improvements. Situated in Weber County, Utah, Commonly known as 2752 South 1900 West, Ogden, Utah 84401 and more particularly described on attached Exhibit "A".

1. TERM. The term of this Lease shall be for 252 months commencing on August 1, 1998, and ending on August 31, 2019.

2. BASIC RENT. The basic rent for the full term of this Lease shall be the sum of Three million twenty four thousand dollars and 00/100 (\$3,024,000.00). Paid in advance at such a place that may be designated in writing, in lawful money of the United States of America in monthly payments at the rate of \$12,000.00 per month through August 2019. Installments are payable on the first day of each calendar month during the term hereof.

3. USE. Use of the premises shall be used and occupied only for the purpose of operating a manufacturing and marketing facility, or any other lawful business or activity. Lessee shall, at Lessee's expense comply with all covenants, conditions, and restrictions of record and all applicable statutes, ordinances, zoning restrictions, rules, regulations, orders and requirements of duly constituted public authorities now existing and hereafter enacted which in any manner affect the premises.

4. UTILITIES. Lessee shall pay for all water, gas, heat, light, power, telephone and all other utilities and services supplied to the premises, together with any taxes thereon.

5. TAXES, ASSESSMENTS AND SURCHARGES. Real Property Taxes and Assessments. As additional rent, Lessee shall pay to Lessor on the first day of January of each year that this Lease is in force the amount of the property tax of the previous year. "Real Property Taxes and Assessments" shall include Lessee's proportion of all city, county and all other taxes and general and special assessments levied upon or assessed against the real property of which the premises and grounds and parking lot are a part, or arising in respect to the occupancy, use or possession of the premises or grounds and parking lot and which are assessed and are or become a lien during the term of this Lease.

6. CONDITION AND MAINTENANCE OF PREMISES. Lessee's acceptance of possession of the premises and grounds and parking lot shall constitute Lessee's acknowledgment that the premises and grounds and parking lot are in good and tenable

E# 1565048 BK1947 PG86
DOUG CROFTS, WEBER COUNTY RECORDER
07-AUG-98 812 AM FEE \$25.00 DEP MB
REC FOR: HOME.ABSTRACT

condition. Should any standard or regulation new or hereafter be imposed on Lessor or Lessee by anybody, state or federal, charged with the establishment, regulation and enforcement of occupational health or safety standards for employers, employees, Lessors or Lessees, then Lessee agrees, at its sole cost and expense, to comply promptly with such standards or regulations. Lessee shall keep and maintain the premises in as good, clean and sanitary order, condition and repair as they shall be upon the commencement of the term of this Lease, ordinary wear and tear excepted.

On the last day of the term hereof Lessee shall surrender the premises to Lessor in the same condition as when received.

7. ALTERATIONS AND ADDITIONS. Lessee shall not make any alterations, improvements, or additions in, on or about the premises, nor install, remove or change any signs, or modify landscaping in the grounds and parking lot ("Alterations") without Lessor's prior consent. Further, Lessee, as a condition in Lessor's consent to any proposed Alterations, shall furnish Lessor with plans and specifications for its approval which have been stamped with notations of approval by the appropriate government building department, if such building department approval is required.

Lessee's trade fixtures which have been or may be installed, placed or attached in or about the premises by Lessee shall remain the property of Lessee. Upon termination of this Lease, Lessee may remove all or any of its trade fixtures so installed, placed or attached in, about or to the premises: provided, however, that any damage caused to the premises by reason of such removal shall be repaired and paid for by Lessee prior to Lessee's vacating of the premises. Any trade fixtures and other property of Lessee not removed from the premises within thirty (30) days after the termination of this Lease, shall be deemed abandoned by Lessee and become the property of Lessor.

8. MECHANIC'S LIENS. Lessee shall not permit any mechanics', laborers', or materialmen's liens to stand against the premises or against Lessor's or Lessee's interest therein by reason of any work, labor, services or material done for, or supplied to or claimed to have been done for or supplied to, Lessee or anyone holding the premises through or under Lessee.

9. INSURANCE

A. General. All insurance provided for herein, whether obtained by Lessor or Lessee, shall name Lessor as an additional insured. In the event there is a deductible clause in any standard form policy in use in the State of Utah, then the amount deducted from the coverage by said clause shall be borne by Lessee. Any insurance containing a deductible clause of Five Thousand Dollars (\$5,000) or less in the standard form policy shall not, by

virtue of said deductible clause, be regarded as unsatisfactory.

B. Public Liability Insurance. Lessee, at its own cost and expense, shall procure and keep in force during the term of this Lease a policy of comprehensive public liability insurance covering the premises and grounds and parking lot, including any liability Lessee assumes under this Lease, with a combined single limit coverage of not less than \$1,000,000 with respect to personal injury, death or property damage resulting from any one occurrence. The minimum limits of coverage mentioned above shall not limit Lessee's liability under this Lease.

C. Fire Insurance. Lessee, at Lessee's sole expense shall maintain fire insurance insuring the premises, grounds and parking lot against loss or damage by those risks embraced by coverage of the type now known as the broad form, "all risk" or special extended coverage, including, but not limited to, endorsements covering losses sustained by reason of fire and lightning, riot and civil commotion, vandalism and malicious mischief. The fire insurance policy, and all endorsements thereto, shall be in the full replacement value of the premises.

The policies evidencing all insurance referred to in this subparagraph C shall provide for losses to be adjusted with and payable to Lessor, and payable to any encumbrancer of record as their respective interests may appear, and said policies, if requested by Lessor, shall be endorsed with a standard form mortgagee loss payable endorsement in use in the State of Utah.

D. Release of Subrogation Rights. Lessor and Lessee release the other to the extent of the proceeds of the releasing party's insurance coverage, from any and all liability or responsibility to the other or anyone claiming through or under the releasing party by way of subrogation or otherwise for loss, injury, or damage caused by any of the perils for which they have respectively agreed to provide insurance, notwithstanding that such perils, loss, damage or injury may be due to or shall have been caused by the fault or negligence of the released party, its agents, or anyone for whom the released party may be responsible: provided, however, that this release shall be applicable and in force and effect only with respect to a loss, injury or damage covered under the releasing party's policies of fire and extended coverage insurance (including contents insurance), if any, in existence in regard to the premises, and occurring during such time as said policies contain a provision to the effect that this release shall not affect the coverage or the effectiveness of said policies or the right of the releasing party to recover thereunder.

10. EXEMPTION AND INDEMNITY OF LESSOR FROM LIABILITY. Lessee agrees to protect, indemnify and save Lessor, the premises and grounds and parking lot free and harmless from and against any and all claims, demands and causes of action of any nature whatsoever (other than arising from the negligence of Lessor or its employees), and claim or

action for injury to or death of persons or loss or damage to property occurring on the premises, grounds and parking lot or the adjoining sidewalks, streets, or ways, or in any manner growing out of or connected with the Lessee's use and occupation of the premises, grounds and parking lot, or the condition thereof, or of the adjoining sidewalks, streets or ways. Lessor shall not be liable for any personal injury to Lessee or to its officers, agents, or employees or to any other occupant or user of the premises, grounds and parking lots, or for any damage to any property of Lessee or of any other occupant of the premises or grounds and parking lot.

11. BREACH BY LESSEE. Lessee shall be in breach of this Lease if at any time during the term of this Lease:

A. Lessee fails to make payment of any basic monthly installment of rent or of any other sum herein specified to be paid by Lessee, and such failure is not cured within three (3) days after Lessor's written notice to Lessee of such failure of payment; or

B. Lessee fails to observe or perform any of its other covenants, agreements or obligations hereunder, and such failure is not cured within thirty (30) days after Lessor's written notice to Lessee of such failure: provided, however, that if the nature of Lessee's obligation is such that more than thirty (30) days are required for performance, then Lessee shall not be in breach if Lessee commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

12. SALE OF PREMISES. In the event of the sale, transfer, or assignment of Lessor's interest in the premises during the term of this Lease, the Lessor's successor in interest shall be bound by all of the covenants or conditions, express or implied, contained in this Lease in favor of Lessee, and in such event Lessee agrees to look solely to the responsibility of Lessor's successor in interest, and Lessee will attorn to Lessor's successor in interest and recognize such successor in interest as Lessor under this Lease.

13. LESSOR'S ACCESS. Lessor and Lessor's agents shall have the right to enter the premises at reasonable times for the purpose of inspecting the same, and making such alterations, repairs, improvements or additions as allowed under the Lease.

14. ATTORNEY'S FEES. In the event either Lessor or Lessee shall bring any action or proceeding for damages for any alleged breach of any provision of the Lease, to recover rents, or to enforce protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as part of, or incident of, such action or proceeding, all attorney's fees and court costs incurred in the preparation and processing of such action or proceedings.

15. MISCELLANEOUS.

A. **Successors.** This Lease, subject to the provisions on assignment and insolvency, shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. Any transfer of this Lease whether by Lessee or any assigns of Lessee by operation of law or by voluntary assignment, with or without the consent of Lessor shall not diminish, alter, or prejudice the direct and primary liability of Lessee under this Lease and the covenants hereof.

B. **INTERPRETATION.** This Lease shall be construed according to the laws of the State of Utah.

C. **SEVERABILITY.** Any provision of this Lease determined to be invalid by a court of competent jurisdiction, shall in no way affect any other provision hereof.

D. **TIME OF ESSENCE.** Time is of the essence in the performance of all conditions hereof of which time is a factor.

E. **NOTICES.** Lessor and Lessee may from time to time designate some one person, firm or corporation, and the address thereof, to receive notices, rental payments, tenders, and other documents and things which the parties are required or permitted to deliver to or serve upon the other during the term of the Lease.

F. **OWNERSHIP.** Both parties agree to maintain the exact present ownership of the Lessor and Lessee during the term of this lease.

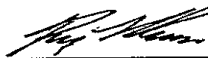
16. CANCELLATION OF PRIOR LEASE, REPLACEMENT IN ENTIRETY.

This lease agreement supercedes and replaces in its entirety that certain lease agreement previously executed and delivered between Lessor and Lessee, dated April 1, 1991, and recorded August 15, 1991 as Entry No. 1147197, in Book 1604, Page 1828, records of Weber County, Utah, it being the intent and understanding of Lessor and Lessee that such prior lease is cancelled, effective with the execution and delivery of this Lease Agreement.

Any notice or other document or thing required or permitted to be given to Lessor or Lessee hereunder shall be deemed delivered upon personal delivery thereof or two (2) days after deposit thereof in a sealed wrapper, by United States registered or certified mail, first class postage prepaid, addressed to the party.

Lessor and Lessee have caused this Lease to be executed as of the day and year first above written.

LESSOR: Ray L. Kimber



Ray L. Kimber, Individually

LESSEE: R.K.B. Industrial, Inc.

By:



Ray L. Kimber, President

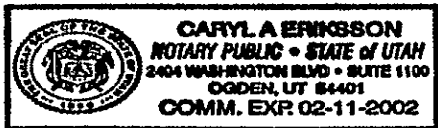
CURRENT ADDRESS LESSOR: 2752 South 1900 West, Ogden, Utah 84401

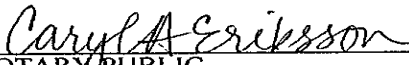
CURRENT ADDRESS LESSEE: 2752 South 1900 West, Ogden, Utah 84401

ACKNOWLEDGMENT

STATE OF UTAH)
 :SS
COUNTY OF Weber)

On this 4th day of August, 1998, personally appeared before me Ray L. Kimber, who being by me duly sworn, did say that he executed the same.

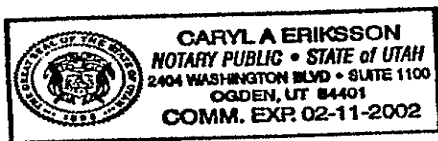



NOTARY PUBLIC
Residing at: Ogden, Utah

ACKNOWLEDGEMENT

STATE OF UTAH)
 :SS
COUNTY OF Weber)

On this 4th day of August, 1998, personally appeared before me Ray L. Kimber, who being by me duly sworn, did say that he is the President of R.K.B. Industrial, Inc., a corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors.



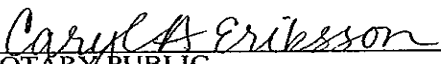

NOTARY PUBLIC
Residing at: Ogden, Utah

EXHIBIT "A"

Debtor and Trustor: Ray L. Kimber, to assist, R.K.B. Industrial, Inc.,
dba: Kimber Kable

Secured Party and Beneficiary: Northern Utah Capital, Inc. and
The U.S. Small Business Administration

Real Property Description

PARCEL 1: (#15-159-0004)
Part of Lot 71, OGDEN COMMERCIAL AND INDUSTRIAL PARK, PLAT "D", a recorded subdivision in Ogden City, Weber County, Utah: Beginning at the Northwest corner of said Lot 71, and running thence South 89D09' East 233.03 feet along the North line of said Lot 71; thence South 0D28' West 186.93 feet; thence North 89D09' West 233.03 feet to the West line of said Lot 71; thence North 0D28' East 186.93 feet along said West Lot line to the point of beginning.

TOGETHER with a right-of-way for ingress and egress 15 feet wide described as follows: Beginning 207.17 feet North from the Southwest corner of Lot 71, running thence East 258.35 feet, thence South 15 feet, thence West 258.35 feet, thence North 15 feet to the point of beginning.

PARCEL 2: (#15-159-0005)
Part of Lot 71, OGDEN COMMERCIAL AND INDUSTRIAL PARK, Plat D, Ogden City, Weber County, Utah: Beginning North 0D28' East 207.17 feet and South 89D09' East 233.03 feet from the Southwest corner of said Lot 71, running thence North 0D28' East 186.93 feet, thence South 89D09' East 230.32 feet, thence South 0D28' West 186.93 feet, thence North 89D09' West 230.32 feet to the point of beginning.

TOGETHER with a right-of-way for ingress and egress 15 feet wide described as follows: Commencing South 89D09' East 273.35 feet from the Southwest scorner of said Lot 71, OGDEN COMMERCIAL AND INDUSTRIAL PARK, PLAT "D", and running thence North 0D28' East 207.17 feet to the South line of property which is owned by Ray L. Kimber; thence South 89D09' East 15.00 feet; thence South 0D28' West 207.17 feet to the South line of said Lot 71; thence North 89D09' West 15.00 feet to the point of beginning, as granted in Agreement Vacating Existing Right of Way and Creation of New Right of Way recorded November 4, 1997 in Book 1890, Page 2, Records of Weber County, Utah.

The address of such property is 2752 South 1900 West, Ogden, Utah 84401.

The owner of such real property is Ray L. Kimber

EE 1565048 BK1947 PG92